

**DRAFT LAW THAT REGULATES REAL ESTATE SERVICES AND BROKERAGE
CONTRACTS
PRESENTED TO THE NATIONAL CONGRESS
THE NATIONAL CONGRESS IN THE NAME OF THE REPUBLIC**

Whereas, first: Article 50 of the Constitution establishes that the State recognizes and guarantees free enterprise, trade, and industry. All individuals have the right to freely engage in the economic activity of their choice, subject only to the limitations prescribed by this Constitution and by law. Furthermore, paragraph 2 states that the "State may enact measures to regulate the economy and promote national competitiveness plans and drive comprehensive national development."

Whereas, second: Article 53 of the Constitution, regarding Consumer Rights, establishes that "Everyone has the right to access quality goods and services, as well as objective, truthful, and timely information about the content and characteristics of the products and services they use or consume, under the provisions and regulations established by law. Persons who are harmed or affected by poor quality goods and services have the right to compensation or indemnification in accordance with the law."

Whereas, third: Article 9 of the National Development Strategy Law 2012–2030, particularly in its third general objective (section 3.2), seeks to achieve a competitive and innovative economy in an environment that promotes cooperation and social responsibility. It emphasizes the need to "strengthen the legal and institutional framework to ensure consumers' right to access quality goods and services and to obtain objective, truthful, and timely information about their content and characteristics."

Whereas, fourth: Given the current national and international context—characterized by market globalization, free trade, and constant technological innovation—it is necessary for the country to modernize its system of real estate sales and rental intermediation.

Whereas, fifth: It is essential to introduce new technical concepts to provide maximum protection to buyers and sellers, and to establish the necessary safeguards within the real estate business so that contracting parties can be assured that brokers, agents, and assistants within real estate companies operate according to fundamental standards of professional ethics and legal compliance.

Whereas, sixth: There is an urgent need for the population to benefit from proper guidance and high-quality service in real estate intermediation, provided by brokers, agents, sales assistants, and real estate companies duly monitored by the Dominican State.

Whereas, seventh: Real estate brokerage is a wealth-generating activity, and the State must promote and sustain this vital economic sector to support national growth and development.

Whereas, eighth: There is an urgent need to clearly regulate the real estate sales and rental business, especially aspects previously unaddressed that are now common in international standards.

Whereas, ninth: It is necessary to bring transparency to the real estate intermediation business in the Dominican Republic by having a legal instrument that allows for effective oversight and control of the real estate market.

Whereas, tenth: It is in the public interest to promote the real estate market to increase construction industry output and safeguard the rights and interests of those acquiring real estate. Regulation is essential for the development of the real estate sector, particularly regarding intermediaries and brokers.

Whereas, eleventh: It is imperative that the population benefit from proper attention and guidance in high-quality and suitable real estate intermediation, provided by brokers, agents, sales assistants, and real estate companies, all duly monitored by the Dominican State and a professional governing body.

Whereas, twelfth: The mandatory nature of real estate mediation is essential for effective regulation and for the elimination of malpractice in the sector. It also serves to better protect users of real estate services and to elevate the professional image of companies and agents operating within the industry.

In view of:

- The Constitution of the Republic;
- Law 1-12, establishing the National Development Strategy 2030, dated January 25, 2012;
- Law 108-05 on Real Estate Registration, as amended by Law 51-07 dated April 2, 2005, and its complementary regulations;
- Law No. 358-05, dated September 19, 2005, on consumer rights protection;
- The Dominican Republic Commercial Code, dated July 4, 1882, and its amendments;
- The Civil Code of the Dominican Republic;
- Law No. 108-05, dated April 4, 2007, on Real Estate Registration, and its regulations;
- Law No. 50-87, dated May 21, 1987, on Official Chambers of Commerce, Agriculture, and Industry of the Republic;
- Law No. 189-11, on the Development of the Mortgage Market and Trust in the Dominican Republic, dated July 16, 2011;
- Law No. 2334, on the Registration of Civil, Judicial, and Extrajudicial Acts, dated May 20, 1885, and its amendments;
- The Penal Code of the Dominican Republic;
- The Internal Rules of the Chamber of Deputies.

HAS ENACTED THE FOLLOWING LAW
CHAPTER I
GENERAL PROVISIONS
PURPOSE, OBJECT, SCOPE, AND DEFINITIONS

Article 1 – Purpose.

This law aims to protect the legal relationship between the client and the real estate broker or their agents, and to safeguard trust in the real estate market, arising from the legal transactions involved in real estate intermediation.

Article 2 – Object.

This law governs the regulatory, organizational, and management framework of real estate brokerage activities applicable to real estate intermediaries operating within national territory. It sets the requirements for their practice, the rights and obligations of brokers and agents, and the brokerage contract, in addition to quality control measures for such services.

Article 3 – Specific Objectives.

