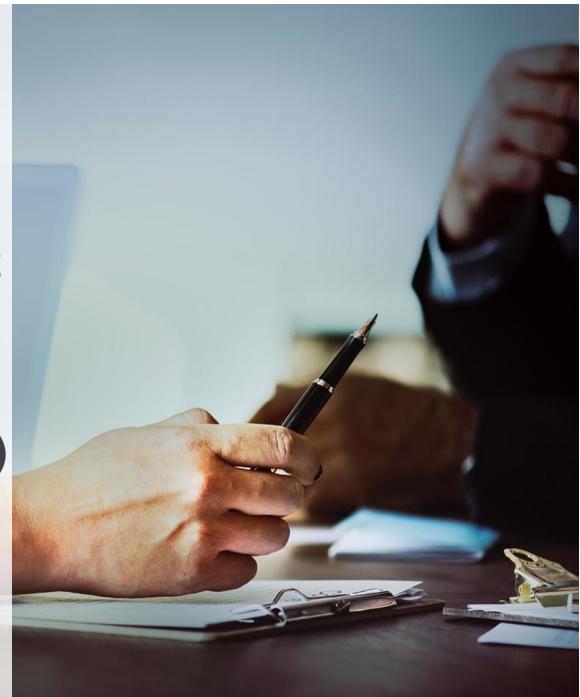


Tax Instant News

**Curaçao:
Update – announcement
definitive Emergency
Support Package
COVID-19 (Corona virus)**



Following the previously introduced COVID-19 Emergency Support Package, the Curaçao government announced the definitive Emergency Support Package on April 17, 2020. In this TIN we shall elaborate on the criteria to apply for the main items of this Emergency Support Package.

Curaçao, april 2020

Tax Instant News

Emergency Support Package

The government announced on Friday April 17, 2020 the COVID-19 Emergency Support Package ("ESP") in its definitive form. The ESP aims to mitigate disastrous economic consequences of the necessary measures imposed with respect to the COVID-19 pandemic.

Execution of the draft ESP was based on the condition that funding would be made available according to a request for assistance filed with The Netherlands. This request for assistance was partially honored. Despite not receiving full funding on her request the Curaçao government adhered broadly to the draft ESP as announced previously.

Applications to the ESP can be submitted to the following website: www.fondodisosten.org.

Conditions ESP

Hereinafter the conditions for application to the ESP will be further discussed.

Emergency Measure Bridging Employment ("NOW")

To maintain as many workplaces as possible, financial support is offered to the employer

The following criteria apply for this wage subsidy:

- **Respecting labor contracts**

An employer who applies for the NOW-facility in principle cannot

(negatively) amend existing working conditions of employees. Furthermore during the period for which the wage subsidy is provided wages should continue to be paid to the employees. Moreover, employees with employment contracts for indefinite time may not be dismissed (no dismissal permit may be used and / or applied for during a NOW subsidy). The latter applies in any case insofar as the dismissal relates to the consequences of COVID-19 or the measures relating thereto.

- **Entitled to subsidy**

This NOW applies to companies with one or more employee(s) and statutory director(s) who were included respectively on February 28, 2020 and on July 15, 2019 in the registry of the Social Insurance Bank ("SIB") and who currently remain employed. Furthermore, the criteria applies that the core activity of the company should be listed in the Sector Overview as issued by the Minister of Economic Development. For further details reference is made to the following website:

<https://www.fondodisosten.org/nl/sectoren-voor-de-now-regeling/>

It is possible that the Sector Overview can be amended in a next period.

- **Amount wage subsidy**

The percentage of wage

compensation depends on the expected loss of income of the company. A decrease in turnover should be at least 25%. In that case the wage compensation amounts to 80% resulting in a compensation of 20% to 80% of the monthly wage costs.

Example: With a turnover loss of 90%, the financial compensation is 72%. In case of a gross monthly wage of NAf. 5,000 the wage subsidy amounts to NAf. 3,600.

- ***Decrease in revenues and definition***

The decrease in turnover is the difference between the turnover of April 2019 and the expected turnover of April 2020. The turnover is determined based on the turnover tax return.

Exceptions apply to the above in case e.g. companies that were founded after April 1, 2019, companies that experienced a steep turnover increase in the past months or companies that are not subject to turnover tax. For these companies a different reference period shall apply.

Maximum wage

The wage consists of the wages on which Sickness and Accident ("ZV/OV") premiums for employee insurance are paid. The SIB uses the wage tax for February 2020 as a reference period. All employees who were employed in February 2020 as well as the statutory

director(s) who were already employed before July 15, 2019 shall be taken into account.

