



# Covid-19 measures in the Dutch Caribbean

Tax relief and support measures as a result of the Corona virus outbreak

May 2020

## Introduction

The Governments of Aruba, Curaçao, Sint Maarten and the BES-islands (Bonaire, Sint Eustatius and Saba) recently published several support measures to help businesses and employees coping with the economical impact of the worldwide outbreak of the Coronavirus. The primary goal of these measures is to safeguard jobs and provide relief for the employers in the affected sectors.

In this document we will provide a high-level overview of the most important (tax) measures of each country. Please note that each measure is subject to certain specific conditions. For country specific details and labor law aspects we would like to refer to our recently published newsletters. Our newsletters are available on our website, LinkedIn or via your HBN Law & Tax contact person.

Please be informed that this document covers (proposed) legislation up to and including May 13, 2020. It is also available on our website [www.hbnlawtax.com](http://www.hbnlawtax.com) where it will be updated periodically. So please refer to our website to get the latest version.

| Collection of taxes (1/2)                            | Aruba  | BES-islands  | Curaçao   | Sint Maarten   |
|--|--|--|---|--|
| <b>Deferral of ongoing tax payments</b>              | On request for monthly taxes due (except LB, AOV/AWW and AZV) in sectors related to tourism. | On request for a period of up to 3 months (for islands taxes provisionally until June 30, 2020). | On request for the period through September 2020.   | Until June 30, 2020 for provisional profit tax return. |
| <b>Deferral of existing tax payment arrangements</b> | Deferral of 3 months.  | On request.  | On request for the period through September 2020.   | N/A  |
| <b>New payment arrangements</b>                      | Flex payment arrangements for 24-36 months.  | On request.  | On request, however no payment arrangement for wage tax and social premium contributions in case of receiving wage subsidy during these months. | On request.  |
| <b>Interest cost, collection costs, penalties</b>    | 0% interest, no collection costs, no penalties for late filings.                             | 0% interest, no collection costs.  | 0% interest, no collection costs, no penalties for late filings for April – June.   | N/A  |
| <b>Taxes covered</b>                                 | Applicable to all taxes and other levies collected by the Tax Collector.                     | Applicable to all taxes and other levies including islands taxes, except for motor vehicle tax.  | Applicable to all taxes and other levies collected by the Tax Collector.  | N/A  |

| Collection of taxes (2/2)  | Aruba  | BES-islands | Curaçao  | Sint Maarten  |
|--|--|-------------|--|---|
| <b>Extended filing deadline 2019 (provisional) profit tax return</b> | Provisional: N/A<br>Final: November 30, 2020 for all taxpayers (except financial institutions).  | N/A         | N/A  | Provisional: June 30, 2020 for all taxpayers.<br>Final: pending.  |
| <b>Extended filing deadline 2019 income tax return</b>               | N/A  | N/A         | N/A  | August 31, 2020.  |
| <b>Monthly tax filings and payment obligations</b>                   | Postponement, on request, for the payment of BBO/BAVP/BAZV, wage tax, tourist tax, special tax on short stays, rental cars and rental motorcycles for entrepreneurs or companies in the tourist sector with a monthly gross revenue of AWG 1 million for the periods April, May and June 2020. Obligation to file tax returns remain.  | N/A         | No sales tax due, on request, for employers with an estimated loss of income of at least 25% and not applying for the wage subsidy for the periods April, May and June 2020.<br>Obligation to file tax returns remain. | Filing and payment of wage tax, turnover tax, AOV/AWW and AVBZ premiums for the period of March 2020 postponed to May 15, 2020. |
| <b>Miscellaneous</b>   | <ul style="list-style-type: none"> <li>- Discount outstanding tax liabilities if paid at once.</li> <li>- No offense penalties voluntary disclosure.</li> <li>- Obligation to digitally file monthly tax returns as from tax period March. Applicable to: BBO/BAVP/BAZV, wage tax, tourist tax, special tax on short stays, rental cars, rental motorcycles and the casino tax.</li> </ul> | N/A         | N/A  | N/A   |

