
An update as to the Aruba tax reform – Business Turnover Tax



As per January 1, 2019 the mentioning of the BBO/BAZV/BAVP on the invoice has been prohibited. However, a transitional period of 6 months was granted. Considering that the end of this transitional period of 6 months is approaching we would like to inform you based on the following practical Q&A.

Why is the mentioning of the BBO/BAZV/BAVP prohibited?

The reason for this prohibition is to provide more clarity to the consumer by not allowing the entrepreneur to add the taxes due on the invoice/receipt at the moment the client has to pay for the service or goods, according to the Government.

When is the deadline to stop mentioning the BBO/BAZV/BAVP on the invoices/receipts?

The deadline to make the necessary changes is June 30, 2019. As of July 1, 2019, it is prohibited to mention the BBO/BAZV/BAVP on the invoices/receipts and it is also prohibited to not include the BBO/BAZV/BAVP in the prizes. At this moment we have not received any other information indicating that there will be a change of date for the transitional period.

Is the prohibition solely for the mentioning of the BBO? Can I keep mentioning BAZV and BAVP on the invoices/receipts?

The prohibition will also apply for the BAZV and BAVP.

Is this the only change that should be applied on the invoices/receipts?

All invoices/receipts should not include the BBO/BAZV/BAVP. The invoices and receipts should only reflect the final price.

Is the prohibition only for the invoices/receipts? Can I label the products without including BBO/BAZV/BAVP in the price?

The prohibition is not only for the invoices/receipts but also for the products on the shelves. The price mentioned on the labeled product must be the final price. In other words, the price of the product on the shelf has to be the same price as paid by the consumer at the cash register.

Is it possible to mention two separate amounts on the invoice/receipt? For instance, an amount without BBO/BAZV/BAVP and another amount with BBO/BAZV/BAVP?

According to the explanatory notes on the State Ordinance the mentioning of an amount without BBO/BAZV/BAVP included in the prize is not allowed. Based on this, we feel that the amount shown on the invoice/receipt should only show the final price to be paid by the consumer. The BBO/BAZV/BAVP legislation strictly prohibits the entrepreneur to provide goods and services against prices in which the BBO/BAZV/BAVP is not included.

What happens if I can't change my prices and keep mentioning the BBO/BAZV/BAVP on the invoices/receipts after the transitional period?

In this case the Tax Authorities can impose a penalty up to Afl. 10,000. It is not clear if the penalty will be imposed per invoice/receipt on which the BBO/BAZV/BAVP is mentioned or if the penalty will be imposed after not complying for several invoices/receipts. The explanatory notes only mention that a penalty may be imposed in case of a violation of this rule. Therefore, the Tax Authorities might take the position that the penalty is due per invoice/receipt on which the BBO/BAZV/BAVP is mentioned separately.

In the case you can't include the BBO/BAZV/BAVP in the prizes, please note as an entrepreneur you are still obligated to remit the BBO/BAZV/BAVP of 6% to the Tax Authorities.

Will the BBO/BAZV/BAVP be replaced by another tax?

According to the information we received it is the intention to replace the BBO/BAZV/BAVP with a single indirect tax. However, which indirect tax will be introduced and when this will be introduced is still unknown.



Contact us



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