



Caribbean Netherlands

Bonaire, Sint Eustatius, Saba (BES-islands)

General	Types of indirect taxes (VAT/GST and other indirect taxes).	General consumption tax (abbreviation in Dutch: ABB).
	Are there other indirect taxes?	— Excise taxes.
	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	<ul style="list-style-type: none"> — Bonaire: <ul style="list-style-type: none"> — standard rate for supply/import of goods: 8% — standard rate for services: 6% — insurances: 7% — export: 0%. — Sint Eustatius and Saba: <ul style="list-style-type: none"> — standard rate for supply/import of goods: 6% — standard rate for services: 4% — insurances: 5% — export: 0%. <p>Special rates apply with regard to passenger cars.</p>
	Who is required to register for VAT/GST?	<p>For general consumption tax purposes:</p> <ul style="list-style-type: none"> — producers who supply their produced goods in the Caribbean Netherlands for the purpose of their business against payment of compensation. (In principle, producers are entrepreneurs in the Caribbean Netherlands who produce goods using raw materials or semi-finished products) — entrepreneurs who render services in the Caribbean Netherlands for the purpose of their business against payment of compensation — anyone who imports goods. <p>An entrepreneur is anyone who independently runs a business or practices a profession in the Caribbean Netherlands as well as any person who exploits an asset for the purposes of obtaining income therefrom on a continuing basis.</p> <p>Some entrepreneurs who have an annual turnover of USD20,000 or less may receive an exemption for the payment of general consumption tax.</p>
	Who is required to register for Transfer tax?	The receiving party has to pay the transfer tax. The amount of transfer tax due should be added to the receiving party's tax return.

VAT/GST registration	Is voluntary registration for VAT/GST possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?	No.
	Does an overseas company need to appoint a fiscal representative?	No.
	Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect tax registrations?	At least the form 'starting entrepreneur' along with required attachments.
	Is grouping* for VAT/GST and other indirect taxes possible?	No.
VAT/GST compliance	How frequently are VAT/GST and other indirect tax returns submitted?	Monthly (or quarterly).
	What are the exchange rate rules in your country?	The US dollar is the official currency of the Caribbean Netherlands.
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.
	Are there any exemptions with the right to recover or deduct input VAT?	No.
	Are there any restrictions to the deduction of input VAT?	Yes, in general, deduction of input ABB is only possible for producers with respect to imported or purchased locally produced goods.
Invoices	Is a business required to issue tax invoices?	No, except for the producers, there is no mandatory requirement to issue an invoice for ABB.
	Is it possible/mandatory to issue invoices electronically?	Yes, it 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?	Yes, approximately every 5 years.
	Are audits done electronically in your country (e-audit)? If so, what system is in use?	No.
	What penalties can arise from non-compliance?	<p>There are two different types of penalties:</p> <p>The first type is a default penalty and applies when:</p> <ul style="list-style-type: none"> — the tax return is not filed in time (max. penalty of USD1,400) — the tax due is (wholly or partly) not paid within the specified period (max. penalty of USD5,600). <p>The second type is an offense penalty and applies when tax is not (fully) paid in time due to deliberate intent or gross negligence of the taxpayer. The maximum penalty is then 100% of the tax due.</p> <p>Furthermore, in specific cases criminal penalties or imprisonment could be the consequence of non-compliance.</p>

* 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).

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?	Yes, this situation is exempt from ABB.
	Are there unique specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions?	In principle, the ABB is levied based on a cumulative cascade system. There are special rules with regard to the construction of immovable property.
	Does a reverse charge mechanism apply for goods or services?	Yes.
	Are there indirect tax incentives available (e.g. reduced rates, tax holidays)?	Bonded warehouse for goods and services, with extraordinary possibilities.
Rulings	Are rulings and decisions issued by the tax authorities publicly available?	No.