



Curacao, your International Financial Center to and from Latin America

The geographical location and the available cultural mix of European and Latin-American nationals and languages, makes Curaçao the ideal hub for international operations conducting business with Latin America.

As can be concluded from this paper, the Curaçao financial services sector offers products tailored to the need of High Net Worth Individuals, Families, Closely held businesses, up to and including internationally listed corporations.

Curaçao International Financial Services Sector

For over 70 years the Curaçao Financial Services Sector has shown its strength in its multilingual and highly educated workforce. Because of its diverse economy, favourable tax regime and highly sophisticated infrastructure, Curaçao can offer a wide variety of services supporting many different types of international business.



Curaçao has taken great strides over the past years to meet international standards set by intra-governmental bodies and non-governmental organizations like European Union, Organization for Economic Cooperation and Development, G20 and Financial Action Task Force. We therefore invite you to take a few moments and peruse through this informative document with information about the following services:

- *Online Business-2-Consumer*
- *Family Office*
- *Dutch Caribbean Securities Exchange*
- *Captive Insurance*
- *Aircraft Leasing*
- *International Banking*
- *Shipping*
- *IP Licensing*
- *Group Financing*
- *E-Zone / Free Zone*
- *Funds*
- *Corporate Management*



We hope to be doing business with you in the near future.

Types of Services Offered

Below is a summary of some of these diverse financial services we offer from Curaçao.



Online Business-2-Consumer

The tax benefits of the E-Zone, excellent Internet connections and the ease of opening merchant accounts in Curaçao has been regarded as an ideal combination for setting up online business-to-consumer services. The range of products and services is limitless, and can range from online ticketing to online consulting.

Family Office

Curaçao is an ideal location for family offices, and many have been operating there for generations. Due to its stable political climate as part of the Kingdom of the Netherlands, its favourable tax regime and its geographic location close to Latin America, it is regarded as a safe haven for families to set up and manage their affairs from. Curaçao is one of the few highly developed civil law jurisdictions in the Caribbean, that can provide the stability and low profile a family office seeks.

DCSX

In 2010 Curaçao launched the Dutch Caribbean Securities Exchange (www.dcsx.an). The DCSX is an ideal place for the listing of bonds, equity and funds. Because of its efficient listing procedure, the rigorous supervision by the Central Bank of Curaçao and St. Maarten and its civil law legal framework, the DCSX is quickly becoming a listing destination of choice for especially Latin America.

Captive Insurance

As evidence of the broad knowledge and experience of its workforce, members of the Curaçao financial services sector are also offering re-insurance activities that either focus on third party or group activities. Curaçao has recently proposed changes to its existing captive insurance legislation that allows the industry to continue to work in a highly competitive and increasingly global environment. Time differences between European head-offices and their Curaçao captive operations are easily bridged by state-of-the-art communication networks and high-speed internet as a result of the connection to an international fibre-optic subsea network.



Aircraft Leasing

As of 2010 Curaçao became a member of the Cape Town Convention and the Protocol on Matters specific to Aircraft Equipment. In combination with the recently introduced tax transparency for Curaçao limited liability companies, Curaçao has positioned itself in the forefront of jurisdictions that are best equipped to register and finance private and commercial aircrafts.

International Banking

Curaçao has had international banks from the 1930s, when the Netherlands needed to protect its main multinational enterprises (such as Shell and Philips) from the effects of the Second World War, by allowing a statutory seat transfer within the Dutch Kingdom to Curaçao.

Nowadays, international banks still make use of the beneficial tax regime to facilitate certain specialized branches within their organization that focus on ship financing and international trade financing.

The supervision of international banks by the Central Bank of Curaçao and St. Maarten guarantees high standards and compliance with the anti-money laundering and anti-terrorist financing guidelines of the G20's Financial Action Task Force.



Photography: Hubert de Palm

Shipping

Curaçao has been a recognized jurisdiction for the registration of commercial ships for over 50 years. Because of its naturally protected deep sea harbour, it is easily accessible by large freight ships. Curaçao has the largest dry dock facility in the entire Caribbean region and is located outside the hurricane belt.



