



CURAÇAO PRIVATE FOUNDATION

1. Jurisdiction Curaçao

Curaçao is one of four¹ countries within the Kingdom of the Netherlands. The system of government of Curaçao is that of a parliamentary democracy based on the Dutch model. The court of jurisdiction is the Joint Court of Justice for Aruba, Curaçao, Sint Maarten and the BES-islands (Bonaire, Sint Eustatius and Saba). This court consists of the District Court, the Court of Appeals and the Supreme Court. There is a right of appeal to the Supreme Court in The Hague, the Netherlands. The legislation in Curaçao is also based on Dutch civil law.

Curaçao is not on any gray or blacklist of the European Union or OECD. Legal entities are in principle subject to Curaçao profit tax. The general profit tax rate is 22% (year 2021). The Curaçao Private Foundation (hereinafter “PF”) is a legal entity. The PF is highly suitable for asset protection or the holding of shares or real estate and as a finance entity. If the assets of a PF are held passively, the income of the PF and capital gains remain untaxed.

¹ Aruba, Curaçao, Netherlands and Sint Maarten

² Natural persons, legal entities, local or foreign, including the Founder and Settlor

2. Private Foundation

A PF is incorporated by notarial deed and has no members or shareholders. It has the realization of certain goals as mentioned in the notarial deed as its objective. The deed can be drawn up in Dutch, English and Spanish. Based on the Civil Code of Curaçao, a PF may not carry out a commercial enterprise. The board of the PF has the task to execute or realize the goals of the PF. Contrary to a regular foundation, and if the notarial deed so stipulates, a PF may make payments to any kind of beneficiaries².

Although income received by a PF is exempt from profit tax if no enterprise is carried out, a PF must file a provisional and final profit tax return annually. This means that all profit tax compliance and reporting requirements must be met during the financial year.

Curaçao taxes on contributions to the Private Foundation

A PF receiving assets from a non-resident of Curaçao is not subject to Curaçao taxes.

Curaçao taxes on income received by the Private Foundation

Under the condition that a PF does not carry out an enterprise, income, including capital gains, generated by a PF is not subject to Curaçao profit tax.

In other words, a PF should hold its assets passively to remain exempt from taxation.

Curaçao taxes on payments to foreign beneficiaries

A non-resident beneficiary of a PF is not taxed in Curaçao on distributions received from a PF.

No withholding taxes

Curaçao does not levy any withholding tax. Payments made by the PF to a beneficiary are therefore not subject to withholding.

3. Privacy and exchange of information

In Curaçao the names of beneficiaries or financial statements of a PF are not deposited in a public register. Although beneficiaries have to be recorded in the administration of the PF and mentioned in the annual profit tax return, this information is not accessible to public. Curaçao is a signatory to the Multilateral Competent Authority Agreement (“MCAA”) and has committed itself to implementing the Common Reporting Standard. By signing the MCAA, Curaçao also committed itself to exchange information with all the other signatories to the MCAA.