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BEPS:

How about Shifting the Base?

Curacao incentives for immigration, asset protection
and sustainable tax planning

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BEPS Actions that will affect the Island jurisdictions

- Action 1: Addressing the Tax Challenge of the Digital Economy
- Action 4, 8-10: Base Erosion involving financial payments and aligning transfer pricing
- Action 5: Countering Harmful Tax Practices (transparency and substance)



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Curacao Residency permit options

- Dutch citizens and US citizens (treaty): admission by law, NO permit needed
- One year permit: sufficient funds for personal maintenance USD 20,000*
- Investor's permit:
 - Investment of USD 280,000** => 3 year permit
 - Investment of USD 420,000** => 5 year permit
 - Investment of USD 834,000** => permanent

* Amount for personal maintenance, registration fee is not significant

** Amounts of investment by foreigner



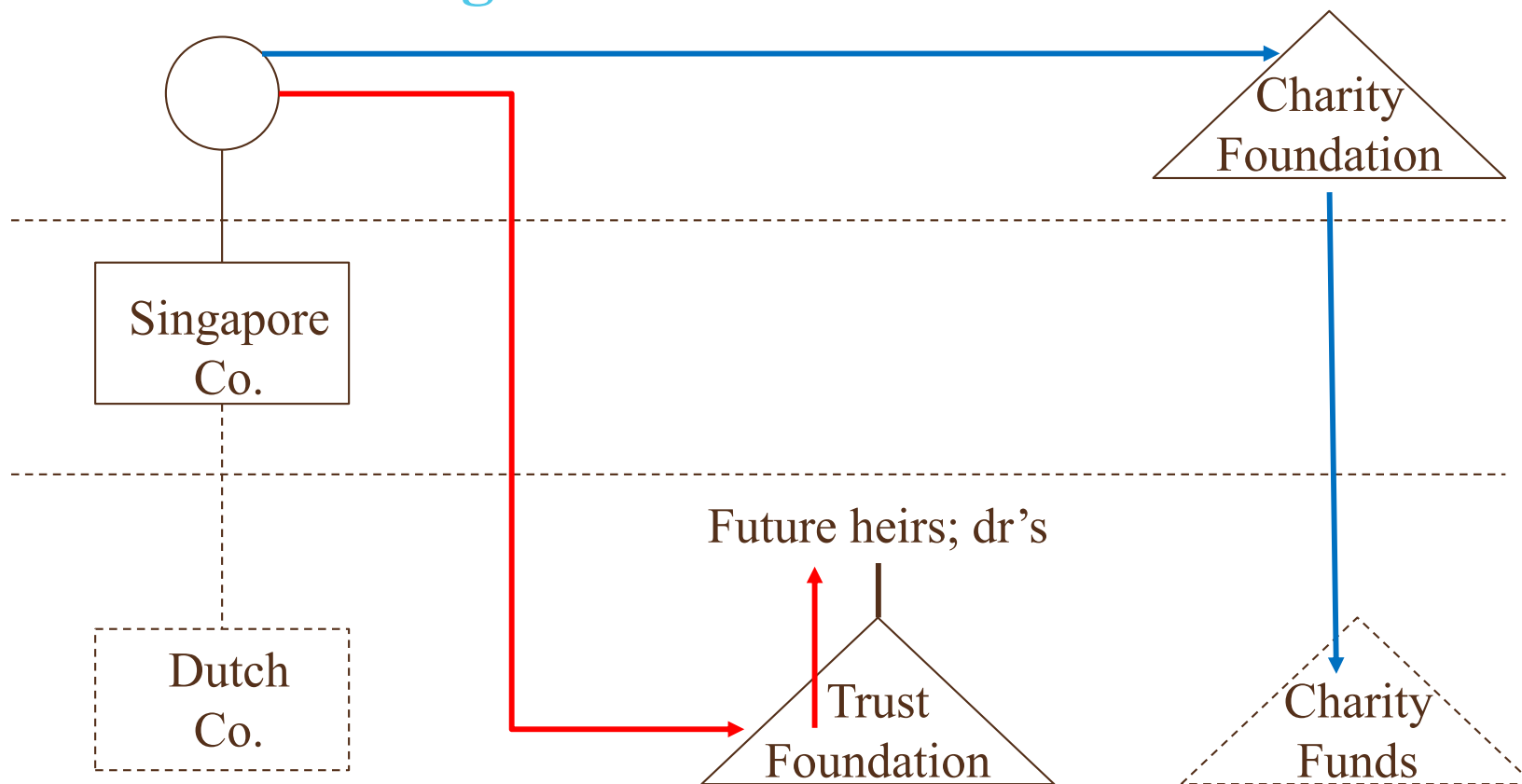
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Examples of immigration and incentives of Curacao

- Entrepreneurs retired and active: asset protection and estate planning
- On-the-beach programmer: tax efficiency
- Bio-chemist: travel hub and transfer pricing



Example savings over USD 15 million





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Asset Protection and Estate Planning

Well organized, but flexible civil law

Trust Foundation

Depository receipts, disregarded entity

Foundation and Private Foundation

Disregarded, 0% or 10%

Trust

Disregarded, 0% or 10%

Private listing on DCSX

Disinheritance possible



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Tax on personal investment income

Retirees 50 years and older	10% income tax on all foreign sourced income
Dividends from substantially owned (>5%) investment company	0.78% of market value
<u>Unstructured</u> investment income	10 – 46%, 8,5% on interests from local banks
Double taxation credits	
Step-up	Retained earnings at immigration are exempt from taxation



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Tax on international business income

Export facility	3.20% profit tax, depending on type of service sales tax may be due at 6%.
E-zone company	2% profit tax, exempt from sales tax
Interest, dividends and royalties	0% or 10%



Inheritance and gift tax

Children and descendants	2% – 6% (from USD 285,000)
Siblings	4% - 12% (from USD 285,000)
Nephews and nieces	6% - 18% (from USD 285,000)
Others	8% - 25% (from USD 285,000)
Charity	0%



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THANK YOU