| Tax specific measures                    | Aruba   | BES-islands   | Curaçao  | Sint Maarten   |
|--|---|---|--|--|
| <b>Social premiums</b>                   | Exemption employer's contribution AOV/AWW (10.5%) for tourism sector for April, May and June 2020.                                    | N/A   | Exemption employer's contribution AOV/AWW (9.5%) for employers with an estimated loss of income of at least 25% and not applying for the wage subsidy (refer to next slide). | N/A  |
| <b>Indirect taxes</b>                    | Only deferral, on request, for the payment of the monthly tax due for the periods April, May and June 2020 (refer to previous slide). | N/A   | No sales tax due, on request, for the periods April, May and June 2020 (refer to previous slide).  | Filing and payment extension of the monthly taxes of March 2020 (refer to previous slide). |
| <b>Import duties and taxes on import</b> | N/A   | Essential goods 0% ABB on import until June 30, 2020. | Essential goods 0% import duties and 0% sales tax on import.   | N/A  |
| <b>Income tax</b>                        | Reduced rate (10%) on foreign dividends.  | N/A   | Basic tax credit 2020 increased from Naf. 2,284 to NAF. 2,348.   | N/A  |

| Temporary subsidy measures                   | Aruba  | BES-islands  | Curaçao   | Sint Maarten  |
|--|--|--|---|---|
| <b>Wage subsidy / working time reduction</b> | Compensation of up to 71.6% of the wage costs (including) employer's social security contribution for eligible employers with an estimated decline in sales of at least 25% and subject to a maximum. Working time reduction is maximum 40%. | Compensation of 80% of the wage cost for eligible employers with an estimated loss of income of at least 20%. Subject to a maximum and provisionally applicable until June 12, 2020. | Compensation of up to 89.5% of the wage costs (including employer's contribution AOV/AWW) for eligible employers with an estimated decline in sales of at least 25%. Subject to a maximum. No working time reduction. | Compensation of up to 80% of the wage cost for eligible employers with an estimated loss of income of at least 20%. Subject to a maximum. |
| <b>Independent entrepreneurs</b>             | Compensation in case of earnings less than AWG 950 monthly.  | Financial support of 80% of minimum wage. Provisionally applicable until June 12, 2020.  | Financial support of up to NAf. 1,335 per month.  | Financial support of up to NAf. 1,150 per month.  |
| <b>Job loss allowance</b>                    | Compensation in case of earnings less than AWG 950 monthly.  | Financial support of 80% of most recent wage. Subject to a maximum and provisionally applicable until June 12, 2020.   | Financial support of up to NAf. 1,000 per month.  | Financial support of NAf. 1,150 per month.  |
| <b>Credit facility (soft loan)</b>           | N/A  | BMKB-measure; GO-measure; Qredits.   | Loan (with longer term repayment conditions) for small and medium sized companies. Subject to a maximum.  | Maximum 5yr loan for companies with less than 550 employees. Subject to a maximum amount.   |
| <b>Miscellaneous</b>                         | Compensation for qualifying entrepreneurs of AWG 4,000 each quarter.   | Compensation for qualifying entrepreneurs of USD 4,400 for fixed costs other than wages.   | N/A   | N/A   |

| Miscellaneous measures                | Aruba  | BES-islands  | Curacao  | Sint Maarten   |
|---------------------------------------|--|--|--|--|
| <b>Maximum prices essential goods</b> | Maximum wholesale and retail margin for essential products   | Bonaire:<br>Maximum wholesale and retail margin for essential products | Maximum wholesale and retail margin for essential products | Maximum wholesale and retail prices for essential products |
| <b>Solidarity taxation</b>            | Introduction solidarity tax for MP's (25%), Ministers (20%), civil servants (12,5%) and pensioners resorting under general pension fund APFA (4,5%) for the period of May through December 2020. | N/A  | N/A  | N/A  |
| <b>Legislation</b>                    | Phase II Reforma Fiscal (tax reform) postponed.  | N/A  | ABB legislation postponed.                                 | N/A  |

# ALWAYS ONE STEP AHEAD!

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