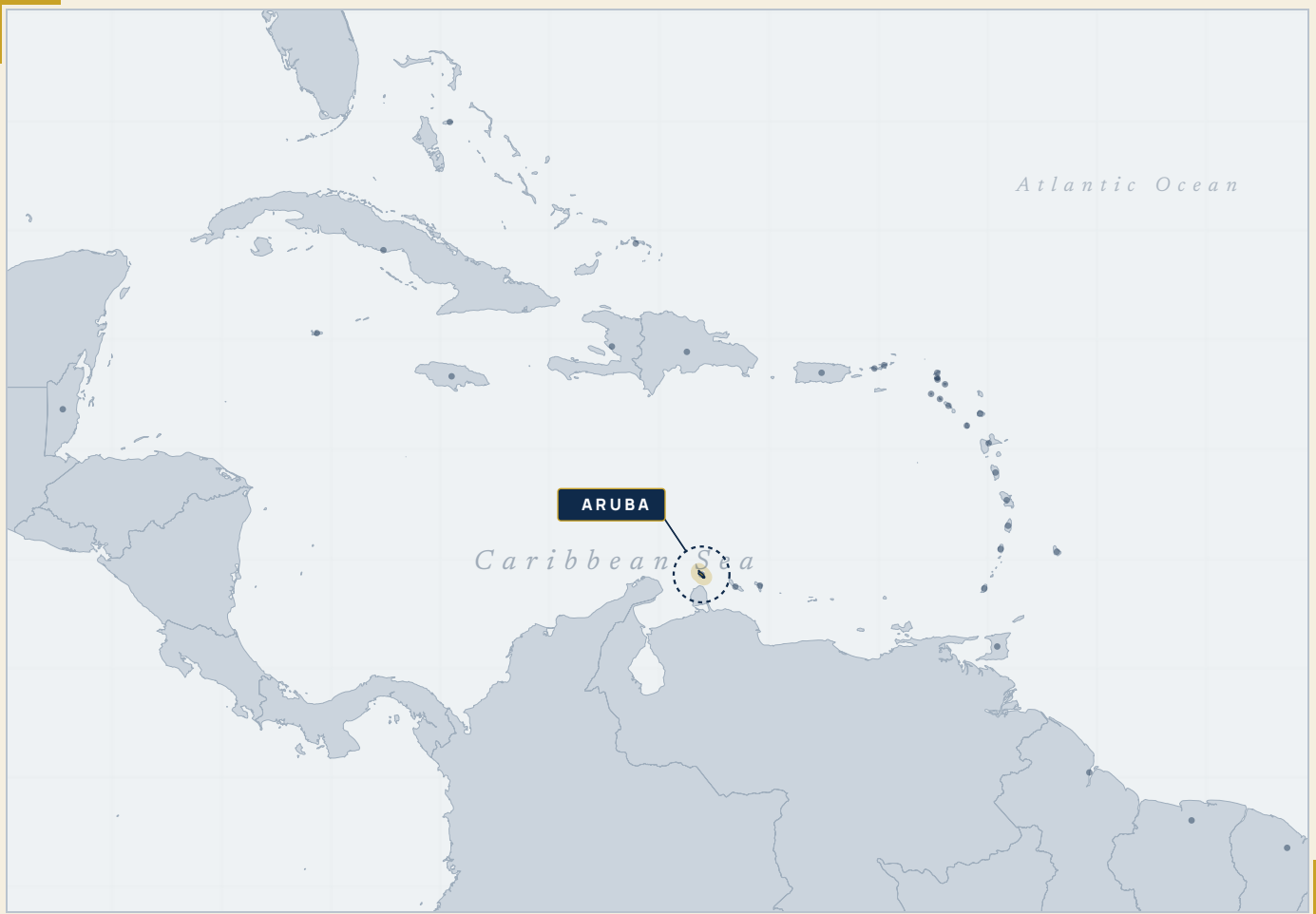




CARIBBEAN TAX SERVICE DESK · SOUTHERN CARIBBEAN

Aruba

Tax Guide

A guide to corporate, personal and indirect taxes in Aruba

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FOREWORD

Aruba pairs a modern, low-rate profit tax with a Dutch civil law tradition, and its tax system has changed more in the last four years than in the two decades before.

