

COVID-19 Aruba Newsbulletin #3



Due to the current situation as to the COVID-19 pandemic, the Government of Aruba has prepared a fiscal relief package for employers and employees who have been impacted by the COVID-19 pandemic. During the daily press conference of March 27, 2020, the Minister of Finance laid out the fiscal relief package and the 14 measures which have initially been taken for the upcoming three months of April, May and June. We feel it is important to keep you well informed regarding all announcements, changes and information made available during this time.

Please note that the below is a summary of the most recently announced measures and information. We do mention that due to the current situation these are 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 for upcoming 3 months

During the daily press conference of the Government of Aruba on March 27, 2020 the Minister of Finance and Economic Affairs announced the fiscal relief package and the 14 measures included in this package. Below we will briefly elaborate on these 14 measures.

1. Extension of payment for taxes due on a monthly basis

Taxpayers are required to file their monthly tax returns, such as BBO, BAZV and BAVP and wage tax, on time, however an extension of payment is granted for the taxes due in accordance with the return. No dates were provided until when the extension of payment would be granted.

2. Companies active in the tourism industry are exempt from paying the employers part of the AOV/AWW premiums

The employers in the tourism industry are exempt from paying the employer's part of the AOV/AWW monthly premiums under the condition that they submit a "payroll summary" and a declaration of taxes on wages and social security premiums with the Tax Inspector. This facility is applicable for: Casino's, Transport & Tour Operators, Security, Cafés, Bars, Restaurants, Landscaping, Spa, Car Rental, Travel Agencies, Water sports, Car wash, Laundry, Perfume companies, Jewellers, Clothing stores, Shoe stores, Souvenir stores, Ground handlers, Employment agencies and Construction companies.

3. Extension for filing 2019 profit tax return

With the exception of financial institutions, all companies will receive an extension for the filing of the profit tax return for 2019 (originally due May 31, 2020) and the payment of the profit tax due. The return will now have to be filed ultimately November 30, 2020.

4. Extension of payment for payment schemes

Everyone who has agreed a payment schedule with the Tax Collector will receive a grace period of 3 months before having to make any payments.

5. No penalties for monthly filings

No penalties will be imposed for the monthly tax returns that have not been filed or have not been filed timely. Furthermore, no penalties will be imposed for non or partial payment of the taxes due.

6. No accumulation of interest

The Tax Collector will suspend the accumulation of interest due in connection with outstanding liabilities.

7. Flexible payment schedules

- 24 months for individuals with a minimum of Afl. 100 per month.
- 24 months for entities with a minimum of Afl. 500 per month.
- 36 months for pensionados with a minimum of Afl. 75 per month.

8. Dispensation for old outstanding amounts

All outstanding amounts with a date as of:

- Up to December 31, 2010: 75% dispensation.
- January 1, 2011 - December 31, 2014: 50% dispensation.
- January 1, 2015 - December 31, 2019: 10% dispensation.

9. Lower tax rate for received dividends

For individuals receiving dividend distributions from companies located abroad a personal income tax rate of 10% will apply, instead of the going rate of 25%. We assume that further guidelines will be published.

10. Voluntary disclosure

Offense penalties will be waived if taxpayers and/or withholding agents who have not met their tax obligations voluntarily meet their tax compliance obligations and provide the necessary information to the Tax Authorities required for the collection of the applicable taxes. The Tax Authorities will have to provide more details still.

11. No seizures

The Tax Collector will suspend all forceable collection measures such as seizures.

12. No tax audits

The Tax Authorities will not perform any tax audits.

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13. Online service improved

The online service of the Tax Authorities has been improved for the purpose of online filings and payments.

14. More transparency of information

More information will be shared via social media platforms.

Aruba, March 27, 2020

Contact

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