

Aruba

Aruba has met all aspects of the terms of reference (OECD, 2021^[3]) (ToR) for the calendar year 2020 (year in review) that can be met in the absence of rulings being issued in practice, and no recommendations are made.

Aruba can legally issue five types of rulings within the scope of the transparency framework.

In practice, Aruba issued no rulings within the scope of the transparency framework.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from Aruba.

A. The information gathering process (ToR I.A)

85. Aruba can legally issue the following five types of rulings within the scope of the transparency framework: (i) preferential regimes;¹ (ii) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (iii) rulings providing for unilateral downward adjustments; (iv) permanent establishment rulings; and (v) related party conduit rulings.

86. For Aruba, past rulings are any tax rulings issued prior to 1 September 2018. However, there is no obligation for Aruba to conduct spontaneous exchange information on past rulings. Future rulings are any tax rulings within scope that are issued on or after 1 September 2018.

87. In the prior year peer review report, it was determined that Aruba's undertakings to identify future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Aruba's review and supervision mechanism was sufficient to meet the minimum standard. Aruba's implementation remains unchanged, and therefore continues to meet the minimum standard.

88. Aruba has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information (ToR II.B)

89. Aruba has international agreements permitting spontaneous exchange of information, including being a jurisdiction participating in (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) ("the Convention") and (ii) bilateral agreements in force with 25 jurisdictions.²

90. In the prior years' peer review reports, it was determined that Aruba's process for the completion and exchange of templates were sufficient to meet the minimum standard. Aruba's implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

91. During the year in review, no exchanges were required to take place and no data on the timeliness of exchanges is reported.

92. Aruba has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Aruba has met all of the ToR for the exchange of information process and no recommendations are made.

C. Statistics (ToR IV)

93. As no rulings were issued, no statistics can be reported.

D. Matters related to intellectual property regimes (ToR I.A.1.3)

94. Aruba offers an intellectual property regime (IP regime)³ that is not currently subject to the transparency requirements under the Action 5 Report (OECD, 2015^[1]), because:

- **New entrants benefitting from the grandfathered IP regime:** Aruba will identify companies benefitting from the grandfathered IP regime by 2021 and send letters to gather the necessary information by the end of July 2021.

- **Third category of IP assets:** Aruba will identify companies benefitting from the third category of IP assets by 2021 and send letters to gather the necessary information by the end of July 2021.
- **Taxpayers making the use of the option to treat the nexus ratio as a rebuttable presumption:** not applicable as the regime does not allow the nexus ratio to be treated as a rebuttable presumption.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

References

- OECD (2021), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <http://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [3]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241190-en>. [1]
- OECD (ed.) (2017b), *Harmful Tax Practices - 2017 Progress Report on Preferential Regimes*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264283954-en>. [2]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264115606-en>. [4]

Notes

¹ 1) Exempt companies, 2) Investment promotion, 3) Free zone, 4) Transparency regime and 5) Shipping regime.

² Participating jurisdictions to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Aruba also has bilateral agreements with Antigua and Barbuda, Argentina, Australia, Bahamas, Bermuda, British Virgin Islands, Canada, Cayman Islands, Czech Republic, Denmark, Faroe Islands, Finland, France, Greenland, Iceland, Mexico, Netherlands, Norway, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Spain, Sweden, United Kingdom and United States.

³ Exempt company.



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