The 2023 reform cut the profit tax to 22%, closed the imputation payment company regime and extended the turnover taxes to imports. Personal income tax rates fell in 2025, and new incentives for start-ups and for investment in Oranjestad and San Nicolas took effect in 2026. Aruba has no VAT, but its turnover taxes, wage tax and social premiums reach almost every business.

This guide explains the main taxes on companies and individuals in plain language, current to October 2026 and including the measures in force for 2026. It is written for investors, finance teams and individuals with interests in Aruba.

Tax matters are handled by Dawgen Global's Caribbean Tax Service Desk, managed from Kingston. We would be glad to help you plan, comply and resolve issues with confidence.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This guide summarises the main taxes that apply to companies and individuals in Aruba. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act. Our companion Doing Business guide covers set-up, employment and regulation.

FOUNDATIONS

01 Investment basics

Aruba has a currency pegged to the US dollar, Dutch civil law and no VAT. Taxes are administered by the Departamento di Impuesto.

PROFIT TAX**22%**

2% for qualifying free zone companies;
6% to 10% for oil refinery and terminal
profits

TURNOVER TAXES**7% combined**

BBO 2.5%, BAVP 1.5% and BAZV 3% on
local supplies and imports

PERSONAL INCOME TAX**0% to 52%**

No tax on income up to AWG 64,930 in
2026

DIVIDEND WITHHOLDING**10%**

5% to qualifying companies in the
Kingdom; 0% with the participation
exemption

INTEREST AND ROYALTIES**0%**

No withholding on interest, royalties, fees
or branch profits

TRANSFER TAX**3% / 6%**

On real estate, by value; no stamp duty or
capital duty

Currency and foreign exchange

The Aruban florin (AWG) is pegged at AWG 1.79 to US\$1. Payments abroad go through licensed banks under Centrale Bank van Aruba rules, and a 1.3% foreign exchange commission applies to payments by residents to non-residents.

Accounting and audit

Companies prepare annual financial statements under internationally accepted standards, usually IFRS. Audit needs depend on size, regulation and lenders. The balance sheet and profit and loss account accompany the profit tax return.

Principal business entities

VBA (limited liability company)

NV (public limited company)

Branch of a foreign company

VOF and CV partnerships

Sole proprietorship

Foundation

Companies and branches pay profit tax. Partners and sole proprietors pay income tax on their share of profits.

The tax system

Profit tax, income and wage tax, dividend tax, turnover taxes, land tax and transfer tax are administered by the Departamento di Impuesto. Customs collects import duties and turnover taxes on imports; SVB administers social insurance.

BUSINESS TAX

02 Corporate taxation

Resident companies pay profit tax on worldwide income, including capital gains; non-resident companies pay on Aruban-source income, including branch profits.

Residence and basis

A company incorporated in Aruba, or managed and controlled from Aruba, is resident. A branch of a foreign company pays 22% on profits attributable to it.

Taxable income

- ◆ Business profits, passive income such as interest and dividends, and capital gains
- ◆ Ordinary business expenses are deductible
- ◆ Assets are depreciated for tax; depreciation of buildings is restricted
- ◆ Investment allowance of 10% on qualifying new business assets above AWG 5,000 a year
- ◆ Interest, royalties, rent and fees paid to related parties need the tests on page 7

Taxpayer	Rate
Companies and branches (standard rate)	22%
Qualifying free zone companies	2%
Oil refinery and oil terminal profits	6%, 7% or 10%
Exempt companies and qualifying redevelopment in designated areas	Exempt, subject to conditions
Transparent companies	Taxed in the hands of shareholders
Imputation payment companies	Abolished from 2023; transition ended for fiscal years beginning before 2026

Minimum tax and surtax

There is no surtax and no alternative minimum tax. Since 2023 a single 22% rate applies and the imputation payment company (IPC) regime is closed.

