

## Reduced tariff on received dividend payment 2019

The Minister of Finance, Economic Affairs and Culture has issued beneficial policy which under conditions reduces the individual income tax on dividends paid out during 2019 to a rate of 10%. This measure is intended to increase liquidity of shareholders which can be used for the development of new activities, which can give an extra boost to the economy of Aruba. To make use of this reduced rate, several conditions have been set:

1. The dividend payment must originate from an company established in Aruba that has its capital divided into shares.
2. The dividend must originate from retained earnings accumulated in the years prior to the year 2019.
3. The dividend must be paid in the calendar year 2019.

We note that the remission of a shareholder's receivable (for example a current account) in principle is also qualified as a dividend payment.

When determining the level of the dividend, note that a dividend payment may not jeopardize the company's business.

If a loan is taken out to enable dividend payment, the interest paid by the company on this loan will not be deductible for corporate income tax purposes.

If this policy is abused, income subject to the abuse will be taxed at the regular individual income tax rate.

For a dividend payment in general, the following steps have to be taken:

- Hold a (general) meeting of shareholders of the company in which the dividend is made available and record this in the minutes of the meeting.
- Submit the dividend tax return and pay the dividend tax within 15 days after the date on which the dividend was made available at the shareholders meeting.



Please be informed that this publication is not a substitute for professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

Should you have additional questions on the amendments or if you need additional information, please feel free to contact our office at the e-mail addresses stated below. We will be glad to assist you.



## CONTACTS

**For more information  
please contact:**

Michael Leo van Romondt  
Tax Partner  
[mlvanromondt@deloitte.aw](mailto:mlvanromondt@deloitte.aw)

Ruben Giel  
Tax Director  
[rgiel@deloitte.aw](mailto:rgiel@deloitte.aw)

Milton van Brussel  
Tax Director  
[mivanbrussel@deloitte.aw](mailto:mivanbrussel@deloitte.aw)

Raoul Kurban  
Tax Manager  
[rkurban@deloitte.aw](mailto:rkurban@deloitte.aw)

Ellen Breed  
Sr. Tax Consultant  
[ebreed@deloitte.aw](mailto:ebreed@deloitte.aw)

Christine Laclé – de Groot  
Tax Consultant  
[clacle@deloitte.aw](mailto:clacle@deloitte.aw)

Julienne Curiel  
Tax Consultant  
[jcuriel@deloitte.aw](mailto:jcuriel@deloitte.aw)

Edona Babuni  
Jr. Tax Consultant  
[edbabuni@deloitte.aw](mailto:edbabuni@deloitte.aw)

Gabrielle Ponson  
Tax Assistant  
[gaponson@deloitte.aw](mailto:gaponson@deloitte.aw)

**Legal Jurisdiction**

Any dispute or other legal matter resulting from this correspondence shall be governed by the jurisdiction of the Common Court of Justice of Aruba, Curaçao, Sint Maarten and of Bonaire, Sint Eustatius and Saba.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see <http://www.deloitte.com/about> to learn more about our global network of member firms.

Deloitte Dutch Caribbean is part of the Deloitte Network. In the Dutch Caribbean the services are provided by Deloitte Dutch Caribbean, an entity which is registered with the trade register in Curaçao under number 34292, in Aruba under number 42205.0 and in Bonaire under number 9629 (0).

© 2019. For information, contact Deloitte Dutch Caribbean.

**Legal Jurisdiction**

Any dispute or other legal matter resulting from this correspondence shall be governed by the jurisdiction of the Common Court of Justice of Aruba, Curaçao, Sint Maarten and of Bonaire, Sint Eustatius and Saba.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see <http://www.deloitte.com/about> to learn more about our global network of member firms.

Deloitte Dutch Caribbean is part of the Deloitte Network. In the Dutch Caribbean the services are provided by Deloitte Dutch Caribbean, an entity which is registered with the trade register in Curaçao under number 34292, in Aruba under number 42205.0 and in Bonaire under number 9629 (0).

© 2016. For information, contact Deloitte Dutch Caribbean.