

2021 TAX LAW AMENDMENTS & UPDATES

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HBN Law & Tax is honored to provide a contribution to the first edition of the Caribbean Tax Law Journal (“CTLJ”). In this contribution an overview is provided of the most important tax law amendments & updates during 2021 for Curaçao.

Guidelines territorial tax system²

In March 2021 further guidelines to the territorial tax system were published by means of annex G to the National Decree for Profit tax (“Annex G”). Annex G provides guidelines for the profit tax calculation (domestic tax base and / or extra territorial tax base) of specific sectors such as banking and insurance, real estate, service providers, as well as entities receiving passive income such as interest, dividend, rent and royalties. Furthermore, Annex G elaborates on the cost allocation method as well as how to qualify capital gains

Tax debt recovery³

Guidelines on tax debts recovery (“Guidelines”) were announced in July 2021 and further amended in November 2021. Subject to certain conditions taxpayers can obtain a maximum of 40% respectively 30% discount on outstanding tax debts. Such discounts apply on tax assessments issued ultimately on December 31, 2020.



Innovation box⁴

The Minister of Finance approved the national decree containing general measures for the application of the innovation box (“National Decree”) in November 2021. The innovation box was codified in the tax law codes as per July 1, 2018. However, the tax law code could not be applied in practice up until now due to the pending National Decree. At the moment of writing this contribution for the CTLJ, the National Decree was not yet published.

2020 profit tax returns⁵

Further extension of filing of the 2020 profit tax returns was announced on December 8, 2021. Taxpayers have been granted an additional extension of two months by the Tax Authorities up to and including February 28, 2021.

²P.B. 2021-19

³Richtlijnen ter invordering van openstaande schulden bij de Ontvanger.

⁴Social media announcement by the Minister of Finance.

⁵Bekendmaking Inspecteur der Belastingen inzake definitieve aangifte winstbelasting 2020.