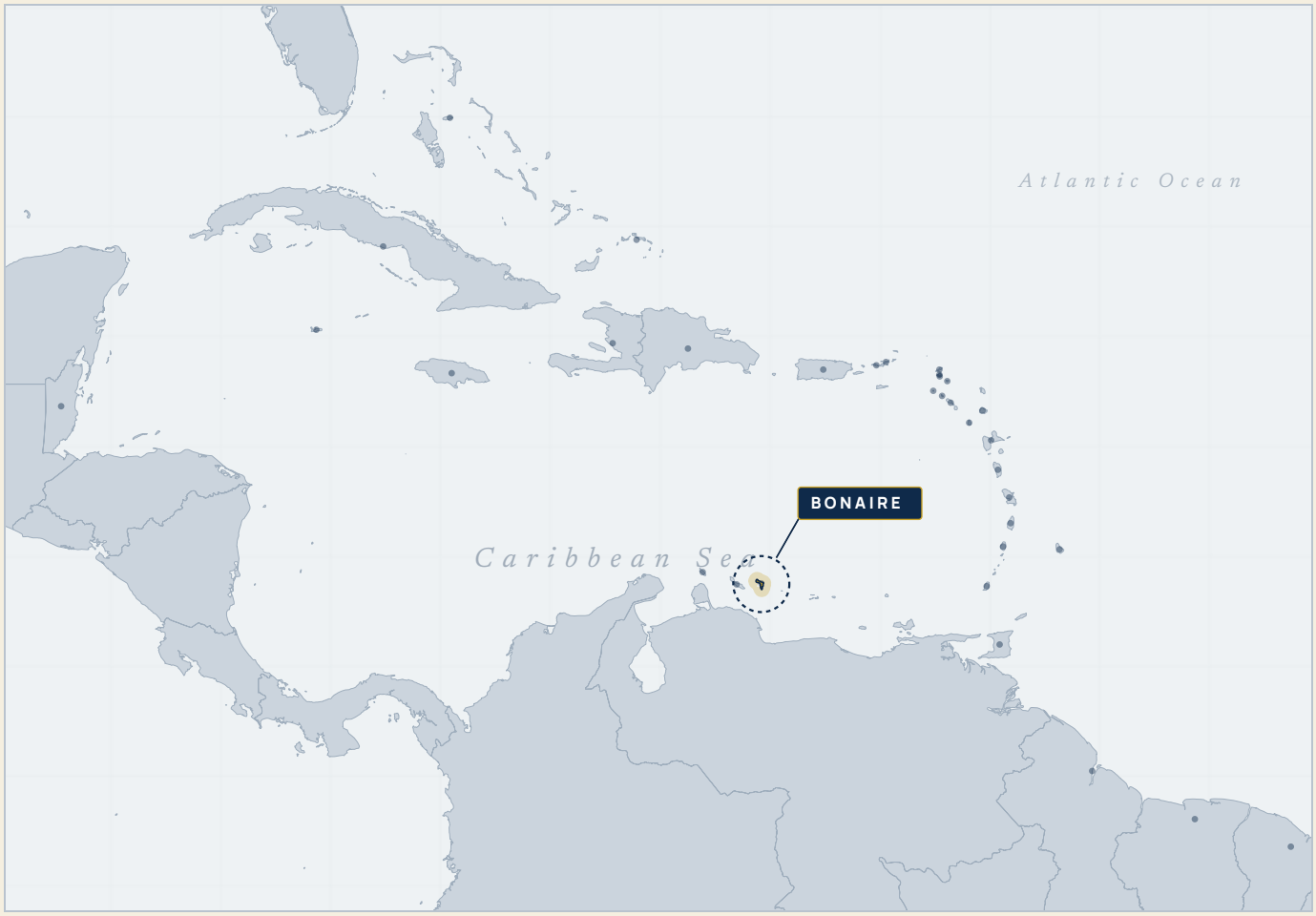

CARIBBEAN TAX SERVICE DESK · CARIBBEAN NETHERLANDS

Bonaire
Tax Guide

A guide to corporate, personal and indirect taxes in Bonaire

TAX GUIDE · 2026 EDITION

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FOREWORD

Bonaire is part of the Netherlands, yet its tax system is its own: no profit tax for established companies, a tax on distributions instead, and a general expenditure tax in place of VAT.