Concerning regulation of real estate transactions performed by natural or legal persons as intermediaries, including:

1. Purchase, sale, exchange, contribution to a company, creation of autonomous patrimony, or any transaction involving transfer of ownership, in whole or in part, of constructed or future real estate;
2. Subscription, purchase, sale, exchange, or any transaction involving shares in companies such as legal entities, de facto companies, joint ownerships, or autonomous patrimonies whose assets are based on real estate developments to be distributed among partners or participants;
3. Leasing and related legal transactions, as well as any contract relating to the use of a furnished or unfurnished property, including contracts for the acquisition or granting of ownership or use of timeshare real estate units, unless performed by travel or tourism agencies;
4. Protection of the rights of contracting parties or clients, as active or passive participants in the market;
5. Promotion of training, innovation, and technological adaptation aimed at enhancing the quality of real estate brokerage services and the competitiveness of the real estate market in the country;
6. Establishment of policies, regulations, and actions that promote control and good practices among real estate brokers;
7. Promotion of policies ensuring transparency and security in real estate transactions;
8. Promotion of the real estate brokerage profession through legally registered organizations that provide ongoing training, adhere to a code of ethics, and have operated for at least five years as an association or legal entity.

Article 4 – Public Order.

The provisions of this law are of public order and aim to regulate the provision of real estate services throughout the Republic.

Article 5 – Scope of Application.

This law applies to all natural and legal persons who operate as real estate brokers or agents within the territory of the Republic, regardless of the title they use, as defined in this law. To lawfully engage in real estate brokerage in the Republic, individuals must hold a broker or agent license issued by the Ministry of Industry, Commerce, and MSMEs.

Article 6 – Legal Nature of the Provisions.

Contractual provisions in this law allow contrary agreement, except where deemed public order. All other provisions are of public order and any agreement to the contrary will have no legal effect, unless explicitly allowed.

Article 7 – Excluded Activities.

Negotiations related to real estate carried out directly by owners or beneficiaries, or through their general or special legal representatives, are not considered brokerage activities under this law—except when such representation conceals habitual brokerage practices.

Article 8 – Definitions.

For purposes of this law, the following terms are defined:

1. **Broker.** A natural person who, on a regular and compensated basis and in their own name, acts as an intermediary between two or more parties in the negotiation of real estate contracts, without a relationship of mandate, representation, subordination, or dependency among the parties.
2. **Real Estate Agent.** A person who performs their function on behalf of a real estate broker, under the broker's authority, and receives compensation for their services, whether contractual or legal.

3. Offeror or Interested Party.

A legal or natural person who makes a brokerage offer to a broker, either directly or through their agent, in exchange for a commission, with the purpose of having the broker connect them with third parties for the conclusion of a specific legal transaction such as purchase, sale, assignment, exchange, lease, or loan involving real estate.

4. Commission.

The financial compensation or fee received by the broker for connecting the offeror with a third party when, due to the broker's involvement, a legal transaction is completed.

5. Real Estate Advisor.

A natural person who, in the name and on behalf of a real estate intermediary, personally carries out mediation activities as described in this Law and who meets the legal requirements to perform such activities.

6. Real Estate Intermediation.

The preliminary activity carried out by a natural or legal person aimed at executing any of the real estate operations described in Article 3 of this Law involving property owned by others.

7. Real Estate Intermediary.

Real estate agents or agencies, whether individuals or legal entities, who habitually and for compensation provide mediation, advisory, and management services in real estate transactions related to buying, selling, lease-purchase options, leasing, exchanges, or assignments of real estate and associated rights, including the creation of guarantees. These intermediaries are subject to the legal and disciplinary regime established by this Law and its regulations, without prejudice to specific sectoral rules.

8. Real Estate Professional.

A natural or legal person engaged in providing real estate services on their own behalf or on behalf of others, for monetary compensation. Natural persons must hold a license issued by the Ministry of Industry, Commerce, and MSMEs. The license may be for either a real estate

broker or a property manager. A Property Manager is someone who manages properties or provides consulting services.

9. Deposit.

A sum of money given by a buyer to a broker, agent, real estate company, or any legally authorized institution prior to completing a real estate transaction involving property located inside or outside the Dominican Republic. The purpose is to allow the broker to begin negotiations with the owner. In the case of brokers, agents, and real estate companies, these deposits must be backed by a bond as required by this Law.

10. Brokerage Contract.

An agreement between the offeror and the broker to connect the offeror with a third party for the purpose of entering into a contract that transfers ownership or grants temporary use of real estate, such as a sale, purchase, assignment, exchange, lease, or loan. The brokerage contract is consensual, bilateral, synallagmatic, and creates straightforward obligations for the broker, who is entitled to payment if their intervention leads to the completion of a transaction.

11. Promise to Buy or Sell Agreement.

Any bilateral contract that directly or indirectly obligates the parties, either immediately or at a later date, to transfer title of a real estate property, partially or entirely, or to establish timeshare use, inside or outside the Dominican Republic.

12. Real Estate Transaction.

Any contract of purchase-sale, promise of sale, promise of purchase, purchase or sale option, exchange, lease, auction, timeshare, fractional ownership, property management, or negotiation and promotion of a sale, lease with purchase option, leaseback, administration, or exchange of real estate located inside or outside the Dominican Republic, where a real estate intermediary as defined by this Law is involved.

13. Owner.

Any person or company that owns real estate located inside or outside the Dominican Republic and who seeks the services of a real estate intermediary to carry out a transaction involving that property.

