


Tax Instant News



**Curaçao:
Update – New
Instruction Solidarity
Package of support
measures related to
COVID-19 III**

On May 29, 2020 it was made public, that the Instruction Solidarity Package of support measures for COVID-19 II, published on April 30, 2020, has been withdrawn. A revised Instruction has been published with new conditions for the waiver of premiums and sales tax. Read more about it in this TIN.

Curaçao, June 2020

Tax Instant News

Background

In the following we will discuss the Instruction Solidarity Package of support measures for COVID-19 Ill as published on May 29, 2020. This will revoke the existing Instruction Solidarity Package II. The background of the new notification is related to the changes from May 2020 with regard to the Emergency Measure Bridging Employment ("NOW"). This revised Instruction will take effect retroactively from April 1, 2020 and will in principle be valid 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 May 4, 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: invorderingteam@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% for April and 40% for May and June 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 May and June 2020. In principle, the loss in revenue is the difference between the revenue in the concerning month in 2019 and the (estimated) revenue in the concerning month in 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 invorderingteam@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, May 1 or June 1, 2019 and have experienced a substantial increase in revenue as

of April 1, May or June 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% in April and 40% in May, 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 for the periods of April and May 2020 (so, no more for June 2020).

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

- a. Send the request by email to invorderingteam@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 **or May 2019** and have experienced a substantial increase in revenue as of April **and May**, 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 and for COVID-19 related questions you can also contact us at: helpdeskcorona@hbnlawtax.com.

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



hbn | law & tax

Joris Mulder

mulder.joris@hbnlawtax.com

Rejauna Rojer

rojer.rejauna@hbnlawtax.com

Nicole Echobardo

echobardo.nicole@hbnlawtax.com

Amsterdam

Concertgebouwplein 7
1071 LL Amsterdam
The Netherlands
T. +31 20 303 3020
E. info@hbnlawtax.com

Aruba

L.G. Smith Boulevard 54
Oranjestad, Aruba
T. +297 583 9311
E. info@hbnlawtax.com

Aruba

Beatrixstraat 38
Oranjestad, Aruba
T. +297 588 6060
E. info@hbnlawtax.com

Bonaire

Kaya Korona 40
Kralendijk, Bonaire
Dutch Caribbean
T. +599 717 6944
E. info@hbnlawtax.com

Curaçao

L.B. Smithplein 3
Willemstad, Curaçao
T. +5999 4343300 (general)
T. +5999 7325400 (tax)
E. info@hbnlawtax.com

Rotterdam

Weena 505
3013 AL Rotterdam
The Netherlands
T. +31 10 800 5483
E. info@hbnlawtax.com

Sint Maarten

W.G. Buncamper Road 33
Philipsburg, St. Maarten
T. +1721 542 2272
E. info@hbnlawtax.com

HBN Law & Tax is the trade name of HBN Law & Tax B.V., registered in the Curaçao Trade Register under number 128691(0), which is the sole and exclusive provider of our services. All our services are provided on the basis of our general terms and conditions, a copy of which can be downloaded at www.hbnlaw.com which contain a limitation of our liability and an exclusive choice of law and forum for any dispute.

Amsterdam • Aruba • Bonaire • Curaçao • Rotterdam • Sint Maarten • hbnlawtax.com