Since 1 January 2011 Bonaire, Sint Eustatius and Saba have shared the BES tax system, separate from that of the European Netherlands. It rests on wage and income tax with national insurance premiums, revenue tax on distributed profits, the general expenditure tax (ABB), property tax and transfer tax. Dutch tax law still matters: companies without local substance, and individuals with ties to the European Netherlands, can fall within it.

This guide explains the main taxes on companies and individuals in plain language, current to October 2026, including the 2026 rates and the bills for 2027 before the Dutch Parliament. It is written for investors, finance teams and individuals with interests in Bonaire.

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 Bonaire. 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

Bonaire uses the US dollar, has no exchange controls and applies the BES tax system, administered by the Belastingdienst Caribisch Nederland.

PROFIT TAX	REVENUE TAX	INCOME TAX
None	7.5%	29.4% / 38.4%
For companies with a place-of-establishment decision	On profits distributed by BES entities (5% until 2024)	Including AOV and AWW; 38.4% above the Belastingdienst threshold

GENERAL EXPENDITURE TAX	EMPLOYER PREMIUMS	TRANSFER TAX
8% / 6%	10.3%	5%
ABB on goods and on services respectively	Health, sickness, accident and cessantia; no ceiling	On the value of real property, paid by the buyer

Currency and foreign exchange

The US dollar has been the official currency since 1 January 2011. There are no exchange controls: profits, dividends and capital move freely, subject to bank checks under BES anti-money laundering law.

Accounting and annual accounts

Every entity and fixed establishment in the Caribbean Netherlands files a balance sheet, profit and loss account and notes, drawn up under Book 2 of the BES Civil Code, with the tax office within nine months of the year-end. The tax filing itself does not call for an audit; supervisors, lenders and parent companies may.

Principal business entities

- Private limited company (BV)
- Public limited company (NV)
- Branch of a foreign company
- Partnership (VOF, CV)
- Sole trader
- Foundation

Companies and foundations are entities for revenue tax. Partners and sole traders pay income tax on their profits.

The tax system

Wage and income tax, revenue tax, ABB, property tax, transfer tax, customs and excise are all administered by the Belastingdienst Caribisch Nederland, which includes Douane Caribisch Nederland. Island taxes are set by the Public Entity Bonaire.

BUSINESS TAX

02 Corporate taxation

Bonaire has no tax on company profits. Entities established on the island are taxed only when they distribute profits, through the revenue tax.

Residence and the place-of-establishment decision

An entity actually established on the BES islands asks the tax office for a decision on its place of establishment. The conditions concern its activities, the nature of its assets (passive assets such as investments, participations, cash and loans outside the BES may not usually exceed half) and local substance, including staff and premises on the islands. Foundations established there need no decision.

Without a decision

An entity that does not qualify may be treated as established in the European Netherlands and fall under Dutch corporate income tax and Dutch dividend tax. A final settlement of revenue tax may then be due.

Taxpayer or item	Position
Retained profits of an entity with a decision	No tax
Profits distributed by a BES entity	7.5% revenue tax, withheld by the entity
Entity without a decision	Dutch corporate income tax and dividend tax may apply
Sole traders and partners	Income tax on business profits at personal rates
Large multinational groups	Dutch minimum tax rules extend to the BES islands

The 7.5% rate applies from 1 January 2025. Where the entity bears the tax itself, the distribution is grossed up at 100/92.5.

Minimum tax and surtax

There is no surtax, turnover tax or general minimum tax for local businesses. Only groups within the scope of the Dutch Minimum Tax Act 2024 (consolidated revenue of EUR 750 million or more) need to consider a top-up tax.

BUSINESS TAX

03 Corporate taxation (continued)

What is a distribution

Revenue tax applies to profit distributions in whatever form, including amounts above paid-up capital on a share buyback or liquidation, certain repayments of capital and distributions by foundations. It is withheld when the revenue becomes available to the beneficiary. Revenue tax can also apply as an exit levy when an entity moves its establishment away from the BES islands.

Capital gains

With no profit tax, an entity's gains are not taxed until distributed. Individuals with a substantial interest pay income tax at 7.5% on gains from selling the shares (page 09).

Losses and foreign tax

Loss relief and foreign tax credits have no role for entities with a decision, as no profit tax is charged. Double taxation with the European Netherlands, Aruba, Curaçao and Sint Maarten is dealt with by Kingdom arrangements (page 04).