14. Buyer.

Any person who is the acquiring party in a real estate transaction involving real estate or usage rights.

15. Tenant.

Any person who leases a property from an owner.

16. Real Estate Intermediation License.

Authorization issued by the Ministry of Industry, Commerce, and MSMEs to practice as a broker, agent, sales assistant, or to operate as a real estate company.

17. Certification.

A document issued by the Ministry of Industry, Commerce, and MSMEs certifying the competence and quality of potential real estate intermediaries.

Article 9 – Real Estate Services.

For the purposes of this Law, real estate services include:

1. The promotion, commercialization, or intermediation in the exchange, purchase-sale, or lease of real estate.
2. Property management.

CHAPTER II – PRINCIPLES

Article 10 – Principles.

The application and interpretation of this Law shall be governed by the following principles. In cases not covered herein, general principles of law shall apply:

1. **Good Faith.**

Real estate intermediation contracts must be prepared, executed, and performed in good faith. Parties are bound not only by the explicit terms but also by the nature of the agreement. They must act cooperatively and in line with standards expected of honest businesspersons.

2. **Transparency.**

Both the assigning party and the real estate intermediary must act transparently—not only toward each other, but also toward third parties—maintaining neutrality and clarity in the information provided regarding the real estate transaction.

3. **Loyalty.**

The intermediary must act with loyalty throughout the pre-contractual phase, execution, and performance of the contract—not only toward the client but also toward third parties involved in the transaction and colleagues in co-brokerage. This principle underpins respect for exclusivity agreements signed with the intermediary by all parties and third parties during the contract's term.

4. **Information.**

All parties to a real estate intermediation contract must ensure that the information they have or can access is complete, transparent, truthful, timely, and suitable for fulfilling the contract's purpose. Any willful omission of key information will make the non-disclosing party liable for damages.

CHAPTER III – STATE INTERVENTION IN REAL ESTATE INTERMEDIATION

ON THE MINISTRY OF INDUSTRY, COMMERCE AND MSMEs AND REAL ESTATE ACTIVITY

Article 11 – Responsibilities of the Ministry of Industry, Commerce, and MSMEs:

1. Ensure the effectiveness of services provided by public brokers as commerce auxiliaries, always safeguarding legal certainty in their transactions;

2. Examine candidates seeking to become brokers or public brokers to ensure they possess high professional qualifications, integrity, and recognized honorability;
3. Issue and revoke licenses as appropriate;
4. Supervise the conduct of public brokers, broker associations, and agents;
5. Impose penalties as prescribed by this Law;
6. Organize and establish the National Registry of Real Estate Intermediaries, including individuals and legal entities who professionally and habitually advise on real estate transactions (buying, selling, exchanging, leasing, assigning, etc.);
7. Approve regulations, circulars, instructions, manuals, and other administrative provisions required to ensure that oversight and protection functions are carried out efficiently and continuously.

Article 12 – Development of Real Estate Activity.

Real estate activity is carried out through real estate intermediaries, who may be natural or legal persons and must personally provide their services. The requirements established in this Law must be met to engage in real estate activity.

Paragraph. Only those who hold a valid real estate intermediation license issued by the Ministry of Industry, Commerce, and MSMEs and are registered in the National Registry of Real Estate Intermediaries may use the title of real estate intermediary or any of its variations.

Article 13 – License.

Brokerage services may only be performed by individuals who have first obtained a real estate broker or agent license. To obtain this license, a certification of training and other requirements must be met.

Article 14 – Certification Entity for Training and Quality of Real Estate Intermediaries.

Certificates for real estate intermediaries under this Law shall be issued by the Ministry of Industry, Commerce, and MSMEs, which shall:

1. Upon verifying compliance with the requirements set out in this Law, issue the appropriate certificate of training and quality to the intermediary—either as a broker or real estate agent;
2. Maintain records and publish on its official website a list of intermediaries who have been certified and authorized to practice, as well as a separate list of those reported to the courts.

CHAPTER IV – REQUIREMENTS TO PRACTICE BROKERAGE

APPLICATION, ISSUANCE, SUSPENSION, RENEWAL, AND CANCELLATION OF LICENSE

SECTION I – REQUIREMENTS FOR OBTAINING LICENSE AND FRANCHISE

Article 15 – Requirements to Become a Real Estate Intermediary.

To provide real estate intermediation services within national territory, a natural or legal person must possess the appropriate certificate of training and meet additional requirements under this Law. The certificate will be issued upon fulfilling all legal criteria established herein.