Finally, a limiting condition applies to the calculation of the wage tax return. Per employee a maximum amount of NAf. 5,781 of the wage applies (this is the SIB maximum for daily wages).

Regular payments of wage tax and premium

The employer must take care of all payments of wage tax and social security premiums, including with regard to employer premiums. This concerns a conceptual change compared to the Solidarity Package (phase 1) whereby employers would be exempted from having to compensate and pay the employer's contribution of Old Age and Orphan ("AOW/AWW") premium (9.5%). This payment is compensated by a maximum contribution of 9.5% via the wage subsidy. Because this payment depends on the expected loss of income, this contribution can be a maximum of 9.5%. Therefore, reference is also made to a maximum of 89.5% in wage subsidy instead of 80% as mentioned above.

Deadline application

Applications for a wage subsidy can be submitted up to and including Wednesday 22 April, 2020 at 23:59 hours at the latest. This shortened period enables all

companies to pay their salaries on time for the month of April 2020.

Temporary assistance for self-employed entrepreneurs

Self-employed entrepreneurs may be eligible for financial support for a period of 3 months with retroactive effect from April 1, 2020, provided they have run into financial difficulties as a result of the COVID-19 crisis. A request must be submitted no later than June 30, 2020.

This temporary maintenance assistance supplements the income up to a maximum amount of NAf. 1,335 per month (80% of the minimum wage).

It should be noted that this measure also applies to legal entities of which the director or the major shareholder is the only employee and holds more than 50% of the shares. The conditions for eligibility are:

- The self-employed person only exercises the business or self-employed profession, has full control over this and only bears the financial risks thereof;
- The self-employed person must declare that the (net) income will be less than 80% of the minimum wage;
- The self-employed person is at least 18 years old and has Dutch nationality and / or valid residence status.
- His or her place of residence is in Curaçao and the activities of the

company mainly take place in Curaçao;

- The self-employed person must be registered with the Chamber of Commerce and the Tax Authorities or is willing to register as yet;
- The turnover tax return from January 2020 up to and including March 2020 must have been submitted and must consequently be submitted monthly;
- There is no further exclusion ground (such as unpaid leave, personal bankruptcy filed, stay abroad in the coming weeks, student). We shall refrain from further elaboration in this respect.

Credit facility SME/Self-employed entrepreneur

Finally, SME's in the affected sectors have the option of entering into a one-off credit facility to cover the fixed costs.

The loan is provided with longer-term repayment terms, with a maximum of 12 months' grace period and at an interest rate of 2% with a mandatory coaching and advisory process.

The affected sectors have been further specified and concern SME's in the tourism sector (catering and transport sector) or other sectors affected by the effects of measures regarding COVID-19 on the economy.

The conditions for companies to qualify for this are as follows:

- The following size criteria apply to micro, small and medium-sized companies:

	Rev. (mio NAf)	Employees
Micro	< 0,5	1-4
Small	< 0,5	5-10
Medium	> 0,5 < 5	11-50

- SME's must be registered with the Chamber of Commerce and the Tax Authorities. If this is not the case, the Ministry of Economic Development can still provide assistance.
- Activities have been discontinued entirely or in part due to government measures;
- The company must be located in Curaçao and the owner / director must have a valid ID / residence document;
- There must be at least 6 months of operational activities (since October, 2019);
- Financial data showing the need for help must be submitted;
- There has been an adjustment to the business model as a result of COVID-19 (where necessary) or there is a willingness to do so. E.g. take-out, delivery or digital services.

Unemployment allowance

The unemployment allowance is intended for people who lost their job after March 15, 2020 because of COVID-19 measures and also applies to people who have lost part of their job (being at least half of the number of working hours and the wages over those hours).

The following applies with regard to the scope and duration of the allowance:

- The benefit amounts to a maximum of 60% of the minimum wage (NAf. 1,000 per month) and does not exceed the average of the income earned.
- The payment is made monthly with retroactive effect from March 15, 2020 and the payment period is for three and a half months.
- This benefit period may be extended by three months if there is a need to do so in the event of an ongoing emergency due to COVID-19.

Resilience allowance

People who lost their job before March 15, 2020 and who were job hunting are also eligible for an allowance, the value of which depends on the size of the household.

Closing

It goes without saying that we will keep you informed if new developments around the Emergency Support Package occur.

If you would like to receive more information, please do not hesitate to contact us.



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