Holding companies and groups

There is no participation exemption or holding company regime as such. A pure holding or financing entity will usually fail the asset test for a place-of-establishment decision. There is no group taxation; a bill for 2027 would allow ABB fiscal unity for wholly owned groups.

Tax reliefs in brief

Relief	Main benefit
No profit tax	Retained profits untaxed; 7.5% only on distributions
Hotel property tax rate	11% of the deemed yield instead of 17.5%; 12% proposed for 2027
Investment exemption	Property tax relief on added value, five years for decisions from 2025 (ten before)
ABB reliefs	Zero rate on exports; exemptions for solar panels, wind turbines and basic foods
Trade and service warehouses	Goods held under customs supervision without import ABB

CROSS-BORDER PAYMENTS

04 Withholding taxes and tax arrangements

The only general withholding on payments by companies is the revenue tax on distributions. Wages are subject to wage tax and premiums.

Payment	To BES residents	To non-residents	Kingdom arrangements
Dividends	7.5% revenue tax	7.5% revenue tax	Not reduced to nil for Curaçao residents; check each arrangement
Interest	None	None withheld; income tax can reach interest on loans secured on BES property	Arrangement rules on interest may apply
Royalties	None	None withheld	—
Management and service fees	None; ABB may apply	None withheld; the BES business customer accounts for ABB on most services	—
Wages and directors' fees	Wage tax and premiums	Wage tax on BES work and on directorships of BES entities	Allocation rules for workers and directors
Branch profits	No separate branch remittance tax is set out; confirm the position of a fixed establishment with the Belastingdienst		

Within the Kingdom

The Tax Arrangement for the country of the Netherlands (BRN) prevents double taxation between Bonaire and the European Netherlands. The Tax Arrangement for the Kingdom (BRK) governs relations with Aruba, and with other Kingdom countries where no bilateral arrangement replaces it. The arrangement with Curaçao covers the BES islands.

Tax treaties

Bonaire is generally outside the Netherlands' bilateral tax treaties, so treaty relief is rarely available for payments to or from other countries. Information exchange agreements of the Netherlands may cover the BES islands; check each agreement.

Before you pay

Check where the recipient is resident, whether a Kingdom arrangement applies and whether ABB must be self-accounted. Keep evidence of residence on file.

INTERNATIONAL RULES

05 Anti-avoidance and international rules

The BES system relies on the place-of-establishment conditions, rather than a full set of anti-avoidance rules, to keep passive structures out.

Transfer pricing

There is no BES transfer pricing documentation regime. Transactions with shareholders and related parties should still be at arm's length: benefits passed to a shareholder can be treated as distributions subject to revenue tax, and related-party pricing matters for ABB and for Dutch tax where Dutch group companies are involved.

Interest limits and CFC rules

With no profit tax, there are no thin capitalisation, interest limitation or controlled foreign company rules for BES entities.

Substance

The place-of-establishment decision acts as the substance test: staff, premises and the nature of the assets decide whether an entity is taxed on Bonaire or in the European Netherlands.

General anti-avoidance

The tax office can challenge artificial arrangements under general principles of Dutch tax law. Take advice before restructuring or moving an entity to or from the islands.

Pillar Two

The Dutch Minimum Tax Act 2024 extends to the BES islands. Group entities on Bonaire are therefore relevant to the 15% minimum tax calculations of groups with revenue of EUR 750 million or more.

Information exchange

- **FATCA:** financial institutions on Bonaire report US accounts under the Netherlands' agreement with the United States
- **CRS:** implemented in the Belastingwet BES from 1 January 2016, with first exchanges in 2017
- **Multilateral convention:** the BES islands are bound through the Netherlands
- **Beneficial owners:** identified by notaries, banks and service providers under BES AML law

CORPORATE COMPLIANCE

06 Compliance for corporations

Entities file through the MijnCN portal of the Belastingdienst Caribisch Nederland. Each filing date is printed on the invitation to file.

Tax year and returns

The tax year is the calendar year. Each entity files its own returns; there are no consolidated returns.

1	**Payroll levies** Wage tax and premiums, filed and paid together.	15TH DAY AFTER THE PERIOD
2	**ABB** Quarterly returns; monthly payments allowed.	EACH QUARTER
3	**Revenue tax** For each period with a distribution; no nil returns.	AFTER A DISTRIBUTION
4	**Annual accounts** Balance sheet, profit and loss account and notes.	30 SEP

Penalties and interest

Late or missing returns and payments lead to additional assessments, fines and interest. The Inspector can grant more time for annual accounts on conditions.