Transparent company

A company may elect transparency within one month of incorporation by notifying the tax authorities. It must meet economic substance requirements and file a transparent company return within six months after year-end. Its shareholders are taxed as if they had a permanent establishment in Aruba, and its distributions are free of dividend tax.

BUSINESS TAX

03 Corporate taxation (continued)

Dividends received

Dividends are part of taxable profit unless the participation exemption applies. Dividends paid to a resident company are subject to 10% dividend tax, reduced to 0% where the exemption applies.

Capital gains

Gains are taxed at 22% as ordinary profit, unless they arise on a qualifying participation. An exit tax applies to increases in value on liquidation, merger, division, conversion into a foreign entity or transfer of the registered office abroad.

Losses

Losses may be carried forward for five years; losses from 2020 to 2022 for seven years. There is no carry-back.

Foreign tax credit

Relief for foreign tax is available, limited to the Aruban tax on the same income.

Participation exemption and groups

Dividends and gains from qualifying resident and foreign participations are exempt; check the conditions every year before year-end. There is no separate holding company regime. A fiscal unity lets a parent file one consolidated return, while each member keeps its own accounts.

Tax incentives in brief

Incentive	Main benefit
Free zones	2% profit tax; turnover tax exemption on sales abroad; duty relief on re-exports
Start-ups (from 2026)	For five years: profit exemption up to AWG 50,000 a year and a 20% investment allowance, for new companies in listed sectors
Oranjestad and San Nicolas (from 2026)	Up to 10 years' profit and dividend tax exemption for redevelopment; transfer and turnover tax relief
Investment allowance	10% of qualifying investments

Each regime has substance, investment and anti-abuse conditions.

CROSS-BORDER PAYMENTS

04 Withholding taxes and tax treaties

Dividend tax is the only withholding tax on corporate payments. The return is filed online and the tax paid within 15 days after the dividend becomes payable.

Payment	Resident company	Resident individual	Non-resident company	Non-resident individual
Dividends	10% (0% with the participation exemption)	10%	10%; 5% to qualifying companies in the Kingdom	10%
Interest	0%	0%	0%	0%
Royalties	0%	0%	0%	0%
Management and technical fees	0%	0%	0%	0%
Branch remittances	No branch remittance tax			

A dividend tax return is needed even when the rate is 0%. Distributions of IPC profits remain at 0% through 2027, and free zone and transparent company distributions are exempt.

Tax Arrangement for the Kingdom

The Belastingregeling voor het Koninkrijk (BRK) prevents double taxation between Aruba, Curaçao, Sint Maarten and the Netherlands. It allocates taxing rights, limits dividend tax between the parts of the Kingdom and provides for consultation between authorities. An Aruban company may apply to the Netherlands for relief from Dutch dividend tax.

Other agreements

Economic relations agreements with Denmark, Finland, Iceland and Sweden, and an agreement with Australia, cover certain income and include a mutual agreement procedure. Information exchange agreements are in force with the United States, Canada, the United Kingdom and others. Aruba and Suriname announced treaty talks in 2025. Aruba is not a CARICOM member.

Mutual agreement procedure

Requests go to the Minister of Finance, through the Tax Matters Coordination Board, generally within three years of the first notice of the disputed tax. Arbitration is not available.

INTERNATIONAL RULES

05 Anti-avoidance and international rules

Aruba applies the arm's length principle and a targeted limit on related-party payments, without CFC, anti-hybrid or general anti-avoidance rules in statute.

Transfer pricing

Transactions between related parties must be at arm's length, with documentation kept in the records since 2008. Group entities of multinational groups with consolidated revenue of AWG 100 million or more keep a group file and local file, available on request.

Country-by-country reporting

From 2020, groups with consolidated revenue of AWG 1.5 billion or more file a country-by-country report within 12 months of year-end. Aruban group entities notify the filing entity by the last day of the reporting year. Fines can reach AWG 100,000.

Related-party payments

There is no thin capitalisation ratio. Interest, royalties, rent and management fees are deductible only if the recipient is not related (under 25%) or is taxed at a nominal rate of at least 15%.