Article 16 – Requirements to Obtain a Real Estate Broker License

Any person seeking to practice as a real estate broker in the Dominican Republic must comply with the requirement outlined in **Article 13 (Licensing)** and meet the following conditions:

1. Be Dominican, of legal age, and in full enjoyment of civil rights.
2. Hold a high school diploma, proven by a certificate issued by the Ministry of Education.
3. Provide a certificate of no criminal record issued by the Office of the Attorney General, certifying that in the five years prior to the application, the person has not been convicted of any crime or felony by final judgment.
4. Submit a certificate from the General Directorate of Internal Revenue (DGII) stating that the applicant is up to date with all tax obligations.
5. Foreign nationals of legal age with permanent residency in the Dominican Republic for at least five years, who hold a valid residence ID issued by the Central Electoral Board and are legally permitted to work, must comply with requirements 2 and 3 above.
6. Submit a training and qualification certificate issued by the Ministry of Industry, Commerce, and MSMEs, after the applicant has been evaluated.
7. Submit a notarized and sworn application to the Ministry of Industry, Commerce, and MSMEs, signed by both the applicant and the real estate company they intend to manage, using the form provided by the Ministry.
8. If the applicant is a shareholder at the time of application, submit a certified copy of the Commercial Registry listing them among the shareholders of the real estate company.
9. Pay a fee equivalent to **two public-sector minimum wages** for the license application.
10. Obtain and maintain a valid civil liability insurance policy appropriate for real estate brokerage, based on the level of risk and coverage required by the Ministry.
11. Fully comply with the ethical standards established in the regulations of this law.

Article 17 – Requirements to Obtain a Real Estate Company License

In the case of a corporation (in any of its legal forms), the requirements are as follows:

1. Be registered with the Commercial Registry.
2. The general manager or principal executive must hold a valid real estate broker license.
3. All directors and officers acting as brokers or agents on behalf of the company must individually hold a license issued by the Ministry of Industry, Commerce, and MSMEs.
4. Provide a certificate from the DGII proving the company is current with its tax obligations.
5. Pay a fee equivalent to **two public-sector minimum wages** for each person performing as a broker or agent.
6. Obtain and maintain a valid civil liability insurance policy, as required for real estate brokers, with risk and coverage as determined by the Ministry.

Article 18 – Authorization to Operate a Franchise

Any individual or legal entity wishing to open a franchise office in the Dominican Republic must meet the following requirements:

1. Submit a notarized and sworn application to the Ministry of Industry and Commerce, signed by both the applicant and the real estate company to be managed, using the Ministry's designated form.
2. The parent company of the franchise must have a representative in the Dominican Republic with legal residence, a permanent address, and an open office. This representative must hold a valid broker license issued by the Ministry and meet all legal requirements.
3. The franchise's head office in the Dominican Republic shall be jointly liable for any act or omission committed by brokers, agents, or sales assistants working with the franchisee.
4. Comply with all legal requirements applicable to real estate companies.
5. Pay a fee equivalent to **ten public-sector minimum wages**, based on the rate in effect at the time of application, for franchise operation authorization.

Article 19 – Public Registry Requirement for Operating Licenses

Issuance of a license to operate as a real estate intermediary mandates registration in the public registry of intermediaries, subject to administrative oversight. No one may lawfully engage in real estate intermediation without being registered.

Paragraph I:

To operate, the intermediary must have a physical office open to the public, or in the case of electronic or online service, a verifiable physical address.

Paragraph II:

The intermediary must have a continuously valid civil liability insurance policy to cover their real estate activities throughout the period they practice.

SECTION II – PROCEDURE AND RENEWAL

Article 20 – License Application Procedure

Any application for a real estate broker or agent license must be made in writing and include:

1. Place and date of the application.
2. Full name, nationality, ID or residence card number, and residential address of the applicant.
3. A statement confirming compliance with each requirement from the previous article, along with supporting documents where applicable.
4. The address for receiving official notifications.
5. A sworn statement from three licensed real estate brokers attesting to the applicant's good character, or a letter of recommendation from a professional real estate

brokerage association whose membership criteria align with the minimum legal standards.

6. Proof of having completed a real estate brokerage or property management course of at least **120 hours**, offered by a state-accredited technical education institution or a training body certified by the Ministry of Education or the Ministry of Higher Education, Science, and Technology.

Paragraph:

To obtain a **real estate agent license**, the applicant must submit a statement from a licensed broker confirming they are being hired to work under their supervision and authority, authenticated by a notary public.

Article 21 – License Renewal

Licenses for brokers, agents, sales assistants, real estate companies, and franchises expire **two (2) years** after issuance.

Paragraph:

Applicants who submit a renewal request, with all required documentation, at least **30 days before** their license expiration will have their license automatically extended for another two-year period.

Article 22 – Renewal Application Requirements

The renewal application must be submitted to the Ministry of Industry, Commerce, and MSMEs using the appropriate form and must include:

1. A criminal background certificate from the Office of the Attorney General showing no convictions by final judgment. If such a conviction exists, renewal will be denied.
2. Payment equivalent to:
 - Two minimum wages for real estate sales assistants,
 - Two minimum wages for agents (salespersons and assistants),
 - Ten minimum wages for brokers and real estate companies.
3. If **90 days** pass after the license expires without renewal, the applicant must submit a sworn affidavit declaring they did not engage in any real estate activity during that period. If they did, the license cannot be renewed until **one year** after expiration, and the applicant may be subject to penalties under this law's regulations.
4. If more than **one year** passes without renewal, the Ministry will notify the individual via court bailiff or certified letter. If the renewal is not requested within **15 days** of the notice, the license will be suspended, and the individual must reapply as a new applicant and meet all original licensing requirements.
5. Proof of participation in continuing education courses as required by this law.

