



CENTRALE BANK VAN ARUBA

*Most frequently asked questions received from the public with regard to the CBA Public Announcements of March 17, 2020 and March 27, 2020, in which it was, respectively, announced that the CBA will not grant new foreign exchange licenses that relate to outgoing capital transactions, including dividend declarations and that the Decree Concerning Foreign Exchange Transactions 2013/K.2 (General Foreign Exchange License) has been suspended for all outgoing capital transactions until further notice.*

**Question 1: Loans, loan repayments, and interest payments**

In the Public Announcement of the CBA of March 17, 2020, it is mentioned that the general foreign exchange license 02/K.1 is no longer applicable for outgoing capital transactions as of March 17, 2020.

Can I still repay my foreign loans and pay interest on these loans, including student loans?

**Answer 1:**

If you already have received a special foreign exchange license from the CBA for the foreign loan in question, the repayments and interest payments on the loan can be continued as normal.

If you have a loan with a foreign third party under the amount of Afl. 300,000 (natural person) or Afl. 750,000 (legal entities) which was granted before March 17, 2020 and, thus, fell under the general foreign exchange license 02/K.1, repayments and interest payments on this loan can also be continued as normal. The commercial banks may require relevant documents to proof the date on which the loan was granted to you.

Also the repayment of student loans granted by DUO in The Netherlands or similar bodies abroad can be continued as normal.

**Question 2: Buying a house from a non-resident**

In the Public Announcement of the CBA of March 17, 2020, it is mentioned that the CBA will not grant any new foreign exchange licenses that relate to outgoing capital transactions.

Can I still buy a house from a non-resident?

**Answer 2:**

No, it is not allowed to buy a house from a non-resident for the time being, unless the non-resident seller declares that the proceeds of the purchase price stay in a third-party account of the notary in Aruba until the foreign exchange measures taken by the CBA have been lifted. As soon as the non-resident seller has signed the declaration in question, the notary can request a special foreign exchange license from the CBA in order to pass the notarial deed in connection with the purchase of real estate from a non-resident. The notaries in Aruba are aware of mentioned exception.



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**Question 3: Which capital transactions are no longer allowed?**

**Answer 3:**

The CBA will not grant any **new** foreign exchange licenses that relate to outgoing capital transactions, as well as dividend declarations for outgoing dividend payments until further notice.

**(Outgoing) Capital transactions** for which a foreign exchange license of the CBA will not be granted for the time being, are:

1. granting of loans to non-residents
2. making investments abroad
3. participating in a foreign company
4. purchasing real estate either in Aruba or abroad from a non-resident
5. transfers to own foreign bank accounts by a natural person
6. transfers to own foreign accounts by a legal person or other entity
7. transfers to intercompany accounts of affiliated companies by a legal entity, and
8. other outgoing capital transactions such as gifts, donations, and inheritance

**Question 4: Is it possible to pay out dividend or transfer profit to my non-resident shareholders?**

**Answer 4:**

**No**, it is prohibited. As mentioned in the Public Announcement of the CBA of March 17, 2020, outgoing dividend payments and profit transfers are not permitted until further notice. This means that a dividend payout or a profit transfer of an Aruban company to a foreign shareholder is not allowed, unless you are already in the possession of a dividend/profit declaration of the CBA for this transfer.

**Question 5: I want to transfer € 3,000 from my bank account in Aruba to my bank account in The Netherlands, is that possible?**

**Answer 5:**

**No**, this is not permitted for any amount, because a transfer to your own bank account abroad is considered as an outgoing capital transaction.

**Question 6: What if I have debts or loans to pay in The Netherlands, and these are being debited from my bank account in The Netherlands, can I transfer money to my bank account in The Netherlands to pay these loans?**

**Answer 6:**

**No**, you are not permitted to transfer any funds to your own bank account abroad.



**Question 7: What if a company has debts or loans to pay in The Netherlands, and these are being debited from their bank account in The Netherlands, can the company transfer money to their bank account in The Netherlands to pay these loans?**

**Answer 7:**

**No**, companies are not permitted to transfer any funds to their own bank account abroad. However, they are allowed to transfer the funds directly to the receiving non-resident party through a local commercial bank to the creditor's account.

**Question 8: What kind of transactions from or to abroad are still possible?**

**Answer 8<sup>1</sup>:**

1. All **incoming** capital transactions are permitted: Some examples hereof are:

- the receipt of proceeds from acquired foreign loans
- the receipt of proceeds (e.g., interest and dividend) from foreign investments
- the receipt of proceeds related to the participation of a foreign shareholder in an Aruban company
- the receipt of proceeds of sale of real estate to a non-resident

2. **Current account transactions** with non-residents are allowed; some examples hereof are:

- payment related to the import and receipt from the export of goods
- payment of freight and insurance costs for international transport
- payment and receipts of travel and accommodation expenses to/from non-residents
- payment and receipt of rentals to/from non-residents
- payment and receipt of work performed and services provided to/from non-residents

**Question 9: Are all outgoing capital transactions, regardless the amount, of residents to their external notified intercompany account prohibited?**

**Answer 9:**

**Yes**, all **outgoing transfers** related to external intercompany accounts (FIA) are prohibited until further notice. Payments related to goods and services purchased from or delivered by non-resident group entities can be made through a local commercial bank, under submission of the supporting agreements/contracts and/or invoices.

**Question 10: Is the general foreign exchange license of the Decree Foreign Exchange Transactions 2013/K.2 still applicable for incoming capital transfers if the foreign accounts have been notified to the CBA?**

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<sup>1</sup> For pension funds and insurance companies specific rules apply for the payment of fees, pensions etc. to non-residents. Reference is made in this regard to question 21.



