

DISCOVER WHY GLOBAL COMPANIES USE CURAÇAO AS A BUSINESS HUB INTO LATIN AMERICA & THE CARIBBEAN

Learn about the fiscal, tax and other benefits of doing business in Curaçao and why the world's newest Tier-IV datacenter was built there.



The Benefits of Leveraging the Region's Most Advanced Datacenter in Curaçao

Willemstad, Curaçao. May 14, 2014. When your business absolutely, positively cannot go down, you need a Tier IV datacenter. If you want the peace of mind that your business will not be impacted during floods, earthquakes, hurricanes, and other threats, then there is no better place to house your critical computing infrastructure and applications than at our Uptime certified Tier IV datacenter - the highest rating for a datacenter and the only one of its kind in Latin America and the Caribbean. Too, Curaçao's unique geographical positioning makes it an ideal hub for companies conducting business in Latin America and the Caribbean.

In this newsletter we explore the fiscal benefits of leveraging the CTEX datacenters in Curaçao while at the same time establishing a regional operating hub or shared services center on the island.

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The World's Newest and Most Advanced

Tier-IV Datacenter in Curaçao, Dutch Caribbean - Why?

CTEX was formed in Curaçao not by happenstance. Five redundant submarine cables link the island to the rest of the world, and more are currently being connected to the island. As part of the Dutch Kingdom, Curaçao is very friendly to international business.

European-based privacy laws are favorable, taxes are low, and there are no import duties on technology equipment. A multicultural populace, that speaks English, Spanish, Dutch, and Portuguese, also makes the island an ideal location for transnational commerce.

Leverage the region's most advanced datacenter and incorporate a regional operating entity in Curaçao

While establishing a local operating entity in Curaçao is not a requirement for leveraging the region's most advanced datacenter, international companies can greatly benefit from various favorable fiscal regimes by establishing a regional operating hub or shared services center in Curaçao.

The public limited liability company (NV or BV) is the most commonly used legal entity in Curaçao. A legal business may be incorporated by one or more shareholders. A notarial deed of incorporation defines the statutes and regulations governing the company and conduct of its affairs. Such incorporation can be accomplished in a matter of days.

Once incorporated, the company is registered with the commercial registry of the Chamber of Commerce and Industry.

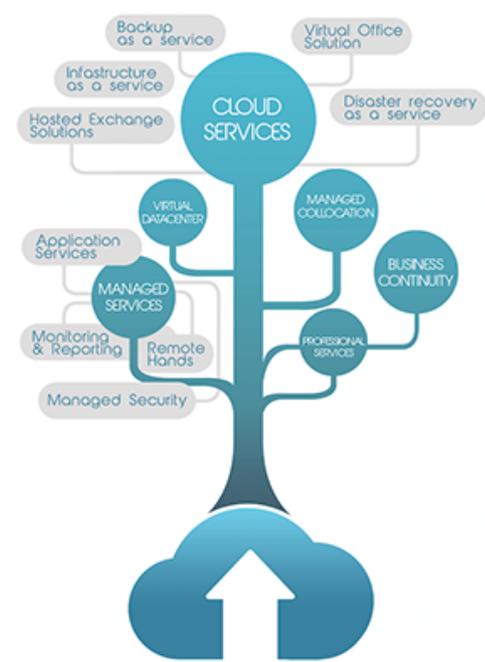
What are the benefits of Curaçao's E-zone ruling

An E-zone is a designated area in Curaçao where amongst others, international trade and trade support services may be performed, including but not limited to electronic commerce. The activities of companies located in an E-zone area should in principle focus on providing services to international entities located outside of Curaçao (the profit from activities with local companies may not exceed 25%). One of these zones is the E-zone in which the CTEX datacenter is located.

Profits of E-zone companies generated from international activities are taxed at 2%. There is no dividend withholding tax in effect on subsequent distribution of profits. Furthermore, services rendered outside of Curaçao are not subject to turnover tax in Curaçao. Too, there is a zero import duty tax regime for companies residing in an E-zone area. This is of particular interest if you are importing critical computing equipment to reside in the CTEX datacenter.

International TAX considerations

The OECD continuously works on developing new guidelines to counter tax evasion and tax avoidance. OECD and EU countries are expected to implement standards regarding transparency and exchange of information to bring their tax laws in line with



international standards.

Curaçao has chosen to comply with these international standards and to be transparent, while providing tax incentives to attract foreign investment to the island. This effort has been recently reinforced by a self-initiated pro-active scan of the Curaçao tax legislation to make sure it is in line with international standards and to determine which areas need to be further strengthened. Curaçao has therefore established a competitive legal and tax legislation in line with requirements of the OECD. This means Curaçao is a white listed jurisdiction for many countries and therefore viewed as a solid jurisdiction from where to conduct business.

Benefit for International Employees

There is a special regulation applicable to internationals employed in Curaçao. In order to benefit from this regulation various conditions have to be met. The major advantages of this regulation are that (i) certain employment benefits can be granted tax-free and (ii) no tax gross up is required in case of a net salary agreement. When an employer enters into a net salary agreement under which the wage- and income tax of the employee are for the account of the employer, the net salary does not have to be grossed-up.

Export Facility

Companies that almost exclusively generate profits from qualifying export activities (greater than 90%), can apply for the export facility status. Qualifying activities are amongst others, e-commerce and other services provided to entities located outside of Curaçao. To qualify for the export facility the company (or affiliate) should have appropriate substance in Curaçao. For instance a regional operating hub, a shared services center or consolidated regional computing facility at the CTEX datacenter. Generated income is taxed at effective profit tax rate of approximately 3.9%.

Other TAX Incentives

Curaçao offers many tax incentives for creating a regional hub on the island. These initiatives include amongst others the ability to establish a Tax-exempt company. If conditions are met a Curaçao private limited liability company can opt for a tax-exempt status for profit tax purposes.

LETS TALK

We are confident that aside from leveraging the region's most advanced datacenter, Curaçao also brings about many business benefits worth exploring. Together with our partners, we can help protect your business and IT assets while at the same time exploring the various business opportunities of leveraging Curaçao as a regional operating hub. Let's talk.

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