


Tax Instant News



**Curaçao:
Government takes
measures related to
COVID-19
(Corona virus)**

On March 23, 2020 the government of Curaçao published a solidarity package due to the worldwide outbreak of the Corona virus with the primary goal to safeguard jobs. In this TIN we will outline the first tax incentives which are in principle effective from April 1, 2020 through June 30, 2020.

Curaçao, March 2020

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Background and purpose

The government decided to take exceptional measures due to the coronavirus. In addition to our health, the main purpose is to protect our jobs and incomes and mitigate the impact on taxpayers, especially in sectors most affected. The affected sectors are the hospitality¹ sector, beauty salons, travel industry, car rental companies, car wash and transport. The measures aim to, amongst others, enable employers to continue to pay their staff and to bridge the burden via eased tax provisions in order for businesses to remain liquid even in this stressed market period. The relevant tax measures are listed below.

Deferral for tax payments

Taxpayers with an existing tax payment arrangement are granted a deferral on request. Affected taxpayers may also apply for a payment arrangement for all taxes.

Interest costs, bailiffs fees and penalties

The interest on all tax debts arrangements will be reduced from 6% to nil. In addition, bailiffs fees or penalties for no or late payment will not be charged.

Compliance project on hold

The Compliance project whereby

¹ Hospitality sector includes accommodation facilities, conference

the Ministry of Finance aims to collect outstanding tax payments in the top 500 category will be put on hold.

Sales tax

With respect to sales tax, taxpayers in the affected sectors should continue to charge sales tax to their customers and file their sales tax returns. However, these taxpayers are not obliged to pay the tax to the receiver's office. Therefore these taxpayers are entitled to keep the charged sales tax for liquidity purposes.

Social security premiums: Employer's contribution suspended

With regard to social security premiums, the employer's contribution for the AOV/AWW premium (9.5%) will be suspended for employers in the affected sectors.

Introduction of ABB postponed

The introduction of the General Expenditure Tax (In Dutch: 'Algemene Bestedingsbelasting' - ABB) as a replacement for the Sales Tax, which was planned for April 1, 2020, has been postponed until further notice.

centers, events, catering, recreation and entertainment venues

Hygiene products

No import duties nor sales tax will be levied on hygiene, sanitary and cleaning products.

Basic tax credit increased

The basic tax credit is a tax credit on the income tax payable and applies to every taxpayer for income tax purposes. This basic tax credit for 2020 will be increased to an amount to be determined.

Other attention items

Other than the tax incentives announced by the government, taxpayers could consider creating provisions for commercial and tax purposes such as a cessantia provision.

Should you require more information, please do not hesitate to contact us.



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