

Tax country guide 2026 | Caribbean Netherlands

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A. General country characteristics

- Bonaire, Sint Eustatius and Saba (jointly referred to as the “**BES islands**”, or the “**Caribbean Netherlands**”) are located in the Caribbean, and have populations of approximately 26,000, 3,200 and 2,100 inhabitants respectively.
- Bonaire, Sint Eustatius and Saba are special municipalities of the Netherlands.
- The national languages are Dutch and English.
- The currency is USD.
- The principal business entity is a private limited liability company. Alternatively, a business can be carried on through a branch.
- The generally accepted accounting standards are IFRS, Dutch GAAP and US GAAP.
- For doing business in the Caribbean Netherlands, obtaining a business license is required.

B. General tax rates

Profit tax	N/A
Revenue (withholding) tax	7.5%
General consumption tax	4% - 8%
Income/wage levies	29.4% - 38.4%

C. Revenue tax

General

Companies established in the Caribbean Netherlands may face Dutch corporate income tax and dividend withholding tax (the so-called ‘establishment fiction’). Under certain conditions and upon request, this fiction can be set aside resulting in the application of a

favourable tax regime. Under this regime, no profit tax is levied; instead, a 7.5% revenue tax applies. In brief, this regime is available to locally active entities and qualifying holding companies holding at least a 50% interest in such active entities.

The revenue tax has a lot of similarities with a dividend withholding tax and is, among others, applicable on any direct or indirect distribution of profits by the Caribbean Netherlands established corporations. Strict conditions must be met in order to qualify for this attractive tax regime.

Tax return deadlines

As there is no profit tax in the Caribbean Netherlands, no annual profit tax return has to be filed. Any revenue tax return due must be reported in a revenue tax return and is payable within 15 days following the distribution that triggers the revenue tax.

Entities and branches that do not fall within the scope of the establishment fiction are required to file financial statements with the tax authorities within nine (9) months after the end of the financial year.

D. Real estate tax

General

Real estate tax is levied on the deemed income derived from immovable property located in the Caribbean Netherlands.

The real estate tax is 0.7% of the value of the relevant property. A lower effective rate applies

to hotels. In addition, Bonaire levies islands surcharges on top of the real estate tax due.

Real estate tax notification requirement

As of 2024, a notification must be filed with the tax authorities if real estate is acquired or substantially modified within four months following the relevant event. Failure to comply with this notification requirement may result in a penalty of up to 100% of the real estate tax assessment.

Investment facility

Upon request, any increase in value resulting from new construction, development, improvement, expansion or renovation of real estate may be excluded from the real estate tax base for a period of five (5) years.

E. Withholding taxes

Other than the revenue tax, the Caribbean Netherlands does not levy a withholding tax on interest and royalties. In addition, no branch remittance tax is imposed.

F. Minimum tax

The Dutch Pillar II (minimum taxation) rules apply in the Caribbean Netherlands, subject to a number of exceptions. These rules apply to entities that are tax resident in the Caribbean Netherlands as well as to permanent establishments located in the Caribbean Netherlands that form part of a multinational group with an annual turnover of EUR 750 million or more.

G. General consumption tax

General

A general consumption tax ('algemene bestedingsbelasting' or "GCT") is levied in the Caribbean Netherlands. GCT is imposed on the following taxable events:

- The supply of goods;
- The rendering of services;
- The importation of goods.

The GCT rate applicable to the supply of goods and services ranges from 4% to 8%, depending on the island within the Caribbean Netherlands. Under certain conditions, exemptions may apply.

Specific place-of-supply rules apply for GCT purposes. Foreign entrepreneurs operating in the Caribbean Netherlands may apply a reverse charge mechanism.

The right to deduct input GCT is limited. As a result, GCT generally constitutes a cost item for entrepreneurs.

Producer

For GCT purposes, the supply of goods constitutes a taxable supply only if the goods are supplied by the entrepreneur who manufactured them. In this context, the legislation refers to such an entrepreneur as a "producer".

H. Wage- and income levies

General

Wage levies include wage tax, social security contributions and pension premiums. The combined wage tax rates in the Caribbean Netherlands (including social security contributions) range from 29.4% to 38.4%.

Wage tax is levied by way of withholding on employment income and may be credited against the income tax due.

Customary wage tax scheme

If a person has a substantial interest in a company and performs labour for that company, a (customary) salary must be paid. This salary is subject to wage tax. The level of the salary to be reported depends on the specific 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 in Caribbean Netherlands.

The conditions to be met by the employee relate, inter alia, to the period spent abroad, the level of education, the level of compensation, and whether the employee'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 types of tax-free allowances.

Substantial interest regulation

A resident of the Caribbean Netherlands who, in short, holds a 5% interest in a company has a so-called substantial interest. Income derived from this substantial interest, such as dividends and capital gains, is subject to personal income tax at a favourable rate of 7.5%.

J. Other taxes / miscellaneous

Gift and inheritance tax

In the Caribbean Netherlands, no gift and inheritance tax is levied. However, immigrants from the Netherlands may be confronted with Dutch gift and inheritance tax for a period of ten years after migration.

Real estate transfer tax

When transferring a property in the Caribbean Netherlands a real estate transfer of 5% applies. So far, no transfer tax is levied on the transfer of shares in real estate companies. Please note that possible GCT consequences must be considered in such case.

K. International

Avoidance of double taxation / Tax treaties

Only a limited number of tax treaties apply to the BES islands. Caribbean Netherlands domestic tax law, however, provides mechanisms to prevent double taxation. In situations involving transactions or structures between an entity or individual resident in the Caribbean Netherlands and the Netherlands or another Dutch Caribbean island, specific tax regulations may apply that provide relief from double taxation.

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