CFC and anti-avoidance

There are no CFC, anti-hybrid or statutory general anti-avoidance rules, and no mandatory disclosure regime. Loans to shareholders above AWG 500,000 can be treated as dividends.

Economic substance

Substance is required for transparent and exempt companies and for the 2026 incentives.

Pillar Two

Aruba has not introduced the global minimum tax. Groups with revenue of EUR 750 million or more may still face top-up tax in other countries on low-taxed Aruban profits.

Information exchange

- ◆ **CRS:** legal framework in place, reviewed by the OECD
- ◆ **FATCA:** Aruban financial institutions apply FATCA due diligence and reporting
- ◆ **On request:** exchange under the BRK and information exchange agreements

CORPORATE COMPLIANCE

06 Compliance for corporations

Companies self-assess, and profit tax returns are filed electronically through the BO impuesto portal.

Tax year and returns

The tax year is the calendar year or the company's financial year. Each company files its own return unless it belongs to a fiscal unity, where the parent files a consolidated return.

1

Return or provisional return

31 MAY

File within five months of year-end and pay the tax shown.

2

Six-month extension

AUTOMATIC

Available when the provisional return is filed on time.

3

Final return and balance

30 NOV

Pay any remaining tax when the final return is filed.

Dates are for a December year-end. Profit tax returns must be filed electronically from fiscal year 2023.

Penalties and interest

Penalties apply for late filing and late payment, and apply even without a reminder. Interest is charged on late and deferred tax.

Assessments, records and rulings

The authorities may issue estimated assessments if a return is incomplete; final assessments must be issued within five years after year-end. Keep full records. Rulings are available on fiscal unity, cost-plus, the participation exemption and transparent status.

Objections and appeals

Object to the tax inspector within the statutory period after an assessment. Unresolved disputes go to the Court of First Instance of Aruba, with cassation to the Supreme Court of the Netherlands. Time limits are strict.

Practical points

Base the provisional return on a realistic estimate, since the balance and interest follow. Reconcile wage tax, premiums and turnover tax to the accounts, and review the participation exemption and related-party payments before year-end.

BEYOND PROFIT TAX

07 Other taxes on corporations

Tax	Rate and base	Who pays
Turnover taxes	BBO 2.5%, BAVP 1.5%, BAZV 3%: 7% on supplies in Aruba and on imports	Businesses; importers
AOV/AWW (pensions)	Shared premium on wages up to an annual maximum set by SVB	Employer and employee
AZV (health insurance)	Employer 8.9%, plus an employee share, on wages up to an annual maximum	Employer and employee
Sickness insurance (ZV)	2.65% of wages up to an annual maximum	Employer
Accident insurance (OV)	0.25% to 2.5% by risk class	Employer
Land tax	0.6% a year of the assessed value of real estate	Companies and non-resident owners
Transfer tax	3% up to AWG 250,000 and 6% above, including transfers of economic ownership and real estate company shares	Usually the buyer
Foreign exchange commission	1.3% on payments to non-residents and foreign currency cash transactions	Residents
Tourist levy	12.5% on hotel and resort stays; fixed amounts for timeshare	Accommodation providers
Environmental levy	Fixed amount per occupied room or unit	Accommodation providers
Import duty and excise	Aruban tariff on customs value; excise on fuel, alcohol and tobacco	Importers
Stamp duty and capital duty	None	—

Late notification of a transfer of economic ownership can attract a penalty of up to AWG 100,000, or 10% of the property value if higher.

INDIVIDUALS

08 Personal taxation

Residents pay income tax on worldwide income; non-residents pay on Aruban-source income. Wage tax withheld by employers is a prepayment.

Basis of taxation

- ◆ **Resident:** worldwide income
- ◆ **Non-resident:** Aruban-source income, such as work performed in Aruba, Aruban real estate and Aruban business profits

Residence test

Residence depends on where an individual's centre of life is, judged on all the facts: home, family, work and social ties. There is no domicile or remittance basis.

Filing status

Joint filing by spouses is allowed.

