

LETTER FROM THE EDITOR

For over a decade, both the OECD and the EU have successfully taken up the fight against harmful tax competition. The artificial reduction of fiscal profit and profit shifting has been addressed through the global roll-out of the BEPS Project. For Caribbean small islands developing states (SIDS) with a tax-related economy, the possibilities to stimulate the economy with preferential tax regimes, have become extremely limited, even more so because the BEPS Project has had a follow-up in the form of the Pillar Two solution. All in all, the international tax system is changing in a fundamental way and other alternatives to raise tax revenue should be considered. In this edition, Nazna Ishaak and Indrah Maduro kick off with an opinion about the value added tax (VAT), to be introduced in Suriname and Aruba, including suggestions for a better functioning tax system. Another option to be considered, especially for SIDS, is building a tax treaty network. At the same time, it should be noted that for some SIDS, like Curaçao, building a tax treaty network is a major challenge due to its constitutional structure. On September 28, 2022, I defended my PhD Thesis 'A Tax Treaty Policy for Curaçao'. I am very excited to share the outcomes of my PhD thesis with you in this edition.

Thayisa Farro has engaged in an exclusive interview with Mrs. Evelyn Wever, the Prime Minister of Aruba in which Mrs. Wever elaborates extensively on the new tax legislation of Aruba to be introduced at the end of this year. Later in this issue we present to you articles on DAC7 by Ian de Brabander, the proposed tax reform of Aruba by Lance Henriquez, Tax, sustainability and ESG by Maarten Koper, the EU State Aid by Wessel Geursen, Cryptocurrency in Sint Maarten by Marco Aalbers and the Curaçao territorial profit tax regime by Lennart Huijsen and Josue Matos de Leon.



Last but foremost, we would like to mention the captivating contribution by Francisco Luis and Samira Yassin on the US federal tax fiscalization over Puerto Rico businesses and residents seeking incentives. In the infamous insular cases, the United States Supreme Court upheld that territories such as Puerto Rico belong but are not part of the US. Such differences have resonated within the US federal tax code provisions. Francisco Luis and Samira Yassin discuss the US federal tax authority over Puerto Rico businesses and residents.

We hope this second edition will spark your interest in the ongoing developments of tax law in the Caribbean region.

Stay with us – and expect more as we will be issuing our third edition in the first quarter of 2023.

Germaine Rekwest