The relatively small ship register of Curaçao makes it easier to find tailor-made registration solutions. One of the great benefits of a Curaçao registration is that the registered ship will fly the flag of the Netherlands, which is internationally recognized as a jurisdiction with high standards.

Besides the benefits of ship registration in Curaçao, companies incorporated and domiciled in Curaçao and active in shipping, can also benefit from a special tax regime called tonnage tax. Under this regime a company is taxed on its notional profit depending on the net tonnage capacity of the ship. Every legitimate use of a vessel outside the territorial waters of Curaçao is eligible for tonnage tax. Oil rigs, inland operated ships, or any floating construction are also included.

IP Licensing

Curaçao is the only civil law jurisdiction in the Americas that is part of the Madrid Protocol, which allows for international registration of trademarks in all 85 member states through a single registration in Curaçao.

The Curaçao government recognizes the importance of this and therefore has set up the Bureau for Intellectual Property that allows for quick, uncomplicated registration of trademark, copyright and patent.

Through the Curaçao limited liability company it is possible to protect the registered IP rights while enjoying very favourable tax treatment in Curaçao. Also the Tax Arrangement of the Kingdom (a treaty between the Netherlands, Curaçao and Aruba) allows a Curaçao limited liability company access to the vast tax treaty pool the Netherlands has concluded with over 90 countries spread over the entire world.

Group Financing

A crucial role in international business is reserved for international group financing companies. For decades Curaçao has had a very strong tradition of offering domicile and managing group financing companies from Curaçao. Although the grandfathered offshore regime will come to an end in 2019, Curaçao has already developed a whole range of zero, low and high tax solutions for group financing companies that can be offered access to the Dutch tax treaty network.

E-Zone / Free Zone

The Curaçao E-Zone consists of a series of physical locations that are appointed by the Curaçao Minister of Economic Affairs to stimulate the development of local economy by offering import, export and general trading facilities as well as online services. Companies established in one of these zones enjoy a complete exemption from import duties and sales tax. Their profits are taxed at a flat rate of 2%. Because of the geographical location of Curaçao, it is very interesting to create a regional





hub function for European or Asian multinational businesses or to set up permanent trade fairs for the Latin American and Caribbean region, but also to use Curaçao as a trans-shipment stop for high-value, low-volume goods that need a stable political environment, before being shipped to the consumer markets in Latin America.

Funds

As recently as 2008 Curaçao was named the number one location for hedge fund administration services, outperforming jurisdictions like Singapore, Hong Kong, Luxembourg, the Netherlands and the Cayman Islands. Curaçao is regarded as one of the few jurisdictions in the world that can deliver the highest level of fund administration services. The price/quality ratio, well-educated and experienced staff and a strong legal and regulatory framework are the reasons Curaçao can provide high quality fund administration.

Corporate Management

Curaçao is home to all major corporate management providers that offer domiciliation and management to all sorts of international companies. Because of Curaçao's strong tradition in this niche, its clients perceive the jurisdiction as a knowledgeable and price-competitive alternative to the numerous Anglo-Saxon solutions in the region. The supervision of trust service providers by the Central Bank of Curaçao and St. Maarten guarantees high standards and compliance with the anti-money laundering and anti-terrorist financing guidelines of the G20's Financial Action Task Force.



Why Curaçao?

In addition to its strategic location between South America, the United States and Europe, just north of Venezuela, Curaçao offers excellent physical and financial infrastructures. Along with tourism, the international financial services sector is a major pillar of our economy. In addition, as part of the Kingdom of the Netherlands, Curaçao is an associate member of the European Community.

Map: Central Intelligence Agency



Curaçao's financial services sector offers a wide range of services of use in foreign direct investment, repatriation, wealth transfer or trading activities, among others. If you are already doing (or planning to do) business with Latin America, Curaçao provides a great variety of solutions offered in the same time zone.

Infrastructure

Curaçao enjoys a well-developed infrastructure similar to other countries with recognized and well developed infrastructures. The telecommunications infrastructure in Curaçao is highly- developed with broadband Internet access on a par with world financial services centers. Which is cause for an essential link in the chain of the island's economic development.