Records and decisions

Keep books and records for the period the Belastingwet BES requires. Place-of-establishment decisions, ABB reliefs and property tax exemptions are given by decision of the Inspector, so apply before relying on them.

Objections and appeals

Object to the Inspector within two months of the date of an assessment or decision. Appeal lies to the Court of First Instance of Bonaire, Sint Eustatius and Saba within two months of the decision on the objection, then to the Joint Court of Justice and the Supreme Court of the Netherlands.

Practical points

Confirm the place-of-establishment decision before the first distribution. Reconcile ABB and payroll balances to the accounts, since the annual accounts must specify them. Keep a note of every distribution, and answer the tax office in writing within the time stated.

BEYOND PROFIT TAX

07 Other taxes on corporations

Tax	Rate and base	Who pays
Employer premiums	Health insurance 9.3%, sickness 0.7%, accident 0.2%, cessantia 0.1% of wages; no ceiling	Employer
Wage tax and premiums	Withheld from wages at the combined income tax rates	Employee, withheld by employer
Property tax	17.5% of a deemed 4% yield, about 0.91% of value a year on Bonaire with the island surcharge	Owner or holder of the right
Hotel property tax	11% of the deemed yield for hotels not owned by individuals	Hotel owner
Transfer tax	5% of the value of real property and ships; some exemptions, such as new buildings	Buyer, through the notary
Stamp duty	None	—
Capital duty	None	—
ABB on insurance	7% on insurance premiums	Insurers
Excise	On fuel, alcohol and tobacco	Importers and producers
Gambling tax	On games of chance and prizes	Operators
Island taxes	Local taxes and levies set by the Public Entity Bonaire, such as motor vehicle tax; ground rent is also payable on long-lease land	Owners and users

An owner-occupied home is exempt from property tax, and the first USD 70,000 of a second home is exempt. A five-year investment exemption may apply to the added value of building or improvement work.

INDIVIDUALS

08 Personal taxation

Residents of the BES islands pay income tax on worldwide income above a tax-free sum; non-residents pay on specified BES income.

Basis of taxation

- **Resident:** worldwide income from employment and business, periodic benefits and intangible capital
- **Non-resident:** BES income, such as BES work, BES directorships, business on the islands, dividends from BES companies and gains on a substantial interest
- **Not taxed:** rental income from property other than the main home and business assets; inheritances and lottery winnings

Residence tests

Residence depends on the facts, mainly where the individual lives. Where a person is resident in both Bonaire and the European Netherlands, the BRN decides by permanent home and centre of vital interests.

Filing status

Each individual files a return in their own name. Ask how shared items, such as the owner-occupied home, are allocated between partners.

Taxable income (2026)	Rate
Up to the Belastingdienst threshold	29.4%
Above the threshold	38.4%
Income from a substantial interest	7.5%

The rates include the AOV and AWW premiums and the employee health contribution. In 2025 they were 30.4% and 35.4%.

Allowances

Allowance	2026
Tax-free sum	USD 21,956 (2025: USD 21,373)
Elderly allowance	USD 1,678 (2025: USD 1,616)

The tax-free sum is linked to the minimum wage. Mortgage interest on an owner-occupied home is deductible only at the 29.4% rate.

INDIVIDUALS

09 Personal taxation (continued)

Capital gains

There is no general capital gains tax. Gains on shares forming a substantial interest, generally 5% or more of a company, are taxed at 7.5%, as are dividends from such holdings.

Deductions and reliefs

- Mortgage interest and certain life insurance premiums for an owner-occupied home, at the 29.4% rate
- Certain extraordinary expenses, within limits set by law
- Tax-free kilometre allowance of up to USD 0.20, proposed to rise to USD 0.22 with effect from 2026
- Elderly allowance for those of pensionable age

Employment benefits

Benefits in cash or in kind form part of wages for wage tax. Employers may reimburse some costs tax-free within the limits set by the Belastingdienst.