Taxable income

Income is grouped in schedules: employment, business and professional profits, and income from movable and immovable property.

Taxable income, 2026 (AWG)	Rate
Up to 34,930	0%
34,931 to 63,904	21%
63,905 to 135,527	42%
Above 135,527	52%

The bands apply after a tax-free amount of AWG 30,000 for a full year, so income up to AWG 64,930 is untaxed. The rates fell in 2025.

Director-shareholders

Holders of 25% or more who work for their company are taxed on a deemed salary: the highest of 75% of the most comparable wage, the highest wage in the company or its affiliates, and AWG 48,000. For start-ups, the minimum is the statutory minimum wage for the first four years.

INDIVIDUALS

09 Personal taxation (continued)

Capital gains

Private capital gains are generally exempt. Gains on a substantial interest (25% or more, alone or with close relatives) are taxed at 25%.

Deductions and reliefs

- ◆ Mortgage interest on the main residence, up to AWG 40,000 a year
- ◆ Student loan repayments, up to AWG 10,000 a year for 10 years
- ◆ Medical expenses and insurance premiums, subject to limits
- ◆ Retirement annuity premiums, within statutory limits
- ◆ Gifts to qualifying organisations

Employment benefits and expatriates

Benefits in kind are taxable under the fringe benefits policy. An expatriate ruling for recruits who lived outside Aruba for five years or more and earn AWG 150,000 or more allows tax-free allowances, including school fees and rent, within set caps.

Tax	Position for individuals
AOV/AWW (employee)	Employee share of the pension premium, up to an annual maximum
AZV (employee)	Employee share of the health premium, up to an annual maximum
Self-employed	Pay AOV/AWW and AZV premiums on their own income
Land tax (residents)	0% up to AWG 120,000 of value, then 0.2% to 0.6% by band
Transfer tax	3% / 6% on real estate, including gifts; inherited real estate exempt
Inheritance and gift tax	None
Net wealth tax	None
Stamp duty	None

Social premiums can apply to income that is tax-free or taxed at 0%. Premium rates were unchanged for 2026; SVB publishes the maximum wages each year.

INDIVIDUAL COMPLIANCE

10 Compliance for individuals

Employers withhold wage tax and premiums each month. Individuals with other income, or who are asked to, file an annual income tax return.

Employees and wage tax

The tax year is the calendar year. Employers withhold wage tax and social premiums and file and pay them by the 15th of the following month. Annual wage statements are filed early in the next year. Wage tax is credited against income tax on assessment.

Returns and payment

When	What
Two months after year-end	Annual income tax return, unless an extension is granted
During the year	Provisional assessments, paid in monthly instalments
Two months after assessment	Payment of the final assessment

Extensions are given on request. Late filing and payment attract penalties and interest.

Non-residents and expatriates

- ◆ Each taxpayer needs a personal tax number from the Departamento di Impuesto
- ◆ Pay for work done in Aruba is subject to wage tax from the first day
- ◆ Non-residents pay income tax on Aruban-source income only
- ◆ Owners of Aruban real estate who live abroad pay land tax at 0.6%
- ◆ Expatriate ruling allowances must be agreed with the tax authorities
- ◆ The BRK can relieve double taxation for people moving within the Kingdom
- ◆ Foreign staff also need a residence permit for work from DIMAS

Arriving or leaving

Moving to or from Aruba changes residence and filing status for the year. Plan the timing and keep evidence of where your centre of life is.

INDIRECT TAXES

11 Turnover taxes and customs

Aruba has no VAT. Three turnover taxes with the same base, BBO, BAVP and BAZV, apply to supplies of goods and services in Aruba and to imports.

Rate	Applies to
7% combined	BBO 2.5%, BAVP 1.5% and BAZV 3% on most goods and services
7% on imports	Customs value of imported goods, since 1 August 2023
0% or exempt	Exports and free zone sales abroad
Exempt	Prescription medicines, financial and life insurance services, residential rent, hotel stays subject to tourist levy, international transport, certain education, utilities and fuels

Registration and returns

Residents and non-residents making taxable supplies in Aruba must register. A small business scheme applies to turnover below AWG 50,000 a year. Returns and payment are due monthly, within 15 days after month-end.