The processing of all types of freight is very well organized. The ports of Curaçao are alive and thriving and are the most modern and efficient container ports in the Caribbean. The ports of Curaçao are all naturally sheltered ports that offer safe, fast, efficient and reliable handling of both ships and cargo, providing reliable, safe and efficient 24-hour service from a strategically located point in the Southern Caribbean.



Legislation

Curaçao became an autonomous country within the Kingdom of the Netherlands in October 2010 in a change of constitutional status that dissolved the Netherlands Antilles. The Dutch monarch is locally represented by a Governor. The Dutch government remains responsible for defense and foreign policy, and has oversight over Curaçao's finances. The internal affairs of the islands are administered by the Central Government of Curaçao, which is based in Willemstad, Curaçao, and responsible to the Staten, or legislative assembly. The internal affairs include areas such as police, communications, taxes, public health, education, establishment of enterprises, labour legislation, and the island's infrastructure.

Curaçao has an independent and high-quality legal system which is based on the Dutch civil law system. Although the legal system of Curaçao is based on civil law, Curaçao also has the know-how when it comes to the common law structures. As a Netherlands' protectorate Curaçao enjoys European Union market privileges. Due to Curaçao's connection with the Netherlands the island has a strong connection to the European law structure. This increases the island's level of comfort for, foreign direct investors.

Economy

For its size, the island has a considerably diverse economy which does not rely mostly on tourism alone. Curaçao has one of the highest standards of living in the Caribbean. The main industries of the island include oil refining, tourism and financial services. Shipping, international trade and other activities related to the port of Willemstad also make a contribution to the economy. Significant efforts are being made to attract more foreign direct investments. Curaçao also has free access to foreign currencies, such as the US Dollar and the Euro.

Tax regime

In comparison to the size of the economy, Curaçao has a highly sophisticated tax legislation in place that meets the international standards of the OECD and EU. Already more than 10 years ago Curaçao abolished all its harmful tax legislation and its grandfathered offshore regime will terminate come 2019. Curaçao is now offering a wide variety of zero, low and high tax solutions for international businesses.

Treaties

Curaçao has concluded a large number of treaties such as investment protection agreements, tax information exchange agreements (TIEAs) and agreements for the avoidance of double taxation (DTAs), which are crucial to the development of Curaçao's financial services sector.



Via those tax treaty networks Curaçao has an excellent international financial planning. Of Curaçao's 24 International agreements, 3 are DTAs (Aruba, the Netherlands and Norway) and 21 are TIEAs. Curaçao is therefore regarded as a cooperative jurisdiction and is mentioned in the white list of the Organization of Economic Cooperation and Development (OECD). Furthermore, Curaçao is part of more than 40 investment protection agreements.



Professionals: Accounting / Tax / Legal

Curaçao's financial services sector has a broad base of accounting, tax and legal experts. All Big 4 accounting firms have long been present in Curaçao, in some cases for more than half a century. The financial services professionals have in-depth knowledge of the most complex products in the financial arena, from financial engineering to auditing multi-national listed businesses, which meets the highest international standards and principals. Furthermore, the financial professionals are fluent in Dutch, English and Spanish.

CIFA

CIFA (Curaçao International Financial Services Association) is the representative association of professionals in the international financial services sector of Curaçao. CIFA provides a unique opportunity for its members to discuss international financial services issues. It also acts as a sounding board for and advises government, regulatory agencies and monetary authorities on international financial services issues.



CIFA initiates and endorses the development of new concepts, products and services by actively lobbying for new state-of-the-art laws and regulations (fiscal, corporate and compliance). CIFA's vision is to make Curaçao the gateway of choice, both inbound and outbound, for cross-border international financial services transactions with Latin America, the US, Europe and Asia.

Photography: Bea Moedt



Contact

If you would like to receive additional information on CIFA or the sector in general, please visit the website of the Curaçao International Financial Services Association. On the site you will also find links to our members.

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