

Executive Summary

Law No. 47-25 on Public Procurement

On July 28, 2025, the Executive Branch enacted Law No. 47-25 on Public Procurement (hereinafter "Law 47-25"), repealing and replacing Law No. 340-06 on Public Procurement, as well as its implementing regulations contained in Decree No. 416-23. It is a structural and comprehensive reform that redesigns the National System of Public Procurement and Contracting (SNCCP) in the Dominican Republic.

The new law responds to multiple factors:

- the need to strengthen the transparency and traceability of procurement processes;
- alignment with international standards in governance and the fight against corruption;
- and the use of the purchasing power of the State as an instrument of public policy, aimed at promoting sustainability, economic development and social inclusion.

The most relevant axes of the reform are highlighted below, as well as the legal and practical implications that derive from its implementation.

1. Broader scope and new exclusions

One of the main novelties of Law 47-25 is the expansion of its institutional scope. Unlike Law 340-06, which is mainly limited to central public administration entities, the new regulation extends its application to:

- the Legislative Branch and the Judicial Branch in their administrative functions;
- autonomous constitutional bodies;
- public trusts;
- state-owned enterprises with public participation of more than 50%; and
- Public law corporations that manage public funds.





In contrast, the law delimits the cases of exclusion more precisely. The following are excepted, among others:

- contracts between States;
- the sale or lease of State property;
- procurement in contexts of health emergency;
- the operations of INESPRES;
- the contracting of non-profit associations and political parties.

However, the regulation reaffirms that, even when public credit operations are governed by its special legislation, contracts financed with such resources are subject to Law 47-25. Likewise, with regard to Public-Private Partnerships (PPPs), it expressly refers to Law No. 47-20, reinforcing the conceptual separation with respect to the concession regime.

2. Guiding principles and institutional strengthening

Law 47-25 expands the catalogue of guiding principles, going from nine in the previous legislation to twenty-one. Among the most relevant are: impartiality, inclusion, legality, sustainability, planning, administrative simplification, promotion of national production and administrative due process.

This new axiological framework transforms public procurement into a process normatively guided by substantive values, beyond mere procedural compliance.

At the same time, the role of the General Directorate of Public Procurement (DGCP) as the governing body is strengthened. The DGCP is granted unequivocal powers to regulate, resolve administrative appeals, impose sanctions, suspend procedures and administer the SECP (Electronic System of Public Procurement). This institutional reinforcement consolidates the DGCP as a centralized authority, with regulatory, supervisory and disciplinary powers.

3. Modernization of procedures

The new regulations reorganize the ordinary procedures, maintaining traditional modalities (national and international public bidding, drawing of lots, simplified contracting, minor contracting and direct contracting), but introduces modern and more flexible mechanisms:

- Framework agreements: agreements with suppliers for standardized goods and services, with predefined conditions and prices.
- Abbreviated public tenders, with reduced deadlines.
- Joint purchases between several entities.
- Partnership for innovation, oriented to research projects and novel solutions.
- Results-based contracting, which links payment to performance indicators.

Likewise, the Virtual Store is created, administered by the DGCP, as an electronic platform to centralize and make transparent the acquisitions of smaller amounts.



As for exceptional procedures, the law introduces a more rigorous and controlled catalogue. Emergency and national security processes will require a presidential decree, covering natural disasters, health emergencies, shortages and paralysis of public services. Other exceptions are maintained, such as exclusivity, urgency, partial termination of contracts, acquisitions on favorable conditions, contracting of universities or specialized legal services.

4. Transparency, technology and professionalization

One of the pillars of Law 47-25 is the mandatory use of the SECP, which ensures that all phases of the processes are traceable, auditable and accessible in real time. Digitalization is complemented by the implementation of prevention, monitoring, and compliance systems, including the appointment of compliance officers by the DGCP.

At the same time, the mandatory professionalization of public procurement committees and units is established, with recurrent training programs, aimed at raising technical quality and ethics in procurement management.

5. Sanctioning regime and criminal liability

The new law introduces a comprehensive sanctioning regime, which combines administrative, disciplinary and criminal sanctions.

In the case of public officials, offenses such as: delaying unjustified payments, awarding to disqualified suppliers, obstructing access to files, or awarding despite a suspension issued by the DGCP are contemplated. Penalties include immediate disqualification, prison sentences of 2 to 5 years, and fines of 20 to 50 minimum wages.

For State suppliers, crimes such as bribery (sentences of 4 to 10 years and proportional fines) and collusion (2 to 5 years) are typified.

A novelty of special relevance is the criminal liability of legal persons in matters of public procurement. Companies may be sanctioned when the crimes are committed for their benefit by managers or representatives, in the absence of adequate internal controls. The sanctions include fines of 500 to 5,000 minimum wages, as well as the definitive closure of establishments.

6. Social inclusion, sustainability and economic development

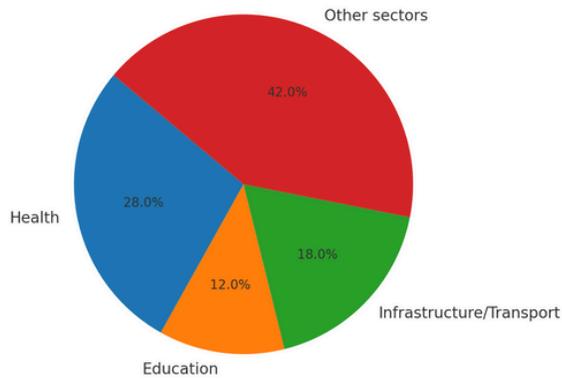
Law 47-25 makes public procurement an instrument of social and economic policy. The quota reserved for MSMEs is increased from 20% to 30%, with the novelty that 10% must be allocated to companies led by women.

These measures are accompanied by incentives such as:

- 30% advances when signing the contract;
- relaxation of tax requirements (six-month period to regularize);
- reduction of enforceable guarantees.

The regulation also promotes strategic public procurement, which privileges projects with social, environmental and innovative impact: labor insertion of vulnerable groups, gender equality, environmental sustainability, outsourcing of local MSMEs and promotion of technology companies.

Dominican Government Spending on Public Procurement by Sector (2020-2025, estimated)



7. Transitional regime and entry into force

The law grants the Executive Branch a period of 120 days to issue its implementing regulations and establishes an implementation period of 180 days, so it will enter into force on January 24, 2026.

Procurement procedures initiated before that date will continue to be regulated by Law 340-06 until their conclusion, which proposes a transitional dual regime that will require special attention from contracting entities and bidders.

Law No. 47-25 marks a milestone in the evolution of Dominican administrative law and in the management of public resources. It is not limited to perfecting procedural techniques: it transforms contracting into a strategic tool for national development, combining regulatory rigor, technological innovation, social inclusion and sustainability.

The legal community must now accompany this process, analyzing its implications at the constitutional, administrative, criminal and corporate levels. The real challenge will be in its practical implementation: training, institutional strengthening and ethical commitment of all actors.

In short, Law 47-25 not only redefines the rules of the game in terms of public procurement, but also inaugurates a new stage in the relationship between the State, suppliers and citizens, in which trust, transparency and sustainable development take center stage.

Public procurement ceases to be merely an administrative process: it becomes a strategic instrument for the country's development.

This summary contains general information only regarding the matters addressed and does not constitute legal advice. We recommend seeking specific legal assistance for each case.

For more information and assistance, please contact us at info@ulisescabrera.com