Fiscal unity

On request, supplies between a parent and wholly owned subsidiaries incorporated and managed in Aruba can be exempt.

No input tax credit

The turnover taxes are not a VAT: tax on business costs is generally not recoverable, and the taxes are included in the price rather than shown on invoices. Tax paid on imported goods for resale can be credited in the monthly return and any excess refunded.

Imported and digital services

Electronic and telecommunications services are taxed where the customer is. A reverse charge applies to certain services by foreign providers without a permanent establishment, who may appoint a tax representative.

Customs and excise

Import duty is charged on the customs value at Aruba's own tariff, plus the 7% turnover taxes and excise on fuel, alcohol and tobacco.

ADMINISTRATION

12 Tax calendar and administration

Main tax laws

General National Ordinance on National Taxes; Profit Tax Ordinance; Income Tax Ordinance; Wage Tax Ordinance; Dividend Tax Ordinance; turnover tax ordinances (BBO, BAVP and BAZV); Transfer Tax Ordinance; Land Tax Ordinance; Free Zones Ordinance; social insurance ordinances; Tax Arrangement for the Kingdom.

Authorities

The Departamento di Impuesto (DIMP) administers taxes, the Customs Department collects duties and SVB administers social insurance. Appeals go to the Court of First Instance.

Recent and upcoming changes

- ◆ **2023:** 22% profit tax; IPC regime closed; turnover taxes on imports
- ◆ **2025:** income tax rates cut; dividend tax returns filed online only
- ◆ **2026:** brackets updated; start-up and city-centre incentives; IPC transition ended; temporary fuel excise cut; targeted relief for seniors
- ◆ **Ahead:** no VAT or Pillar Two legislation announced

When	What
15th monthly	Wage tax and social premiums; turnover tax return and payment
Within 15 days of a dividend	Dividend tax return and payment
Early in the year	Annual wage statements
End of February	Individual income tax returns, unless extended
31 May	Profit tax return or provisional return and payment
30 June	Transparent company returns
On assessment	Land tax, by the date on the notice
30 November	Final profit tax return under the extension
31 December	Country-by-country notification; CbC report for the prior year

Dates assume a calendar year. Check due dates on the BO impuesto portal, since deadlines and extensions are announced by DIMP.

YOUR PARTNER

13 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, supports companies and individuals with every Aruban tax, from registration to dispute.

Tax compliance

Profit tax and income tax returns, provisional returns, dividend tax and transparent company filings.

Corporate tax advisory

Structuring, participation exemption, fiscal unity, losses and transactions.

International tax and transfer pricing

BRK planning, related-party payments, group and local files and CbC reporting.

Indirect taxes (turnover taxes and customs)

BBO, BAVP and BAZV registration, returns, import credits and customs reviews.

Payroll and employment taxes

Wage tax, AOV/AWW, AZV and SVB premiums, wage statements and benefit reviews.

Tax disputes and authority engagement

Tax audits, objections, appeals, rulings and mutual agreement procedures.

Incentives and investment planning

Free zone, start-up and Oranjestad and San Nicolas incentives.

Private client and expatriate tax

Residence, expatriate rulings, director-shareholders, real estate and assignees.

Tax technology and reporting

Tax calendars, provisions, data and reporting processes.

Start with a conversation

Tell us about your plans or your tax question in Aruba, and we will set out the steps and timeline for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email aruba@dawgen.com or info@dawgen.global, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about Aruba

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Key official sources

- Departamento di Impuesto (impuesto.aw)
- Government of Aruba, including DEACI and the Customs Department (gobierno.aw)
- Centrale Bank van Aruba (cbaruba.org)
- Sociale Verzekeringsbank Aruba (svbaruba.org)
- Free Zone Aruba (freezonearuba.com)
- Chamber of Commerce and Industry Aruba (arubachamber.com)
- Netherlands Tax and Customs Administration (belastingdienst.nl)
- OECD Global Forum on Transparency and Exchange of Information (oecd.org)

