



Covid-19 measures in the Dutch Caribbean

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

OCTOBER 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 October 9, 2020.

Collection of taxes (1/2)	Aruba	BES-islands	Curaçao	Sint Maarten
Deferral of ongoing tax payments	On request for monthly taxes due (except LB, AOV/AWW and AZV) in sectors related to tourism.	On request, subject to further conditions to be filed before September 30, 2020.	On request, subject to further conditions.	Provisional: June 30, 2020 for all taxpayers. Final: N/A
Deferral of existing tax payment arrangements	Deferral of 3 months.	On request.	On request, subject to further conditions.	N/A
New payment arrangements	Flex payment arrangements for 24-36 months.	On request, subject to further conditions such as 3 year payment schedule for the period of July 1, 2021 through June 30, 2024	On request, however no payment arrangement for wage tax and social premium contributions in case of receiving wage subsidy during these months.	On request.
Interest cost, collection costs, penalties	0% interest, no collection costs, no penalties for late filings for the months April through June.	0% interest for deferral of tax payments (see above) for the period through December 31, 2020, no collection costs.	0% interest, no collection costs, no penalties for late filings for the months April through June.	N/A
Taxes covered	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
Extended filing deadline 2019 (provisional) profit tax return	Provisional: N/A Final: November 30, 2020 for all taxpayers (except financial institutions).	N/A	N/A	Provisional: June 30, 2020 for all taxpayers. Final: pending.
Extended filing deadline 2019 income tax return	N/A	N/A	August 1, 2020.	August 31, 2020.
Monthly tax filings and payment obligations	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	Obligation to file tax returns remain. No sales tax due, on request, for employers with an estimated loss of income of at least 25%. For the month of May an estimated loss of income of at least 40% applies.	Filing and payment of wage tax, turnover tax, AOV/AWW and AVBZ premiums for the period of March 2020 postponed to May 15, 2020.
Miscellaneous	<ul style="list-style-type: none"> - Discount outstanding tax liabilities if paid at once. - No offense penalties voluntary disclosure. - 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. 	N/A	N/A	N/A

Tax specific measures	Aruba	BES-islands	Curaçao	Sint Maarten
Social premiums	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% for the month of April and 40% for the months of May and June and not applying for the wage subsidy (refer to next slide).	N/A
Indirect taxes	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 months of April and May 2020 in case of an estimated loss in revenue of at least 25% for the month of April and 40% for the month of May.	Filing and payment extension of the monthly taxes of March 2020 (refer to previous slide).
Import duties and taxes on import	N/A	Essential goods and personal Covid-19 protective equipment under circumstances 0% ABB on import until June 30, 2020.	Essential goods 0% import duties and 0% sales tax on import.	N/A
Income tax	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
Wage subsidy / working time reduction	<p>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%. Provisionally applicable through December 31, 2020.</p>	<p>Compensation of 80% of the wage cost for eligible employers with an estimated loss of income of at least 20%. Subject to further conditions and a maximum and provisionally applicable until July 12, 2021.</p>	<p>Compensation of up to 89.5% for April and up to 71.6% as from May of the wage costs for eligible employers with an estimated decline in sales of at least 25% (40% only for the months of May and June). Subject to a max and further conditions apply.</p>	<p>Compensation of up to 80% of the wage cost for eligible employers with an estimated loss of income of at least 20% through May 2020. Subject to a maximum which is derived from the ZV wage limits.. For June 2020 the employees concerned should make a contribution of 20% and SZV will carry the remaining 60%. The amount of Business Payroll support depends on the actual loss of revenue. Please note that the list of exempted business sectors does not apply for June 2020.</p>
Independent entrepreneurs	<p>Compensation in case of earnings less than AWG 950 monthly. Provisionally applicable through December 31, 2020.</p>	<p>Financial support of 80% of minimum wage. Subject to further conditions and provisionally applicable until July 12, 2021.</p>	<p>Financial support of up to NAf. 1,335 per month.</p>	<p>Financial support of up to NAf. 1,150 per month.</p>

Temporary subsidy measures	Aruba	BES-islands	Curaçao	Sint Maarten
Job loss allowance	Compensation in case of earnings less than AWG 950 monthly. Provisionally applicable through December 31, 2020.	Financial support of 80% of most recent wage. Subject to further conditions and a maximum and provisionally applicable until July 12, 2021.	Financial support of up to NAf. 1,000 per month for the months April through June.	Financial support of NAf. 1,150 per month.
Credit facility (soft loan)	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.
Miscellaneous	Compensation for qualifying entrepreneurs of AWG 4,000 each quarter. Provisionally applicable through December 31, 2020.	Compensation for qualifying entrepreneurs of USD 500 – 55,000 for fixed costs other than wages.	N/A	N/A

Miscellaneous measures	Aruba	BES-islands	Curacao	Sint Maarten
Maximum prices essential goods	Maximum wholesale and retail margin for essential products	Bonaire: Maximum wholesale and retail margin for essential products	Maximum wholesale and retail margin for essential products	Maximum wholesale and retail prices for essential products
Salary measures	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	Introduction of salary cut for MP's and Ministers (25%) as from July 1, 2020. Legislation pending to introduce salary cut for civil servants (12,5%) as from July 1, 2020. Introduction of salary cap for (semi) governmental organizations as from July 1, 2020.	N/A
Legislation	Phase II Reforma Fiscal (tax reform) postponed.	N/A	ABB legislation postponed.	N/A

ALWAYS ONE STEP AHEAD!

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. +1 721 542 2272

E. info@hbnlawtax.com