



Aruba

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| General | Types of indirect taxes (VAT/GST and other indirect taxes). | <ul style="list-style-type: none"> — Turnover tax. — Health levy. |
| | Are there other indirect taxes? | Additionally, there are minor, case-specific indirect taxes, such as an excise tax, stamp duty, registration duty, transfer tax, land tax for real estate and room tax. |
| | What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes? | <ul style="list-style-type: none"> — 1.5% turnover tax. — 2% health levy. |
| | Who is required to register for VAT/GST and other indirect taxes? | Entrepreneurs and enterprises carrying out a business, provided they are collecting revenues from the sale of goods and/or the rendering of services in Aruba. |
| VAT/GST registration | Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)? | In terms of the turnover tax and health levy, the answer is no. Based on the applicable legislation, overseas companies can only register for turnover tax or health levy if the company is subject to those taxes in Aruba, meaning they are registered taxpayers. In specific cases, an overseas company might be subject to turnover tax or health levy in Aruba for services rendered or goods delivered without the presence of a permanent establishment in Aruba. |
| | Does an overseas company need to appoint a fiscal representative? | Not applicable. |
| | Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect tax registrations? | Not applicable. |
| | Is grouping* for VAT/GST and other indirect taxes possible? | Yes. |
| VAT/GST compliance | How frequently are VAT/GST and other indirect tax returns submitted? | Monthly. |
| | What are the exchange rate rules in your country? | The following fixed exchange rate applies between the Aruban florin (AWG) and the US dollar (USD): USD1 = AWG1.79. |

* By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fiction for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

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| VAT/GST recovery | Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally? | No, Aruba has a cascade tax system. |
| | Are there any exemptions with the right to recover or deduct input VAT? | Not applicable. |
| | Are there any restrictions to the deduction of input VAT? | Not applicable. |
| Invoices | Is a business required to issue tax invoices? | For the turnover tax, no. For the health levy, yes. |
| | Is it possible/mandatory to issue invoices electronically? | Electronic invoicing is possible, but not mandatory. |
| | Is it possible for the vendor to issue an invoice, i.e. is self-billing possible? | No. |
| Audits | Do tax audits take place on a regular basis? | Only incidentally (i.e. based on the filing of documents). |
| | Are audits done electronically in your country (e-audit)? If so, what system is in use? | No. |
| | What penalties can arise from non-compliance? | The following administrative fines can arise: — if the tax is not fully paid in time, a maximum of AWG10,000 — if the tax is not fully paid in time on purpose or due to gross negligence, 100% of the additional tax amount that had to be paid on time. The Aruban tax authorities are not able to impose an administrative fine if a criminal charge has been laid. |
| Special indirect tax rules | Are there any special rules for the sale of a company by one taxpayer to another where VAT is not due on the sale? | No, except for goodwill under certain conditions based on policy. |
| | Are there unique specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions? | The import of goods is not a taxable event for the turnover tax or for the health levy. No right to claim deduction of the turnover tax and/or health levy paid by entrepreneurs. |
| | Does a reverse charge mechanism apply for goods or services? | No. |
| | Are there indirect tax incentives available (e.g. reduced rates, tax holidays)? | If certain conditions are met, an exemption of turnover tax and health levy may be granted to companies incorporated and established in the Free Zone of Aruba and exclusively operating in the international warehousing, distribution and production of goods and/or the delivery of non-financial international services. Also, an exemption of the turnover tax (and health levy) may be granted for companies established in the Special Zone of Aruba. |
| Rulings | Are rulings and decisions issued by the tax authorities publicly available? | No. |