

# Aruba

## Overview of CbC reporting requirements

Aruba has implemented the BEPS Action 13 (CbC reporting) minimum standard with six recommendations for improvement.

First reporting fiscal year: Commencing on or after 1 January 2019

Consolidated group revenue threshold: AWG 1,500 million

Filing deadline: 12 months following the end of the reporting fiscal year

Local filing required: Yes

Surrogate parent entity filing permitted: Yes

First review of the domestic legal framework: 2020/2021

## Summary of recommendations

Area of implementation	Recommendations for improvement
Domestic legal and administrative framework	It is recommended that Aruba take steps to ensure that local filing only occurs in the circumstances permitted under the minimum standard. It is recommended that Aruba clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Aruba.
Exchange of information framework	It is recommended that Aruba take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Aruba has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. It is recommended that Aruba take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Appropriate use	It is recommended that Aruba take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

## The domestic legal and administrative framework

Aruba's 2018/2019 peer review recommended that Aruba take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. A legislative filing requirement is now in effect, which applies to all Ultimate Parent Entities of MNE Groups above a certain threshold and which requires inclusion of all constituent entities. This recommendation is therefore removed.<sup>1</sup>

A CbC reporting filing obligation applies in Aruba for fiscal years commencing on or after 1 January 2019 and filing is required 12 months after the reporting year end. Aruba has enforcement requirements to ensure compliance with rules on CbC reporting.

Aruba has a legislative requirement for local filing which is in effect despite Aruba not yet meeting all of the consistency, confidentiality and appropriate use conditions. It is therefore recommended that Aruba take steps to ensure that local filing only occurs in the circumstances permitted under the minimum standard.

With respect to the annual consolidated group revenue threshold where the MNE Group draws up, or would draw up, its Consolidated Financial Statements in a currency other than that specified by Aruba, the reference to Aruba's threshold has the effect as if it were a reference to the equivalent in that currency at the average exchange rate for the accounting period. While this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in Aruba, it may be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent Entity (which is an Aruba tax resident) of an MNE Group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such a Group.

This is an unintended consequence of having a local filing requirement and it is therefore recommended that Aruba clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Aruba.

Aruba's domestic legal and administrative framework meets all other terms of reference.

## The exchange of information framework

Aruba has no bilateral relationships in place for the exchange of CbC reports nor processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

It is recommended that Aruba take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Aruba has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains in place since the 2018/2019 peer review.

It is recommended that Aruba take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. This recommendation remains in place since the 2018/2019 peer review.

## Appropriate use of CbC reports

Aruba does not yet have controls in place to ensure the appropriate use of CbC reports.

It is recommended that Aruba take steps to ensure that the appropriate use condition is met. This recommendation remains in place since the 2018/2019 peer review.

## Notes

<sup>1</sup> [https://www.impuesto.aw/\\_flysystem/media/lv-wijziging-winstbelasting-en-alb-ab2019no.79\\_0.pdf](https://www.impuesto.aw/_flysystem/media/lv-wijziging-winstbelasting-en-alb-ab2019no.79_0.pdf).

[https://www.impuesto.aw/\\_flysystem/media/regeling-aanv-documentatieverplichtingen-ab-2019-no.-86\\_0.pdf](https://www.impuesto.aw/_flysystem/media/regeling-aanv-documentatieverplichtingen-ab-2019-no.-86_0.pdf).



From:

## Country-by-Country Reporting – Compilation of 2021 Peer Review Reports

Inclusive Framework on BEPS: Action 13

Access the complete publication at:

<https://doi.org/10.1787/73dc97a6-en>

### Please cite this chapter as:

OECD (2021), “Aruba”, in *Country-by-Country Reporting – Compilation of 2021 Peer Review Reports: Inclusive Framework on BEPS: Action 13*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/dfc8f6e0-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.