Tax Treaty Policy of Curaçao

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Building a Tax Treaty Network for Curaçao

Cross-border international investments and activities can easily be hampered by international double taxation. Such double taxation is undesirable

The importance of Tax Treaties

Facilitation of cross-border investments and transfer of skills and technology

- To prevent double taxation
- Reducing excessive source taxation
- Prevention of tax discrimination
- Providing certainty and simplicity
- Maintaining benefits of domestic tax concessions

Prevention of fiscal evation

- Exchange of information
- Coordination between tax administrations
- Cooperation between tax administrations

Political reasons

- Signal to the global economy and potential investors: “ we are a responsible member of the international tax community”
- Enhancing bilateral relations

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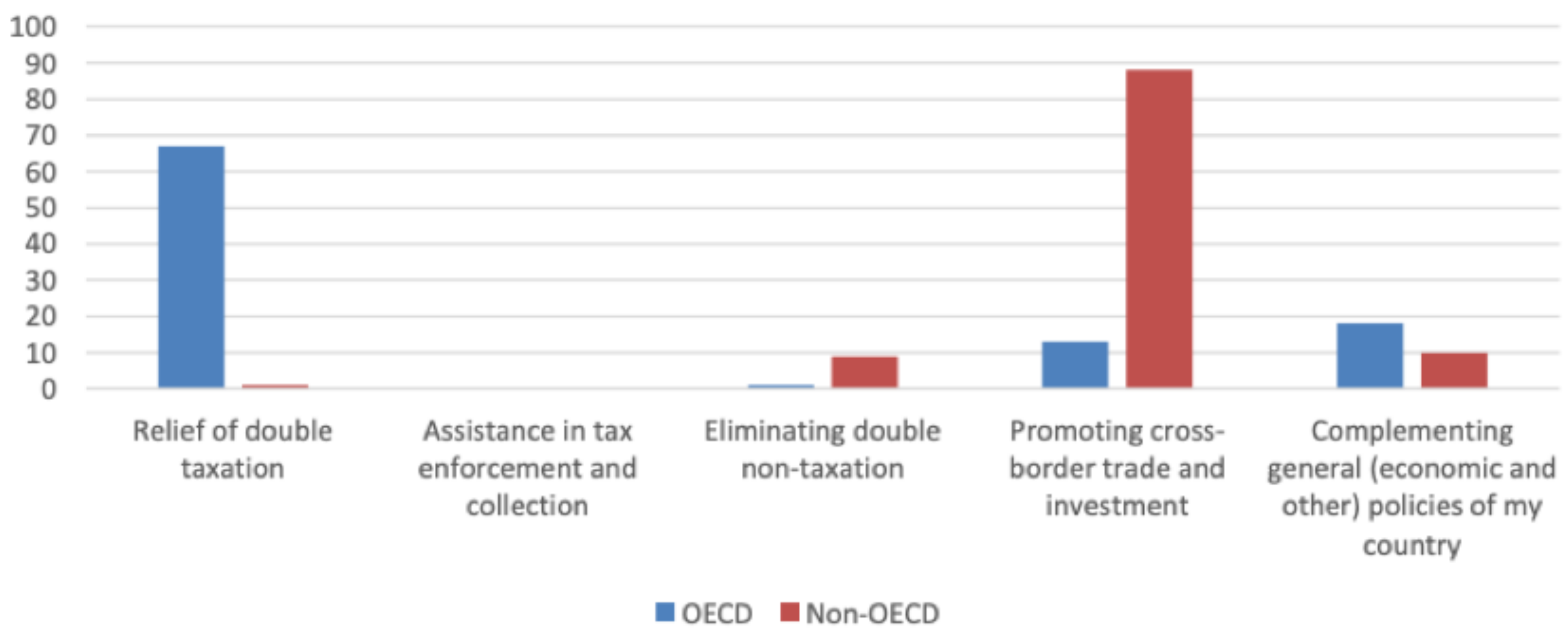
Why Tax Treaties?



Why negotiate a tax treaty with Curaçao?

Regional integration of the Caribbean economies

The financial centers are complementary to each other, know-how and experience

Extension articles in tax treaties of the Netherlands

Curaçao strives to be fully **compliant** with all international standards (BEPS)

Why a Tax Treaty with Curaçao

The infrastructure, brand awareness and language skills have contributed to the development of our international financial services sector. The extent to which the international ties that Curaçao has built up worldwide creates certainty for investors and determines the success of the future development of the hub function that Curaçao fulfills and aims to fulfill.

One of these international ties is the double taxation treaties.

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- Based on the OECD Model Convention and OECD Commentary
- In line with the BEPS minimum standard for the avoidance of treaty abuse
- Anti-Abuse Measures in Tax Conventions
- Apply the territorial extension of tax treaties concluded by the Netherlands
- Collaboration within the Dutch Kingdom for an active coordination of the ratification process

Constitutional aspects

- Curaçao enjoys autonomy in matters of taxation and can independently negotiate tax treaties

- Curaçao is dependent on the Netherlands for the ratification of a tax treaty

- Foreign Affairs of the Dutch Kingdom and the Curaçao Directorate of Foreign Relations: active coordination of the ratification process

- Extension articles in tax treaties of the Netherlands

- Extensions in treaty with the Netherlands: Colombia, Cyprus, Chili, Liechtenstein, Kosovo, Bulgarije

Constitutional aspects

Article 27 Territorial extension

1. This Convention may be extended, either in its entirety or with any necessary modifications, to Aruba, Curaçao or Sint Maarten if the part of the Kingdom of the Netherlands concerned imposes taxes substantially similar in character to those to which the Convention applies. Any such extension shall take effect from such date and shall be subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed in notes to be exchanged through diplomatic channels.

2. Unless otherwise agreed the termination of the Convention shall not also terminate the Convention for any part of the Kingdom of the Netherlands to which it has been extended under this Article.

Tax Treaty with Curaçao

A double taxation treaty can facilitate broad sustainable socio-economic development for our countries and diversify our economies

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