

COVID-19 Aruba Newsbulletin #5



As you already know, the Minister of Finance announced a fiscal relief package for the upcoming three months as an alleviation for the ongoing COVID-19 pandemic. In this regard several questions have been raised as to the announced measures. The Tax Authorities have provided further clarification on these frequently-asked-questions which you will find in this newsflash.

We do mention that due to the current situation the information we receive is continuously changing. We will inform you as soon as there are any changes to the information below or if new information becomes available.

Fiscal relief package - FAQs

Waiver of the payment obligation of the employer's contribution AOV/AWW for April, May and June 2020

1. Is the list of listed companies exhaustive or should it be taken as an indicative list?

The list is indicative and should not be considered as an exhaustive list. Other companies, including hotels and lodgings, are also companies carrying out activities in the field of tourism and can therefore apply this facility.

2. Can this facility also be applied by companies that have closed down as a result of the Covid-19 measures (AB 2020 No 43)?

The companies which do not perform essential activities, on the basis of the General Regulation for Combating COVID-19 IV (AB 2020 no. 43), can also apply the fiscal relief measures if they are dependent on the tourism sector and as a result of this regulation also fall within the scope of the fiscal relief package.

3. Is this a discount or is this a deferral arrangement?

This is a discount (read: waiver) of the AOV/AWW premium to be paid. It is therefore not a deferral of the payment. Since there is a discount on the remittance of the employer part of the premium AOV/AWW, the employee will not notice this. The complete AOV/AWW premium should still be calculated and stated in the payroll administration, on the annual statement and on the collective wage sheet, in accordance with applicable laws.

4. Does the discount also apply to the monthly AZV premium?

The monthly AZV premiums are not included in the Fiscal Relief Package.

5. What is meant by "payroll summary"?

This means a summary of the totals from the payroll system for that month, including the gross wages, the withheld wage tax, the employee contributions AOV/AWW and AZV and the employer contributions

AOV/AWW and AZV. This overview can be extracted from the company's payroll system.

6. How should the wage tax return and payroll summary be submitted?

The wage tax return and payroll summary should be submitted via the digital portal of the Departamento di Impuesto 'BO impuesto'. Anyone who has not yet registered for this is requested to do so as soon as possible for the online filing of their tax returns. DIMP is currently looking into the technical possibilities regarding the content of the tax returns, for example whether the discount of the employer part of the premiums AOV/AWW should be processed in the tax return or not, and the way in which the "payroll summary" must be submitted. DIMP will inform you as soon as possible.

The extension of the deadline for the payment of monthly taxes

1. Is the extension of payment also applicable to the wage tax, social premiums AOV/AWW and AZV?

No, this is not applicable to the wage tax, social premiums AOV/AWW and AZV.

2. Is the list of listed companies exhaustive or should it be taken as an indicative list?

The list is indicative and should not be considered as an exhaustive list. Other companies, including hotels and lodgings, are also companies carrying out activities in the field of tourism and can therefore apply this facility.



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3. Regarding the Afl. 1 million turnover threshold, should only the realized turnover per month for the months April, May and June 2020 be taken into account?

The threshold is assessed based on the taxpayer's actual realized complete turnover for the month in question (i.e. April, May or June 2020).

4. What is meant by 'simple' reporting requirements regarding cash flow problems?

The taxpayer is expected to demonstrate to the Inspector that there are cash flow problems, which makes it necessary for the postponement of payment of the tax due. This means that a (simple) numerical substantiation and/or copy the bank statements with the available funds and the cash flow to be expected in the coming months must be provided by means of a cash flow forecast drawn up by the taxpayer himself, the bank or its accountant.

5. Does the extension of payment also apply to the month of March?

No, the extension does not apply for the month of March 2020. However, if there are reasons why a taxpayer needs an extension of payment for the month of March 2020, an individual request can be sent for further review by DIMP.

Extension for the filing and payment of the 2019 profit tax (except for Financial Institutions)

1. Does the preliminary 2019 corporate income tax return expire?

The preliminary and final profit tax returns have already been issued. Delivery is currently taking place. The filing deadline of the preliminary return is the same as that of the final return. This means that the preliminary return does not have to be used. However, if desired, the taxpayer is free to submit a preliminary return and pay in accordance with the preliminary return.

Flexible payment schedules

1. Can a taxpayer who does not meet the conditions of a maximum turnover of Afl. 1 million qualify for a flexible payment schedule

Yes, the possibility of a flexible payment schedule is not linked to a turnover condition.

Discounts for old outstanding amounts

1. Can refunds be granted for amounts overpaid in recent years and subsequently offset this refund with outstanding taxes?

The flexible payment of arrangements does not lead to the refund of tax correctly paid in accordance with the law.

2. Does the discount also apply to collection costs?

No, the collections costs must be paid in full.

Facilitation of the policy regarding reduced rates for distributed dividends against a tax rate of 10%

1. Does a request have to be filed?

No request has to be filed. The processing of this will take place at the time that the recipient of the dividend files his/her income tax return. For further conditions, the ministerial order will be amended soon.

Voluntary Disclosure

1. In case of voluntary disclosure, no fine will be imposed. Can you also confirm that no interest will be charged?

If the assessments resulting from voluntary disclosure is not paid on time, recovery interest may be charged. Do note that Aruba does not levy a 'heffingsrente' (interest because of late filing).

2. Does the voluntary disclosure arrangement only apply to an offense penalty or also to an omission penalty?

The voluntary disclosure arrangement only applies to offense penalties ("verzuimbotes").

No seizures

1. Are all seizures automatically suspended, or do they have to be requested?

Not all recovery processes are suspended. This only applies to the processes listed in the fiscal relief package and concerns i.e. seizures. This will be suspended by DIMP on the understanding that this will infringe DIMP's standard work processes in the area of recovery. Issuance of writs will take place normally and/or by mail.

Improved service through online filings and payments

1. Can objection letters and monthly returns be submitted by e-mail to the relevant tax officer?

DIMP has developed the possibility to submit certain returns via their website:

www.impuesto.aw/digitale-formulieren.

For correspondence recently submitted via e-mail DIMP acts flexible with the deadlines, as also announced in the press release of March 26, 2020. DIMP advises to follow their website www.impuesto.aw or the facebook page 'Departamento di Impuesto' for further messages and/or important information related to its operations.

Aruba, April 2, 2020

Contact us



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