

Tax country guide 2026 | Curaçao

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A. General country characteristics

- The island Curaçao is located in the Caribbean, with a population of approximately 150,000 inhabitants.
- Curaçao is an autonomous country within the Kingdom of the Netherlands.
- The national language is Dutch.
- The currency is Caribbean Guilder (“XCG”). The exchange rate is fixed to the US Dollar at a price of 1 USD = 1.80 XCG.
- The principal business entity is a limited liability company. Alternatively, a business can be carried on through a branch.
- Generally accepted accounting standards in Curaçao are IFRS, Dutch GAAP or US GAAP.
- For doing business in Curaçao a business license is required.

B. General tax rates

Profit tax	15%/22%
Withholding tax	N/A
Turnover tax	6%/7%/9%
Income/wage tax	9.75% – 46.50%
Social security	0.5% – 9.3%

C. Profit tax

General

The general profit tax rate in Curaçao is 15% for the first XCG 500,000 of taxable profit and 22% for the exceeding amount. As of January 1, 2020, a territorial tax regime applies. Under this regime, profit tax is levied only on domestic profit. To determine which portion of the total profit qualifies as domestic profit and which as foreign profit, the origin (i.e. either domestic or foreign) of the related costs is examined. For

this purpose, costs must be labelled into specific categories. Passive income, such as interest, rental income and dividends, is always considered domestic profit.

Under certain conditions, a fiscal unity regime may be applied pursuant to which companies within the same group are treated as a single taxpayer, allowing their profits and losses to be consolidated.

Companies are required to act in accordance with the at arm’s length principle. Accordingly, the terms and conditions of transactions between associated companies must be consistent with those that would have been agreed between independent companies.

Certain Curaçao entities are subject to economic substance requirements. This applies in particular to entities benefiting from specific tax regimes or incentives, as well as to entities that exclude part of their profits from taxation under the territorial tax system. These requirements generally relate to, inter alia, adequate personnel, premises and operational expenditures in Curaçao.

Losses available for fiscal loss compensation may be offset against profits for a period of ten years. Such losses are offset in the order in which they were incurred.

(Partial) participation exemption

Curaçao applies a favourable participation exemption regime. Under this regime, dividend receipts and capital gains derived from a

qualifying participation are treated as tax exempt at the level of the parent entity.

In order to apply the participation exemption, certain conditions have to be met in relation to the participation. For example, a minimum ownership requirement applies. Moreover, in order to obtain a full participation exemption on dividends, the participation should not be regarded a low-taxed passive entity.

Tonnage tax regime

Curaçao is an appealing location for international maritime shipping companies due to the availability of a tonnage tax regime. The tonnage tax regime is a tax incentive for companies engaged in shipping activities. Within the tonnage tax regime, the actual income of such companies remains exempt from Curaçao profit tax. Instead, profits are calculated on the basis of a notional profit, which is based on net tonnage of the ships registered by the company.

Conditions apply to be eligible for the tonnage tax regime. However, based on experience, the conditions are generally limited compared to similar regimes abroad.

Curaçao investment company

Subject to conditions, a company may qualify as a Curaçao investment company (“**C BV**”). By its form, the C BV is an investment institution. Only a limited number of (investment) activities may be carried out through the C BV. In return, the profit is subject to a rate of 0%. It is however required that the entity has sufficient economic substance in Curaçao. The C BV may also have benefits in case of local shareholders. Reference is made to the section on wage- and income levies.

Transparent entity

Upon request, a Curaçao company can be classified as fiscally transparent. By applying

this regime, the company is treated as a type of partnership. This means that the financial results of the company are taxed directly with the shareholders of the transparent company.

The transparent status can be applied for by both newly incorporated companies and existing companies.

3%-entity

Entities with material substance in Curaçao which are involved in qualifying activities are eligible for a 3% profit tax rate. The following activities qualify for this special regime:

- building or improvement of aircraft and vessels as well as carrying out repairs and maintenance to specific aircraft and vessels;
- the exploitation of call-, service- or data centers to the extent that they support service activities to companies with a turnover of at least 50 million Antillean guilders;
- rendering of services in Curaçao to non-affiliated investment institutions and managers of investment institutions.

Innovation box regime

The innovation box regime provides for a 0% tax rate on qualifying income from qualifying intangible assets. The regime is only applicable to income from intangible assets for which the research and development is performed in Curaçao or for which the Curaçao tax resident has outsourced the R&D activities to an unrelated foreign company for the account, risk and benefit of the Curaçao tax resident.

Strict conditions apply to be eligible for the innovation box regime.

Private foundation and trust

Both the Private foundation (in Dutch: Stichting Particulier fonds or “**SPF**”) and the trust under Curaçao law can be used to segregate assets.

In principle the SPF and trust are exempt from profit tax in Curaçao. The SPF is frequently used for real estate investments by (foreign) investors.

Tax return deadlines

Annual profit tax compliance involves the following obligations:

- filing and paying the profit tax due on the provisional return within three months after the end of the financial year (i.e. generally March 31);
- filing the final profit tax return within six months after the end of the financial year (i.e. generally June 30).

If a provisional tax return is timely filed and the corresponding tax is timely remitted, an extension of the ultimate filing date for the final profit tax return is granted to December 1.

D. Minimum tax

Curaçao has committed to the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting and intends to implement the Pillar Two global minimum tax. A draft National Ordinance on Minimum Tax 2024 has been submitted to the Parliament of Curaçao in December 2025. As at the date of this guide, the Pillar Two legislation has not yet been enacted and is still subject to parliamentary approval. Once adopted, the legislation is expected to apply to large multinational enterprise groups with consolidated annual revenues of at least EUR 750 million (following the OECD threshold).