Tax	Position for individuals
AOV and AWW premiums	25% and 1.3%, within the combined rates, up to a premium base of USD 38,390 (2026)
Health contribution	0.5%, within the combined rates
Property tax	Owner-occupied home exempt; first USD 70,000 of a second home exempt
Transfer tax	5% of value, paid by the buyer of real property
Stamp duty	None
Inheritance and gift tax	None on the BES islands
Net wealth tax	None
Capital acquisitions tax	None

Individuals moving from the European Netherlands should take advice on Dutch inheritance and gift tax and on Dutch rules for substantial interests, which can continue to apply for a period after the move.

INDIVIDUAL COMPLIANCE

10 Compliance for individuals

Employees pay through wage tax withheld by the employer. Those with business or other income, or who are invited to file, submit an annual return.

Employees and wage tax

The tax year is the calendar year. Employers withhold wage tax and premiums each pay period and pay them with the payroll return by the 15th day after the period, usually quarterly, or monthly where an employer owes more than USD 30,000 a quarter.

Annual returns

When	What
Spring	Income tax return for the prior year; the 2025 return was due by 18 May 2026
After filing	Assessment from the tax office, with payment by the date shown

Returns are filed through MijnCN. Late filing and payment attract fines and interest, and an objection must be made within two months of the assessment.

Non-residents and expatriates

- Wages for work on the islands are subject to wage tax from the first day
- Business or professional work of less than three consecutive months may be fully or partly exempt
- Directors of BES entities are taxed on their fees wherever they live
- Residents of the European Netherlands, Aruba or Curaçao should check the relevant Kingdom arrangement
- Moving to Bonaire from the European Netherlands does not by itself end every Dutch tax tie
- Foreign staff need a work permit, assessed by the RCN, and a residence permit from the IND

Registration

New residents and employees register with the Public Entity Bonaire and the tax office, so that wage tax and the tax-free sum are applied correctly.

INDIRECT TAXES

11 ABB, customs and excise

The general expenditure tax (ABB) is charged on goods supplied by producers, on imports and on most services. It is not a VAT on every stage of trade.

Rate (Bonaire)	Applies to
8%	Goods supplied by producers, and imports
6%	Most services
7%	Insurance
25%	Passenger cars
0%	Exports and fully electric cars
Exempt	Basic foods, health care, solar panels and wind turbines, and existing property subject to transfer tax, among others

Registration and returns

Entrepreneurs file quarterly and may pay monthly. Small sole traders and partnerships below a turnover threshold set by the Belastingdienst can be exempt, but still report turnover once a year.

Who charges ABB, and input tax

On goods, only producers and importers are taxed; retailers who do not produce charge no ABB on sales. Producers can deduct ABB on their inputs. Service providers charge ABB on most services.

Imported services

Business-to-business services are generally taxed where the customer is established, and a BES business receiving services from abroad accounts for the ABB itself.

Customs and excise

There is no general import duty. Douane Caribisch Nederland charges ABB on imports at the goods rate, and excise on fuel, alcohol and tobacco. Trade and service warehouses allow goods to be held under customs supervision without import ABB.

Bills for 2027

Proposals before Parliament would allow ABB fiscal unity for wholly owned groups, exempt farming inputs from ABB and, for 2027 only, cut the excise on petrol on Bonaire by 5.5 US cents a litre.

ADMINISTRATION

12 Tax calendar and administration

Main tax laws

Belastingwet BES (revenue tax, property tax, ABB, transfer tax and procedure); Wet inkomstenbelasting BES; Wet loonbelasting BES; Douane- en Accijnswet BES; the BES national insurance laws; the Tax Arrangement for the country of the Netherlands; the Tax Arrangement for the Kingdom; the Dutch Minimum Tax Act 2024.

Authorities

The Belastingdienst Caribisch Nederland administers national taxes and customs. Appeals go to the Court of First Instance, then the Joint Court of Justice and the Supreme Court. Tax law is made by the Dutch Parliament through an annual Tax Plan.

Recent and upcoming changes

- **2025:** revenue tax and substantial interest rate 7.5%; hotel property tax 11%; investment exemption cut to five years
- **2026:** income tax rates 29.4% and 38.4%; tax-free sum USD 21,956
- **2027 bills:** hotel rate 12%; ABB fiscal unity; ABB exemption for farming inputs; petrol excise cut; kilometre allowance USD 0.22

When	What
1 January	New rates and Tax Plan measures take effect
15th day after each period	Payroll return and payment, monthly or quarterly
Each quarter	ABB return and payment, by the date on the invitation
Quarter with a distribution	Revenue tax return and payment
Spring	Individual income tax returns (2025: by 18 May 2026)
30 September	Annual accounts for a December year-end
September	Budget Day: Tax Plan for the next year published
Each year	Property tax assessment

Exact deadlines are printed on the invitations issued by the tax office. Allow two months to object to any assessment or decision.