SECTION III – SUSPENSION AND REVOCATION OF LICENSE

Article 23 – Suspension of License

The Ministry of Industry, Commerce, and MSMEs may suspend a license and impose penalties under this law and its regulations. The administrative process will ensure the right to defense is respected.

Article 24 – License Revocation

A broker or agent shall lose their license under the following circumstances:

1. Commission of a serious offense against this law or its regulations.
2. Voluntary resignation of the license.
3. Failure to engage in real estate activity for **five years or more**.

Article 25 – Authority to Grant, Monitor, Suspend, and Revoke Licenses

The Ministry of Industry, Commerce, and MSMEs is the competent authority for granting, monitoring, suspending, and canceling licenses for real estate brokers and agents, in accordance with this law and its regulations.

Paragraph:

The Ministry may suspend a license for a period of **1 to 12 months** for breach of duty, bad faith, or disloyal conduct. In cases of repeat offenses, suspension may extend up to **five years**.

CHAPTER V – PRICES AND THE MARKET

Article 26 – Price Control in the Provision of Real Estate Services Related to Transfers

The services referred to in the previous article shall be subject to price control under a system of supervised freedom, overseen by the **Ministry of Industry, Commerce, and MSMEs** and the **Ministry of Tourism**.

CHAPTER VI – RIGHTS, SUSPENSION, OBLIGATIONS, DUTIES, AND PROHIBITIONS

SECTION I – RIGHTS AND OBLIGATIONS

Article 27 – Rights of Real Estate Brokers and Agents

Real estate brokers and agents shall have the following rights:

1. To charge a fee for their services when such services result in the successful completion of a transaction. The amount of compensation shall follow established customs: **five percent (5%)** of the sale value, and the equivalent of **one month's rent** as commission for lease agreements of at least one year, unless otherwise agreed.
2. To exercise the right to associate with private and public organizations to defend their interests.
3. To report violations of this law and its regulations to the relevant authorities.

Article 28 – Obligations of Brokers and Agents

Real estate brokers and agents shall be obligated to:

1. Comply with this law and its regulations.
2. Maintain conduct that strictly adheres to ethical principles, especially those outlined in the regulations.
3. Maintain strict confidentiality regarding all negotiations entrusted to them, even after the brokerage contract ends. Breaches of confidentiality will result in liability for damages caused.
4. Abide by the directives issued by the Ministry of Industry, Commerce, and MSMEs in accordance with this law.
5. Report any violation of this law to the authorities whenever they become aware of such violations.
6. Secure and maintain a **civil liability insurance policy**, the value of which shall be set annually by the Ministry. Brokers must submit proof of this policy with the corresponding receipt from the insurance provider, validated by the **Superintendence of Insurance**. The document must show the renewal date, coverage amount, and duration of validity.
7. Keep up-to-date accounting records and pay all national and municipal taxes related to their business activities.
8. Continue performing the duties for which they were hired. If they withdraw for just cause, they shall be entitled to a proportionate share of their fee or commission.
9. Identify themselves with a credential issued by the **Ministry of Industry, Commerce, and MSMEs**, indicating their license is valid.
10. Inform clients about their rights and obligations in relation to the transaction, including applicable urban planning, technical, energy efficiency, environmental, tax, or other regulations imposed by the relevant authorities regarding the property.
11. Cover any expenses incurred in carrying out their mandate, unless otherwise agreed.

Article 29 – Fee Agreements

Brokers may freely negotiate their fees. However, they must **clearly and prominently** display the prices of their main services to the public and must **inform clients** of fees and approximate expenses **before** providing the service(s).

Article 30 – Liability of Real Estate Brokers

Any agent or broker who, through **bad faith, negligence, incompetence, or recklessness**, causes harm to their client or to third parties involved in the transaction shall incur **disciplinary, civil, and potentially criminal** liability.

Article 31 – Renewal of Liability Policy

Upon expiration of the civil liability insurance policy, the broker or agent must renew it within **15 business days**. Failure to do so will result in **immediate license cancellation** by the Ministry, and the resolution will be published in the official gazette, *La Gaceta*.

SECTION II – DUTIES

Article 32 – Duties of Brokers and Agents

Brokers and agents are bound by the following duties:

1. Verify the legal identity and status of their clients and any third parties involved.
2. Confirm the identification, condition, characteristics, encumbrances, tax status, registration, and legal standing of the property or rights involved.
3. Be held accountable to their clients and third parties for any **apparent defects** in the contract not clearly disclosed. They are not responsible—unless otherwise agreed—for the **solvency** of the parties, **personal exceptions**, or **hidden defects and eviction guarantees** related to the property.
4. Act with integrity, ethics, honesty, efficiency, and transparency in their services, avoiding any practices that might discredit the real estate sector.

Article 33 – Duty to Respect Prior Engagements

Brokers and agents must respect the rights of other brokers and agents in transactions they were introduced to by them, for a period of **12 months** from the last documented contact with the offeror, unless released from this obligation by the original broker.