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**Answer 10:**

**Yes, all incoming capital** transactions are allowed. This means that if a company is included in the valid “Quarterly list of compliant holders of FBAs and FIAs”, it can make use of the general foreign exchange license 2013/K.2 for incoming capital payments.

**Question 11: Is it currently possible to make payments abroad on invoices from foreign companies for goods and services?**

**Answer 11:**

**Yes**, payments to non-residents for goods and services received are permitted via a local commercial bank, under submission of the agreements/contracts and/or invoices to be paid.

**Question 12: Credit card**

In the Public Announcement of the CBA of March 17, 2020, it is mentioned that the general foreign exchange license 02/K.1 is no longer applicable for outgoing capital transactions as of March 17, 2020.

- a) Can I still repay my credit card of a foreign bank?
- b) Can I still buy goods and services online in a foreign country with my credit card?

**Answer 12:**

a) **Yes**, the repayment of your debt on your credit card is allowed under the condition that the transaction is directly made to and on behalf of the issuing foreign bank. Companies that need to repay their debts on their credit card can do so under the condition that the transaction is made directly to and on behalf of the issuing foreign bank. A transfer from your local bank account to your foreign bank account is an outgoing capital transaction, which is not permitted for the time being.

b) **Yes**, residents are allowed to buy goods and services abroad online with their credit card.

**Question 13: Can I transfer management fees to an affiliated company abroad for performed services?**

**Answer 13:**

**No**, it is not allowed to pay management fees to affiliated companies for the time being. Management fees entails, for example, back- and front office support regarding IT, administration, internal audit, compliance, and marketing.

**Question 14: Can I repay my mortgage loan held with a foreign bank?**

**Answer 14:**

The same requirements apply as for loan repayments.

If you already have received a special foreign exchange license from the CBA for the mortgage in question, the repayments and interest payments on the mortgage can be continued as normal.

If you have a mortgage with a foreign third party under the amount of Afl. 300,000 (natural person) or Afl. 750,000 (legal entities) which was granted before March 17, 2020 and, thus,



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fell under the general foreign exchange license 02/K.1, repayments and interest payments on this mortgage can also be continued as normal. The commercial banks may require relevant documents to proof the date on which the mortgage was granted to you.

**Question 15: My child studies abroad. Can I transfer money to my child from my bank account in Aruba to my child's bank account abroad?**

**Answer 15:**

Yes, you can transfer money directly from your bank account in Aruba to the bank account of your child abroad for the purpose of study allowances.

For the sake of completeness, it is not permitted to transfer the money from your own bank account in Aruba to your own foreign bank account. If you have an and/or account with your child this is considered as your own (foreign) bank account. For that reason it is not possible to transfer money from your and/or bank account in Aruba to the foreign bank account you have with your child.

**Question 16: I want to send money to my parents who live abroad, because they are in financial need. Is that possible?**

**Answer 16:**

Yes, you can, but you have to transfer the money directly from your bank account in Aruba to the bank account of your parents abroad.

**Question 17: Can I still transfer money to family abroad to support them through money transfer companies?**

**Answer 17:**

Yes.

**Question 18: I have a foreign personal loan which was granted before March 17, 2020 and I want to repay my personal loan in full. Is that possible?**

**Answer 18:**

No, it is not permitted to make early repayments on a foreign personal loan.

**Question 19: I have a foreign mortgage which was granted before March 17, 2020 and I want to repay my mortgage in full. Is that possible?**

**Answer 19:**

No, it is not permitted to make early repayments on a foreign mortgage.

**Question 20: I am studying abroad and receive my student loan from the government of Aruba on my Aruban resident bank account. Can I transfer it to my foreign bank account?**



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**Answer 20:**

**Yes**, this is possible as an exception is made for this group. Students who received a student loan from the government of Aruba on their Aruban resident bank account may transfer this amount to their foreign bank account. Commercial banks can further assist with this transfer.

**Question 21: As a pension fund or insurance company I have to transfer pension payments and other payments periodically to non-residents. Is that possible?**

**Answer 21:**

**Yes**, this is possible. However, pension funds, and insurance companies must use their own foreign funds or investments abroad to pay for fees, pensions, etc. denominated in foreign currency to non-residents. In case a pension fund or insurance company does not have (sufficient) own foreign funds or investments abroad that can be used to make these payments it can request for a dispensation of this requirement. A request for a dispensation can be submitted via the email address [operations@cbaruba.org](mailto:operations@cbaruba.org).

**Question 22: I am migrating to another country, and I am planning to sell my house. Can I transfer funds from my own bank account in Aruba to my foreign bank account?**

**Answer 22:**

In case you are migrating to another country, you have to deregister from the Civil Registry of the Office of Census and Civil Registration in Aruba. As soon as this has formally taken place, the State Ordinance Foreign Exchange Transactions considers you as a non-resident.

We recommend you to inform your local commercial bank of the changes of your residency status and provide the commercial bank with all necessary supporting documents, including the certificate of removal ('uitschrijvingsbewijs') from the Civil Registry of Aruba.

Your commercial bank should inform you if other information and documentation are needed to change your resident bank account to a non-resident bank account. As of the date your commercial bank classifies your bank account as a non-resident account, you are able to freely transfer your money to your bank account abroad.

Additionally, we recommend you to check with your commercial bank which procedures to follow if you want to close your bank account in Aruba and transfer the money to your foreign bank account.

For the sake of completeness, it is currently not possible to buy, with local funds, a house abroad from a non-resident for the period you are still in Aruba.

Any questions you may have on this Q&A can be submitted via the email address [legalservices@cbaruba.org](mailto:legalservices@cbaruba.org).