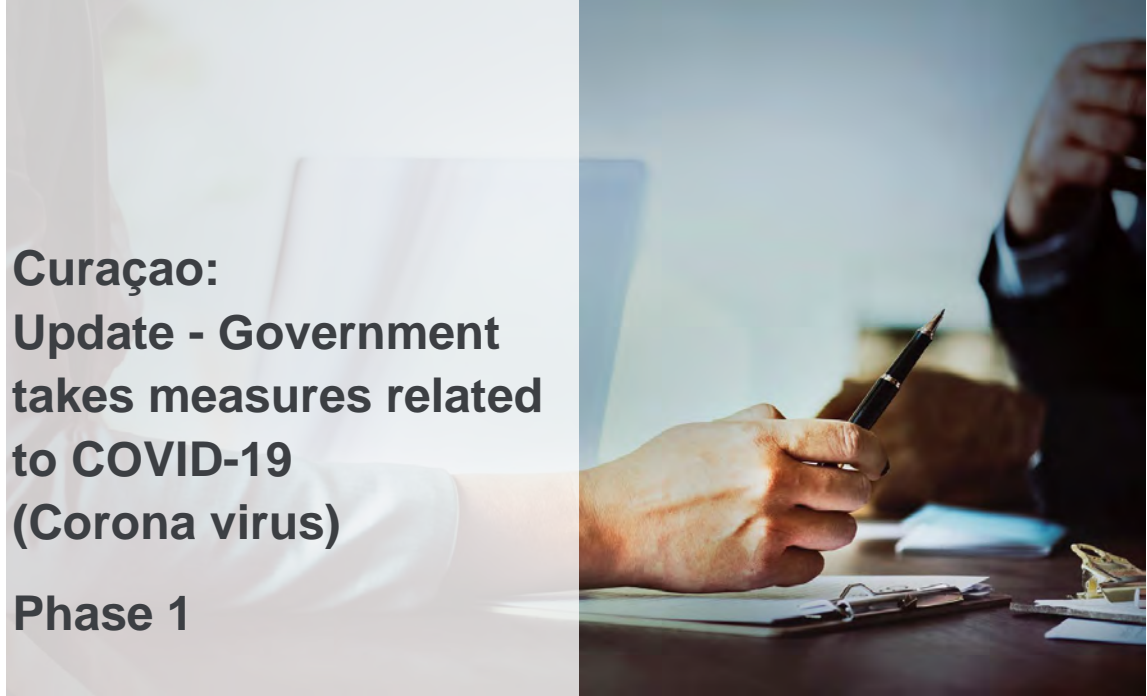


# Tax Instant News



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

**Phase 1**

On April 30, 2020 it was made public, that the Instruction Solidarity Package of support measures for COVID-19 (phase 1), dated April 2, 2020, was withdrawn. A revised Instruction has been published with new conditions for deferral schemes as well as exemption from premiums and sales tax. Read more about it in this TIN.

Curaçao, May 2020

# Tax Instant News

## Background

In the following we will discuss the Instruction Solidarity Package of support measures for COVID-19 II as published on April 30, 2020. This revised Instruction will take effect retroactively from April 1, 2020 and will in principle apply for the months of April, May and June. If necessary, the support measures below can be extended by 3 months at a time.

The Instruction as published on April 3, 2020, which we have informed you earlier about, has hereby lapsed. For the sake of convenience, we highlighted the changes.

## Existing and new payment arrangements

On request, existing payment arrangements for outstanding tax and premium debts can be suspended (deferred payment). The request can be addressed to the Tax Collector by email at: [invorderingsteam@gobiernu.cw](mailto:invorderingsteam@gobiernu.cw).

The collection measures will be immediately suspended upon receipt of the aforementioned request(s). Subsequently, the Receivers Office will assess whether the taxpayer is eligible for suspension, adjustment of the current payment arrangement or the agreement of a payment arrangement.

The declaration obligation is not suspended for any type of tax.

Furthermore, the monthly tax returns up to and including the period **February 2020** must be submitted and paid. Note: suspended taxes must still be paid at a later date.

The foregoing also applies to new requests for deferral of payment arrangements for all taxes and non-taxes collected by the Tax Collector.

However, in addition to the abovementioned requirements, employers who have successfully invoked the Emergency measure Bridging Employment ('EME' also known as 'NOW') cannot make a payment arrangement for the payment of wage tax and social premiums due during those months.

## Default penalties, recovery interest and collection costs

The following applies during the period from April 1, 2020 through June 30, 2020:

- A default penalty for non-payment, partial or late payment of tax is omitted;
- Recovery interest is set at 0%;
- Collection costs are not charged;

## Social premiums: Exemption from employer's contributions to AOV / AWW

With regard to social contributions, employers affected by the coronavirus outbreak, with a revenue loss of at least 25% will be exempted, on request, from having

to compensate and pay the employer's contribution of AOV / AWW premium (9.5%) for the periods of April, May and June 2020. In principle, the loss in revenue is the difference between the revenue in April 2019 and the (estimated) revenue in April 2020. To be eligible for this, the employer must:

- a. Be registered with the Social Insurance Bank ("SVB");
- b. Continue to pay the wages completely to its employees;
- c. Not apply for dismissal during the allowance period for economic reasons;
- d. Send the request by email to [invorderingsteam@gobiernu.cw](mailto:invorderingsteam@gobiernu.cw);
- e. Await approval from the Tax Collector, confirming that the employer does not have to pay the employer contributions;
- f. Do not rely on the EME (NOW).

For the loss of revenue test, exceptions apply for companies that were founded after April 1, 2019, have experienced a substantial increase in revenue as of April 1, 2019 or are not liable to sales tax.

Apart from the above, the AOV/AWW employee premiums must be withheld and paid.

### Sales tax

With regard to the entrepreneurs affected by the coronavirus outbreak, with a loss in revenue of at

least 25%, it should be noted that these entrepreneurs still have to charge the sales tax and file the monthly tax return. However, on request, the sales tax charged does not have to be paid to the Tax Collector.

Likewise, the loss in revenue is, in principle, the difference between the revenue in April 2019 and the (estimated) revenue in April 2020. To be eligible for this, the entrepreneur must:

- a. Send the request by email to [invorderingsteam@gobiernu.cw](mailto:invorderingsteam@gobiernu.cw);
- b. Await approval from the Tax Collector, confirming that the entrepreneur does not have to pay the withheld sales tax;
- c. Have submitted and paid the sales tax returns up to and including the period February 2020;
- d. As usual, comply with his declaration obligation, except the payment of the sales tax due.

For the loss of revenue test, exceptions apply for companies that were founded after April 1, 2019, have experienced a substantial increase in revenue as of April 1, 2019 or are not liable to sales tax.

### Closure

We will keep you informed if new developments occur and / or further detailed conditions are announced.

Our previous TINs can be found on  
our website: [www.hbnlawtax.com](http://www.hbnlawtax.com)  
and for COVID-19 related questions  
you can also contact us at:  
[helpdeskcorona@hbnlawtax.com](mailto:helpdeskcorona@hbnlawtax.com).

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

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