Article 34 – Advertising

Advertising by real estate brokers must be **accurate and unambiguous**, and must not mislead the public. The following rules apply:

1. Clearly state the nature of the offer without ambiguity.
2. If payment terms or financing options are advertised, these must be fully detailed, including the applicable interest rates.
3. Do not advertise third-party financing or payment terms without prior agreement with those third parties.
4. Do not claim features or conditions of a property that are **untrue**.

SECTION III – PROHIBITIONS

Article 35 – Prohibitions for Brokers and Agents

Real estate brokers and agents are prohibited from:

1. Operating without a valid license.
2. Acting as guarantors or sureties in any contract in which they are involved. Any such guarantee is null and unenforceable in court.
3. Purchasing, for themselves or relatives up to the second degree of kinship, properties that they were entrusted to sell or lease, unless they have **prior written consent** from the client.
4. Selling or promising to sell real estate under construction or in project stage **without proper financial guarantees** ensuring project completion.
5. Issuing certificates not reflected in their official records or testifying in court, except under **judicial order**, regarding matters observed in the course of their business.
6. Acting as intermediaries if they have been convicted of crimes involving **fraud or dishonesty**.
7. Practicing as intermediaries if they have been convicted of **economic crimes** such as fraud, forgery, misuse of public or private documents, or embezzlement.
8. Providing advisory services that violate current laws or ethics, or that:
 - a. Endanger their clients' legal or financial safety.
 - b. Aim to defraud the public treasury.

9. Lending or allowing use of their license to unauthorized or unregistered persons for real estate brokerage, or engaging in any other acts prohibited by the **Real Estate Broker Code of Ethics**.

SECTION IV – INCOMPATIBILITIES

Article 36 – Incompatibilities

The following persons may **not practice** as real estate brokers:

1. Judges and judicial officials.
2. Active members of the **Armed Forces** and **Public Security Forces**.

CHAPTER VII – PUBLIC REGISTRY OF REAL ESTATE INTERMEDIARIES

Article 37 – Public Registry

A **Public Registry of Real Estate Intermediaries** shall be established under administrative control. To practice as a real estate intermediary, **registration is mandatory**.

To be registered in the public registry, the following requirements must be met:

1. Possession of a valid license.
2. Have an establishment open to the public or a physical address, even in the case of services provided electronically or online.

Article 38 – Registration of Real Estate Brokers

All natural or legal persons who habitually, directly or indirectly participate in the real estate brokerage market must register in the Public Registry, comply with its regulations, and possess a valid license.

CHAPTER VIII

REAL ESTATE BROKERAGE COMPANIES

Article 39 – Real Estate Brokerage Companies

Legal entities may engage in real estate brokerage, but only with prior authorization from the **Ministry of Industry, Commerce, and MSMEs**. To obtain this authorization, they must comply with Article 25 of this law and the following conditions:

1. At least **50% of the share capital**, in the case of commercial companies, or **50% of the partners or associates**, in the case of civil associations, must be licensed brokers.
2. Real estate brokerage activities must be performed by brokers and agents authorized under this law. These legal entities shall be jointly liable for the actions of brokers, agents, and others acting under their authority. The rules on withdrawal, sanctions, and reinstatement applicable to individual brokers shall also apply to these entities.

3. Legal entities may also organize **real estate exchanges** or **multi-party promotion and sales mechanisms**, provided they comply with the requirements of this law and obtain prior authorization from the Ministry, which will issue further regulations for this article.

CHAPTER IX

THE BROKERAGE CONTRACT

SECTION I – GENERAL RULES ON REAL ESTATE INTERMEDIATION CONTRACTS

Article 40 – Existence of a Real Estate Intermediation Contract

The mandate forming the basis of a real estate intermediation may be established in writing, verbally, or by any other intelligible means, including the implied consent of a person allowing another (the intermediary) to manage their real estate affairs. Regardless of the form, the contract must **clearly and expressly** indicate the mandate and specific transaction for which intermediation is required.

Article 41 – Written Contract Requirements

Written brokerage contracts must include at least the following:

1. Names, legal standing, and representation of the parties.
2. Property registration citation from the Title Registry, confirming ownership or possession, including intended use, precise location, and cadastral designation.
3. The commission amount payable to the broker upon fulfillment of the mandate.
4. Contract duration, indicating whether it is exclusive or not.
5. Notification addresses of the parties.
6. Type of transaction intended (sale, lease, etc.).
7. Date of the contract.
8. Signatures of both parties.
9. Notarization of the contract.

Article 42 – Perfection of the Contract

The brokerage contract is perfected once the broker and offeror reach an agreement. Consent must be freely and clearly expressed—whether in writing, verbally, or through actions that unequivocally reflect intention. The mandate and transaction type must be clearly identified.

Article 43 – Exclusive Brokerage Contracts

Real estate brokerage contracts may be exclusive or non-exclusive. In exclusive contracts, the offeror agrees that only the contracted broker may market the property. If the offeror or another broker completes the transaction during the exclusivity period, the exclusive broker is entitled to the full agreed commission—unless otherwise stipulated.

Article 44 – Duration

Unless otherwise stated, brokerage contracts for real estate transactions as defined in Article 1 will be valid and effective for **six months**.