YOUR PARTNER

13 How Dawgen Global helps

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

Tax compliance

Revenue tax and income tax returns, annual accounts filings and MijnCN submissions.

Corporate tax advisory

Place-of-establishment decisions, distributions, structuring and transactions.

International tax and transfer pricing

Kingdom arrangements, Dutch tax exposure, related-party pricing and minimum tax.

Indirect taxes (ABB and customs)

ABB registration, returns, exemptions, imported services and customs reviews.

Payroll and employment taxes

Wage tax, AOV and AWW, employer premiums, payroll returns and benefit reviews.

Tax disputes and authority engagement

Tax office queries, objections, appeals and settlement of arrears.

Incentives and investment planning

Property tax exemptions, hotel rate, ABB reliefs and warehouse regimes.

Private client and expatriate tax

Residence, substantial interests, moves from the Netherlands and assignees.

Tax technology and reporting

Tax calendars, distribution records, data and reporting processes.

Start with a conversation

Tell us about your plans or your tax question in Bonaire, 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 **bonaire@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about Bonaire

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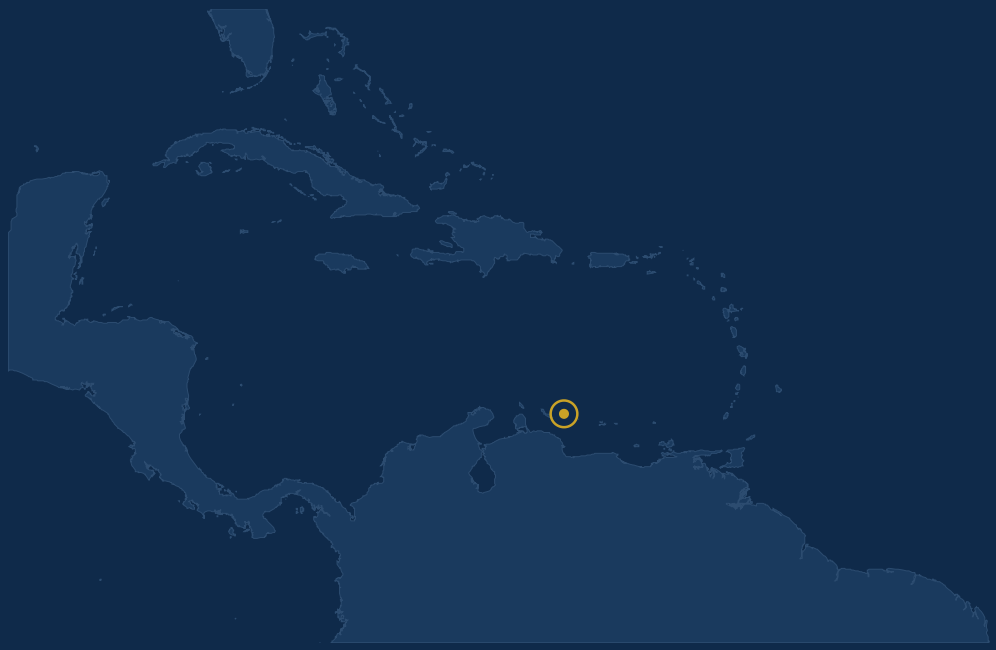
Key official sources

- Belastingdienst Caribisch Nederland (belastingdienst-cn.nl)
- Rijksdienst Caribisch Nederland (rijksdienstcn.com)
- Ministry of Finance of the Netherlands (rijksoverheid.nl)
- Belastingdienst (belastingdienst.nl)
- Official publications of the Netherlands (officielebekendmakingen.nl)
- Public Entity Bonaire (bonairegov.com)
- Chamber of Commerce and Industry Bonaire (kvkbonaire.com)
- De Nederlandsche Bank (dnb.nl)



This publication contains general information only, current to October 2026, and is not professional advice. Tax rates, thresholds and procedures change frequently, and several measures for 2027 were still before the Dutch Parliament at the time of writing; confirm the current position with Dawgen Global or the Belastingdienst Caribisch Nederland before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request.

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