



## CENTRALE BANK VAN ARUBA

### **GUIDELINES FOR THE DECLARATION AND PAYMENT OF FOREIGN EXCHANGE COMMISSION FOR FREE ZONE COMPANIES**

In order to implement article 4, paragraph 2, of the State Ordinance Foreign Exchange Commission (SOFEC), the Centrale Bank van Aruba (CBA) hereby revokes the guidelines issued in August 2004 for the free zone companies and simultaneously issues revised guidelines for free zone companies admitted to the free zone whom are in possession of an exemption from the CBA ex article 12 of the State Ordinance Free Zone 2000.

The revised guidelines are as follows:

1. The free zone company (FZC) has to pay the foreign exchange commission (FEC) directly to the CBA.
2. The FZC has to calculate the FEC due. The calculation of the FEC due is based on the total amount of goods sold to the local market as reported in the quarterly declaration form.
3. The FZC has to submit the declaration form together with the proof of payment to the CBA within fifteen (15) calendar days after the end of each calendar quarter (e.g. the 1<sup>st</sup> quarter declaration form should be submitted by the 15<sup>th</sup> of April), either electronically to e-mail address [operations@cbaruba.org](mailto:operations@cbaruba.org) or via fax number 525-2101.
4. On the declaration form the amount of the total value of goods sold to the local market (by foreign currency) in the reporting quarter must be summed up. The FEC due is calculated by multiplying the commission rate of 1.3 percent with the amount of the total value of goods in the reporting quarter (in accordance with article 12, of the SOFEC). The FEC due should be reported in the column "Foreign Exchange Commission" of the declaration form. The official selling rate, as published by the CBA, must be used for the conversion of foreign currency to Aruban florin, e.g. for the conversion of USD to Aruban florin the conversion rate of Afl. 1.80 should be used.
5. If in a reporting quarter no sales of goods to the local market have taken place, the declaration form still needs to be submitted to the CBA. In such case, the total value of goods sold to the local market should be reported as zero.
6. The FEC due can be paid either:
  - by payment via a bank transfer at any local commercial bank for further credit to Centrale Bank van Aruba, bank routing number 100000285, for further credit to account 25009001 (copy of transfer should be included with the declaration form), or
  - at the cashier of the CBA by means of a check in favor of the Centrale Bank van Aruba.

7. Based on the quarterly declaration form received, the regular quarterly Trade Credit and Advances Survey forms as well as other supporting documents and information submitted by the FZC, the CBA will conduct further reviews. Following these reviews and in the event that a subsequent levy is determined, the CBA will issue an Assessment Notice to settle the amount due or to be repaid. Pursuant to article 7a paragraph 1 of the SOFEC, if the FZC does not comply with its payment obligations the CBA can issue a Summons Notice to warn the FZC to fulfill its obligations within 10 working days. In the event that the FZC remains in default of payment, the CBA can proceed to collect by way of a writ of execution.

The CBA, pursuant to article 11a, paragraph 1 and 2 of the SOFEC, is authorized to designate persons to be entrusted with the supervision and the compliance of the provisions of the SOFEC. The designated persons are, as far as necessary for the performance of their duties authorized, pursuant to article 11, paragraph 2, subsections a, b, and c of the SOFEC, to request all information and/or request inspection of business records.

Should you need any further information on the revised guidelines, please contact Mrs. Lili Mejia of the Operations Department at telephone 525-2110 or via e-mail [l.p.mejia@cbaruba.org](mailto:l.p.mejia@cbaruba.org) or [operations@cbaruba.org](mailto:operations@cbaruba.org).

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