Article 45 – Defects in Consent

A contract entered into through error, coercion, intimidation, or fraud is null. A party who enters under such circumstances is entitled to damages and compensation, which will be **jointly owed** by both the party who induced the agreement and the one who benefited from it.

Article 46 – Evidence of the Contract

For evidentiary purposes, parties may enter into a written brokerage contract as per this law. If no written contract exists, the broker does not forfeit their rights, but must rely on general evidentiary rules under the **Civil Procedure Code**.

Article 47 – Enforceable Title

A written brokerage contract authenticated by an attorney constitutes an **enforceable title**. Otherwise, it is governed by general procedural rules applicable to contracts.

SECTION II – SPECIAL RULES ON BROKERAGE AND REAL ESTATE MANDATES

Article 48 – Real Estate Brokerage Contract

A real estate brokerage contract is one in which an **intermediary** undertakes to connect the client with a third party to conduct one of the transactions listed in Article 1 (items 1–3). The intermediary has **no relationship of mandate, representation, subordination, or collaboration** with the client.

Article 49 – Complementary Services

Complementary services to brokerage may include:

- Legal and material due diligence
- Credit intermediation
- Document preparation
- Damage insurance quotes
- Property inspections
- Property handover

These services may be provided by the intermediary **at the client's expense and risk**, if agreed.

Article 50 – Commission Amount

The intermediary is entitled to the agreed remuneration. If none is stipulated, payment follows local custom, national custom, or an expert appraisal. Unless otherwise agreed, **the seller pays** the commission.

Article 51 – Place of Payment

Unless otherwise agreed, payment is due at the **offeror's address**.

Article 52 – Authorization of Real Estate Transactions

Notaries must verify that intermediaries involved in transactions (where commissions are stipulated) hold the required license under this law **before authorizing any legal act** involving real estate.

Paragraph I: Notaries must notify the National Registry if the intermediary lacks registration or a valid license.

Article 53 – Causes for Termination of the Brokerage Contract

The brokerage contract ends:

1. Upon fulfillment of its obligations.
2. When the agreed term expires.
3. Upon occurrence of a specified termination condition.
4. By revocation from the client under this law.
5. By resignation of the intermediary.
6. By death of either party.
7. For breach of any obligation under this law or the contract.
8. Due to insolvency of either party, unless otherwise agreed.
9. By legal incapacitation of either party.
10. For any other cause provided by law or the contract.

Article 54 – Unilateral Termination

The client may revoke the contract partially or fully, unless it is **irrevocable** or serves the interest of the intermediary (see Paragraph I). In such cases, revocation is only allowed for just cause.

- **Revocation by the client** takes effect once the intermediary is notified.
- **Resignation by the intermediary** takes effect once the client is notified.
- Assigning the same mandate to another person does **not** imply tacit revocation—unless exclusivity was granted.

Paragraph I: An intermediary has a vested interest if they hold a **stake in the underlying transaction**.

Paragraph II: If multiple clients granted the mandate, all must revoke it jointly, unless just cause exists or a common representative has been appointed.

Article 55 – Compensation for Abusive Termination

If the client **unjustly revokes** the brokerage agreement to avoid paying commission, they must pay the full agreed fee and compensate the intermediary for damages caused.

Article 56 – Return of Documentation

Upon termination of the contract, the intermediary must immediately return all documents provided by the client. The intermediary may keep a **copy**, certified or simple, for the purpose of justifying their actions.

Article 57 – Arbitration Clause

All brokerage contracts—written or verbal—imply a binding **arbitration agreement**, requiring parties to resolve any disputes over execution, completion, or interpretation of the contract through **legal arbitration**.

Paragraph I

Arbitration costs shall be shared equally by both contracting parties, unless otherwise agreed. The applicable procedure shall be determined by the relevant procedural law governing arbitration. Mediation or conciliation clauses may also be agreed upon.

Article 58 – Ad hoc and Institutional Conciliation and Arbitration

Both conciliation and arbitration may be conducted by **ad hoc arbitrators or conciliators**, or through a **private institutional center** that administers such procedures.

Article 59 – Exclusion of Arbitration

The parties may **only opt out** of arbitration through an express agreement to that effect.

Article 60 – Procedure for Collecting Commission

When the matter involves solely the collection of fees set forth in the brokerage contract, the case shall proceed before the **ordinary jurisdiction**, without prejudice to any prior direct resolution attempted through **conciliation or mediation**.

Article 61 – Liability of the Offeror

If a transaction fails to be concluded due to **fault or bad faith** on the part of the offeror, the broker shall be entitled to **compensation** for damages caused.

Article 62 – Requirements for Judicial Collection of Commission

To judicially claim a commission, the following are required:

1. Possession of the corresponding license allowing enforcement of commission payment.
2. Fulfillment of the objectives set forth in the brokerage contract.

Article 63 – Termination of Brokerage Contract

Both broker and offeror may unilaterally terminate the brokerage contract with **written notice** to the other party at least **two weeks in advance**. If, after the contract ends for any reason, a transaction is concluded within **one year** involving a client introduced by the broker, the offeror must pay the broker the full agreed or legal commission.

