

CURAÇAO'S STRUGGLE FOR FISCAL LEGITIMACY AND INTERNATIONAL RECOGNITION

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INTRODUCTION

For decades, Curaçao has struggled with the "black," "grey," and "white" lists maintained by powerful international bodies like the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD). Being listed carries significant consequences beyond reputational damage; it empowers the EU and its member states to enact defensive fiscal and non-fiscal measures. These can impact foreign policy, development cooperation, and economic relations, while also blocking access to various European funding streams.


To avoid these lists, Curaçao has primarily focused on legislative amendments to align with EU and OECD tax standards. However, less attention is paid to a persistent legacy issue: as a former part of the Netherlands Antilles, Curaçao remains on the "blacklists" of several countries, including Brazil and Portugal and is classified as a "tax haven." Why is it so difficult for Curaçao to shake off this label?



THE PERSISTENCE OF BLACKLISTING AND THE NEW COMPLIANCE CYCLE

A quarter-century ago, the OECD listed Curaçao as a "tax haven" due to transparency and data-exchange issues. The OECD urged its members to terminate tax treaties with listed jurisdictions and refrain from signing new ones. Although Curaçao was removed from the OECD blacklist shortly after 2000, the global perception of the island as a tax haven has lingered.

Today, Curaçao remains on the blacklists of various countries. Without proactive measures from Curaçao, these listings will not change. A removal request seems futile unless Curaçao consistently meets international OECD standards, particularly regarding the Automatic Exchange of Information (AEOI).



Meeting the standards for AEOI has been quite a challenge for Curaçao for some time now. Legislative deficiencies regarding AEOI were not resolved until late 2024, leading to Curaçao's removal from the EU grey list in Spring 2025. In spite of that, there are looming risks: there is a realistic scenario where Curaçao could return to the EU grey list in 2027. This depends on the OECD's assessment of 'the effectiveness in practice' of the AEOI legislation. In other words, Curaçao still needs to demonstrate to be at least "largely compliant" during the peer review to maintain its status, that is, to be out of any list of non-cooperative jurisdictions.

Since Curaçao initiated its audit activities for the Common Reporting Standard (CRS) among financial institutions at a very late stage, demonstrating significant progress to the OECD in a short timeframe will prove to be very challenging.

INTERNATIONAL POSITIONING AND BRANDING

The "on-again, off-again" relationship Curaçao has with these lists undermines efforts to shed its tax haven image. However, there is a broader issue at play, recently highlighted by the Social and Economic Council (SER). In its advice on the 2024 Minimum Tax Ordinance, the SER urged the government to "work on good positioning within international networks and economic partnerships."

This analysis is spot on. A broad, active presence on an international tax stage is essential to convey that Curaçao is no longer a tax haven and that Curaçao has taken a clear position regarding the Global Minimum Tax (Pillar Two).

Curaçao should promote its strategy to building a tax treaty network that complies with all international standards more actively. Effective international positioning requires a long-term strategy involving teamwork between the Department of Foreign Relations (DBB), the Ministry of Foreign Affairs (The Hague), Plenipotentiary Ministers in The Hague and Washington, the Ministry of Finance, and the private sector.

In addition, in 2024, Curaçao engaged with Brazil regarding removal from its blacklist—imperative to negotiating a tax treaty. However, Brazil's requirements are stringent. According to Brazilian Instrução Normativa RFB No. 1.530 (2014), jurisdictions requesting reclassification must provide evidence of tax laws that justify a reassessment and evidence that this legislation is actively applied, including applicable tax rates. Brazil will also analyse the most recent report from the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. Simply sending a diplomatic letter requesting removal is insufficient; the burden of proof is substantial and technical.

FINAL REMARKS

The process of "de-listing" requires endurance. Ending the cycle of moving between EU and OECD lists should be Curaçao's priority. Hence, Curaçao must enter into a dialogue with these countries through diplomatic and non-diplomatic channels and participate

actively in international fiscal forums. This demands not only a sustainable investment in human capital but also unwavering political commitment. This commitment should not depend on which Minister of Finance is currently in office; it must be embedded in long-term policy. This presents a clear mandate for all stakeholders to collectively take up the gauntlet and secure Curaçao's fiscal future.



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(*) This article has been originally published (in Dutch) under the title 'De knipperlichtrelatie van Curaçao met zwarte lijsten', in the local newspaper Antilliaans Dagblad on 15 January 2026. This is a modified version of the original publication.

¹ OECD (2024), Peer Review of the Automatic Exchange of Financial Account Information 2024 Update, OECD Publishing, Paris, <https://doi.org/10.1787/1aa02413-en>.

² <https://www.consilium.europa.eu/en/press/press-releases/2025/02/18/taxation-member-states-update-eu-list-of-non-cooperative-tax-jurisdictions/>; Two jurisdictions, Costa Rica and Curaçao, fulfilled their commitments by addressing the deficiencies in their automatic exchange of tax information system, and have been removed from the state of play document.

³ G. Rekwest, AEOI Standard and Tax Transparency: A New Positive Scenario For Curaçao, Caribbean Tax Law Journal (2025), Edition 7, p. 40-45.

⁴ <https://normasinternet2.receita.fazenda.gov.br/#/consulta/externa/59597>.