E. Withholding taxes

Curaçao does not levy withholding tax on dividends, interest or royalties. Nor does Curaçao impose a branch remittance tax.

F. Turnover tax

General

The provision of services and goods and the import of goods are in principle subject to a

general turnover tax rate (“TOT”) of 6%. Under circumstances, an increased TOT rate (7% or 9%) or an exemption is available.

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. Moreover, Curaçao TOT law does not provide for a fiscal unity regime for TOT purposes. As a result, transactions involving a company carrying on business in Curaçao must be assessed with due care.

Reverse charge mechanism

Where goods or services are supplied to a Curaçao 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 Curaçao customer, meaning that the customer, rather than the supplier, is liable for the payment of TOT.

An important exception applies where services are supplied by a foreign supplier to a consumer in Curaçao (B2C). This includes digital services, such as the provision of streaming services to Curaçao customers. In these circumstances, the foreign supplier is subject to Curaçao TOT and is required to file TOT returns and remit the tax due. Failure to comply with these obligations may result in penalties.

G. Wage- and income levies

Wage levies include wage tax, social security contributions, pension premiums and health insurance contributions. Non-resident companies are only required to withhold wage tax to the extent they qualify as a withholding agent. Wage tax rates range from 9.75% to 46.50%, excluding social security contributions, if applicable.

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

Customary wage tax scheme

Where a director holds a substantial interest (i.e. an interest of more than 5%) in a company and 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 Curaçao.

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. In addition, as from 1 February 2025, the expatriate regime is subject to stricter conditions. Employers are required to ensure that, within one year after commencement of employment, a locally registered employee is trained to take over the expatriate's position after a maximum period of five years. 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.

Penshonado scheme

Immigrants can, under conditions, apply the so-called 'penshonado regime' in Curaçao. Under this regime, the new resident is eligible for a personal income tax rate of 10% on foreign-source taxable income. Alternatively, instead of applying this fixed low rate, the taxpayer may opt to be taxed at the regular progressive income tax rates on a fixed taxable income of XCG 500,000 per year. This

alternative may be attractive for very high incomes, as no tax is levied on income exceeding XCG 500,000.

The conditions to be met relate to the immigrant's age, the availability of a place of residence in Curaçao and whether the individual has lived abroad during the five preceding years. In addition, the tax benefits do not apply if the taxpayer or their spouse derives income from business activities or employment. Employment is only permitted with a company in which the taxpayer holds at least a 40% shareholding.

Curaçao investment company (C BV)

Where a qualifying interest is held in a Curaçao investment company (C BV), actual dividends received and capital gains derived from such interest are not effectively subject to personal income tax. Instead, a deemed return of 10% on the value of the interest is included in the taxable income and taxed at a personal income tax rate of 19.5%. This results in an effective personal income tax rate of 1.95%. For more information on the C BV we refer to the profit tax section.

H. Tax holiday scheme

A tax holiday can be obtained in case of specific significant investments in Curaçao. The current minimum investment threshold amounts to XCG 5,000,000 and must be made by one of the following types of enterprises:

- An enterprise operating a hotel or similar facility;
- A land development company;
- An enterprise investing in a designated industry
- The expansion of an enterprise active in a designated industry.

If the conditions are met, the following tax incentives may be granted:

- Exemption from property tax;

- Reduced profit tax rate of 3%;
- Exemption from import duties on specific categories of materials and goods;
- Exemption from Curaçao personal income tax on dividends and other profit distributions to shareholders.

All exemptions are subject to specific conditions and terms.

I. Other taxes / miscellaneous

Real estate transfer tax

Upon the transfer of real estate, a transfer tax is levied at a rate of 4%. Certain exemptions apply, for example in respect of property located in designated areas in Curaçao.

Gift- and inheritance tax

Curaçao imposes gift- and inheritance tax in case of a Curaçao resident gifting or deceasing. Certain exemptions apply.

Import duties

Import duties are payable upon the importation of goods into Curaçao. The applicable import duty rate depends on the nature of the imported goods and generally ranges from 0% to 27% of the import value. Subject to specific conditions, exemptions or reductions from import duties may apply.

Foreign exchange regulations

The Central Bank of Curaçao and Sint Maarten levies a 1% license fee on, broadly speaking, payments made from Curaçao to abroad. For certain transactions, a foreign exchange license is required. In specific cases, an exemption from the license fee may be obtained. This levy does not qualify as a tax, but rather constitutes a monetary policy instrument.

J. International

Documentation requirements

If a Curaçao entity is part of a multinational enterprise (“MNE”) group with consolidated group revenue in excess of XCG 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 Curaçao tax authorities before the end of its fiscal year.

Furthermore, in such cases, the Curaçao entity is required to prepare transfer pricing documentation consisting of a Master File and a Local File. These documents do not have to be submitted proactively but must be kept on file and provided to the tax authorities upon request.

Avoidance of double taxation

Domestic Curaçao tax law provides for mechanisms to avoid double taxation. Any profits derived by a Curaçao entity from activities deployed outside of Curaçao territory are generally exempted from the taxable base. In case in which a Curaçao entity or person deals with the Netherlands or any other Dutch Caribbean island, specific tax regulations are in place to avoid double taxation. These tax regulations are generally not applicable by default and require knowledge of the applicable legal rules and correspondence with the Curaçao tax authorities.

Curaçao has a limited number of regulations for the avoidance of double taxation, the most important of which are the regulations between the Netherlands and Curaçao (also governing the fiscal relation between the BES islands and Curaçao), as well as those between Curaçao and the surrounding Dutch Caribbean islands Aruba and Sint Maarten). Additionally, several Tax Information Exchange Agreements (“TIEA”) have been concluded.



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