CHAPTER X – OFFENSES AND PENALTIES

SECTION I – OFFENSES

Article 64 – Mandatory License

No one may habitually or professionally engage in real estate brokerage without a **valid license** issued by the Ministry of Industry, Commerce, and MSMEs.

Article 65 – Grace Period for Licensing

Any person or commercial entity engaging in real estate brokerage—agent, assistant, or company—who fails to apply for their license within **six months** of the law's effective date must restart the licensing process from the beginning.

Article 66 – False Representation

Falsifying information to impersonate a broker, agent, assistant, or real estate company shall be **penalized under the Dominican Penal Code**.

Article 67 – Failure to Report Address Changes

Failure to report a change of business address shall result in a fine of **100% of the current minimum wage**.

Article 68 – Unauthorized Practice

Anyone practicing real estate brokerage without a license will be deemed to have committed **the crime of usurpation of functions**, subject to the penalties under **Article 258 of the Dominican Penal Code**.

SECTION II – INFRACTIONS AND PENALTIES

Article 69 – Sanctions for Violations

Violations of this law and its regulations shall be sanctioned as follows:

1. **Written warning** – For failure to notify the Ministry of changes in registration data within the established timeframe.
2. **Fine** – From **50% to 100%** of the fee collected for services rendered, determined proportionally and equitably by the Ministry.
3. **Suspension** – Up to **6 months** for repeat offenses, or **2 years** for violating prohibitions listed in Sections 2, 3, and 4 of Article 37.
4. **Permanent disqualification** in cases of:
 - Serious or repeated violations;
 - Conviction for intentional crime carrying a custodial sentence;
 - Obtaining a license through false information or documents;
 - Violations specified under Article 12 of this law.

Paragraph I: A person whose license is revoked may **not be relicensed**.

Paragraph II: Practicing without a license will result in a fine of up to **50 times the national minimum wage**.

Article 70 – Sanctioning Authority

All sanctions and precautionary or administrative measures for infractions under this law shall be imposed by the **Ministry of Industry, Commerce, and MSMEs**, following procedures under the **Public Administration Law**.

SECTION III – ADMINISTRATIVE SANCTIONS

Article 71 – Application of Administrative Sanctions

Administrative sanctions shall be issued via **reasoned resolution** by the Ministry, taking

into account the seriousness of the infraction and the offender's economic capacity. The accused has the right to submit evidence within a set period, as established by regulation. Administrative sanctions do **not exclude** civil or criminal liability.

Paragraph: The Ministry is also responsible for prosecuting illegal real estate intermediation.

Article 72 – Enforcement of the Law

The **Office of the Attorney General** may act ex officio or upon request by the Ministry of Industry and Commerce, using a formal written communication citing violations of this law, to initiate legal proceedings against individuals or companies, foreign or domestic, who commit offenses under this legislation.

Article 73 – Illegal Practice of Real Estate Intermediation

Any person who, without meeting the required qualifications and without holding a valid certificate, participates in real estate intermediation or advisory activities as defined in Article 3 of this law is guilty of **illegal practice**.

Article 74 – Suspension of Rights

The rights of a licensed broker or agent shall be suspended if they:

1. Fail to comply with agreements or court orders until such obligations are fulfilled.
2. Are subjected to disciplinary or judicial suspension as long as the penalty remains in effect.

TRANSITIONAL PROVISIONS

First.

Real estate licenses shall be granted to applicants within **six months** of the official publication of this law, provided they prove to the Ministry that they have continuously practiced brokerage for the past **five years** and meet the requirements of this law.

Second.

Members of legally established real estate associations or chambers, operating for over one year at the time this law comes into force, shall have their **knowledge validated** and be **exempted** from training or evaluation requirements—**within six months** of the law's publication.

Third.

Real estate sales assistants currently working in the Dominican Republic—either employed by a company or in contractual partnership with a broker or agent—shall have **six months** from the law's promulgation to obtain a license. Failure to do so will subject them to the **sanctions** outlined in this law.

Fourth.

Brokers must maintain, daily and in chronological order, an **archive of policies and records** of all acts they participate in, summarizing each in a **special register book** of 250 numbered pages, free of erasures or alterations. This register and archive must adhere strictly to the law and be **authorized and signed** by the Ministry. Public brokers must also

generate **electronic archives** in accordance with the content and order required by the law's regulation and the guidelines set by the Secretariat.

Fifth.

The Real Estate Jurisdiction is ordered to implement and provide a "**Geolocation Service for Registered Properties**", based on cadastral and title certificate information, accessible upon verification in the Title and Cadastral Survey System.

Sixth.

A **180-day period** is established for real estate intermediaries to regularize their activity in the **administrative registry** created by the Ministry of Industry and Commerce and MSMEs, covering the entire country.

Seventh.

Municipalities, the **National Institute for Consumer Rights Protection (Pro Consumidor)**, the **National Housing Institute**, and the **Ministry of Industry, Commerce, and MSMEs** are all granted authority in real estate intermediation. Within **180 days**, they must develop legal standards to govern this activity, coordinated by the Ministry of Industry and Commerce and MSMEs.