

Tax country guide 2026 | Aruba

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A. General country characteristics

- Aruba is an island located in the southern Caribbean with a population of approximately 100,000 inhabitants.
- Aruba is an autonomous country within the Kingdom of the Netherlands.
- The official languages are Papiamentu and Dutch, while English is widely spoken in business and daily life.
- The currency is Aruban Florin (“**AWG**”). The exchange rate is fixed to the US Dollar at a price of 1 USD = 1.79 AWG.
- The principal business entity is a limited liability company. Alternatively, a business can be carried on through a branch.
- Generally accepted accounting standards in Aruba are IFRS, Dutch GAAP and US GAAP.
- For doing business, under circumstances, it is required to obtain a business license.

- Income from real estate located in Aruba, including related mortgages.

Related-party transactions must comply with the arm’s length standard, ensuring terms align with those between independent entities.

Tax losses may be carried forward for five years and deducted from future profits in chronological order. Losses not utilized within this period expire.

Participation exemption

A full participation exemption applies to local and qualifying foreign subsidiaries. Dividends and capital gains received at the parent-company level are exempt. There is no minimum ownership requirement, but foreign participations must be non-passive investments and subject to profit tax abroad.

B. General tax rates

Profit tax	22%
Dividend withholding tax	10%
Turnover tax	7%
Income/wage tax	10% - 52%
Social security	0.25% - 10.5%

Transparent entity

Certain entity types (e.g., VBA, N.V.) can opt for tax transparency, meaning that the company’s income is taxed directly at the shareholder level, similar to a partnership.

Eligible entities must meet substance requirements, and failure to comply results in loss of the transparent status.

C. Profit tax

General

The general profit tax rate in Aruba is 22%. Resident companies are taxed on their worldwide income, while non-residents are subject to tax primarily on income sourced in Aruba, such as:

- Profits attributable to a permanent establishment in Aruba;

Tax return deadlines

Annual profit tax compliance involves the following obligations:

- Filing and paying the profit tax due on the final return within five months after the end of the financial year (i.e. typically May 31st);

- By submitting a provisional return and paying the estimated tax within the same five-month period, taxpayers receive a six-month extension, generally extending the deadline to November 30th.

D. Withholding taxes

A 10% dividend withholding tax applies to distributions made by Aruba-resident entities. In specific cases, reduced rates may apply under applicable tax treaties or regimes.

E. Turnover tax

General

The supply of goods, services, and the import of goods are subject to three indirect taxes, BBO, BAVP, and BAZV, collectively referred to as turnover tax (TOT). The combined rate is 7%.

Cumulative turnover tax system

The TOT is a cumulative cascade tax. This means that TOT is levied on goods and services at each successive stage of the supply chain. In principle, it is irrelevant whether the parties to the transaction are related or unrelated. Businesses should monitor TOT implications closely. Under strict conditions, a fiscal unity may be formed for TOT purposes.

Reverse charge mechanism

Where goods or services are supplied to an Aruba entrepreneur (B2B) by a foreign supplier, the foreign supplier is generally not subject to TOT. In such cases, TOT is typically reverse-charged to the Aruba customer, meaning that the customer, rather than the supplier, is liable for the payment of TOT.

F. Wage- and income levies

Wage levies in Aruba comprise wage tax, social security contributions, pension premiums, and health insurance contributions. Non-resident companies must withhold wage tax only when they serve as a withholding agent. Wage tax

rates range from 10% to 52%, exclusive of social security and other contributions.

Wage tax constitutes a withholding tax on income and may be credited against the personal income tax due.

Customary wage tax scheme

When a director holds a substantial interest (more than 25%) in a company and also performs services for that company, a customary salary must be paid to the director. Such salary is subject to wage tax. The level of the salary to be reported depends on the relevant facts and circumstances.

Ex-patriate scheme

Under certain conditions, an ex-patriate arrangement applies to employees recruited from abroad, who have specific expertise that is not or to a limited extent available on Aruba.

The conditions to be met by employees relate to the period spent living abroad, the level of education, the level of compensation and whether the expatriate's skills qualify as specific expertise.

The main advantages of the scheme are that the employer is not required to gross up an agreed net salary and may grant various tax-free allowances.

G. Other taxes / miscellaneous

Real estate transfer tax

Upon the transfer of real estate,, a transfer tax is levied. The rate is 3% for a value up to AWG 250,000, and 6% on the excess. Exemptions may be granted in specific circumstances.

Gift- and inheritance tax

Aruba does not levy a gift- and inheritance tax.

Import duty

Import duties are payable upon the importation of goods into Aruba. The applicable import duty rate depends on the nature of the imported goods and generally ranges from 0% to 12% of the import value. Subject to specific conditions, exemptions or reductions from import duties may apply.

Foreign exchange regulations

The Central Bank of Aruba levies a 1.3% foreign exchange commission on, broadly speaking, payments made from Aruba to abroad. For certain transactions, a foreign exchange license is required. In specific cases, an exemption from the foreign exchange commission may be obtained. This levy does not qualify as a tax, but rather constitutes a monetary policy instrument.

H. International

Documentation requirements

If an Aruba entity is part of a multinational enterprise (“MNE”) group with consolidated annual revenue in excess of AWG 1.5 billion (approximately USD 838 million), the entity is subject to Country-by-Country Reporting legislation. Amongst other things the company is obliged to file a Country-by-Country Reporting notification with the Aruba tax authorities before the end of its fiscal year.

For groups with consolidated revenues of at least AWG 100 million (approximately USD 55 million), a Master File and Local File must be prepared and retained locally. The Aruba Tax Authority has the option to request the Master File and/or Local File.

The Master File and Local File contain information regarding the transfer pricing policies of the group.

Avoidance of double taxation

Aruban law includes mechanisms to prevent double taxation. Relevant provisions are found in the tax arrangements with the Netherlands (including those covering the BES islands), Curaçao, and Sint Maarten. Aruba has also entered into various Tax Information Exchange Agreements (TIEAs).



Our office locations

Curaçao office

Johan van Walbeeckplein 11
Willemstad, Curaçao
+599(9) 461 7140
info@rootz.tax

Suriname office

Dr. J.F. Nassylaan 65 boven
Paramaribo, Suriname
+597 422 877
info@rootz.tax

Dutch Caribbean & Suriname desk

Ginnekenweg 96
Breda, The Netherlands
+31 76 886 7809
info@rootz.tax

Key contacts

Jaap Roks

Tax Partner
jroks@rootz.tax
+316 1504 0434

Ruben Toonen

Tax Partner
rtoonen@rootz.tax
+599(9) 520 9611

Freek Stapel

Tax Lawyer
fstapel@rootz.tax
+599(9) 6660 238

