

On March 1, 2001 the government of the Netherlands Antilles passed the Ordinance on E-zones. This ordinance provides special tax incentives for E-business companies when they establish in the Netherlands Antilles.

Electronic businesses have become one of the biggest opportunities or threats for many business people, as it changes the way most businesses are conducted. Any company that is currently involved in the production, distribution or sale of electronic products and services or physical merchandise, is facing changes that cannot be ignored. E-zones are being developed on Bonaire especially for these types of companies.

What is an E-zone ?

An economic zone is defined as a site or sites designated as such, where goods can be stored, processed, worked up, assembled, packed, displayed and re-exported outside of the N.A. territory, or can undergo other treatments, and where or from where services may be provided. Services are defined in this context as:

- doing maintenance and repairs in the economic zone on goods of companies conducting their business outside the Netherlands Antilles (except St. Martin: free port market).
- doing maintenance and repairs on machinery and other equipment situated abroad with goods stored in the economic zone;
- other forms of services aimed at countries abroad, including warehousing, new trade activities and trade support activities and other service activities to be placed in the international context that can be performed with or in behalf of electronic communication and information opportunities.

Services as contemplated in this context will not include services with regard to acting as a management board for companies of which the registered office or factual management is established in the Netherlands Antilles, and other services with regard to the trust business, and also services of civil-law notaries, lawyers, public accountants, tax counselors and related services.

Why E-zones on Bonaire?

In order to broaden the economic base of Bonaire and to encourage the economic development of Bonaire, economic zones are established in which certain facilities are applicable. These facilities include the exemption of import duties, export duties, excise duties, turnover tax, special levies and profit tax. Profit tax will be levied by a rate amounting to two percent of the realized profit, including surcharges.

For who is the E-zone?

Only a corporate body with a capital divided in shares, which will operate a business exclusively in the relevant zone, will be admitted to an economic zone. The admission may be subject to regulations and restrictions. The corporate body may be granted a license for the acquisition of ownership rights to land, the establishment of a real right of enjoyment to land, including the right to erect buildings, in the relevant zone, or the realization of infrastructure provisions in the relevant zone, including the construction of business premises.

Supply of goods present in an economic zone to the home market by a corporate body as contemplated in this context will only be possible on the ground of a license granted by the Island Executive Council of the Island of Bonaire in agreement with the Minister of Finance. The license will be granted for a definite period of time and may be renewed by the Island Executive Council of the Island of Bonaire.

The E-zones on Bonaire

Investment possibilities in economic zones on Bonaire are possible at this present moment in two established and soon to be established economic zones, namely

1. **TELBO Economic Zone**
2. **BIA Economic Zone.**

TELBO Economic Zone

Telefonia Bonairiano N.V. (TELBO) offers superior data-center services on Bonaire, thereby becoming a facilitator of international e-Commerce business. TELBO e-zone focuses on attracting dot-com companies and other e-Commerce customers to co-locate their equipment at their new data-center (250m²) to be built on an area of approximately 2,005 m². On that same area, a two-floor building (1,250 m² per floor) will be built. In the existing building of TELBO, 101.25 m² will also be designated to this new venture. In order to attract international clients, the new facilities will be built and managed according to international industrial standards.

TELBO e-zone will primarily target international clients that run 'e-Commerce hubs' which offer international web-related services. Target groups include e.g. on-line payment brokers, global travel networks, gaming industry, international dot.com companies, internet related financial companies, marketing, management consultants and commodity broker institutions etc...

The services offered by TELBO Economic Zone include:

- **Co-location services**

TELBO e-zone will offer a bundle of IP connectivity and suites/cages/racks in a highly secure, conditioned environment that enables clients to locate their own IT equipment in the TELBO

E-zone data-center and connect it directly to the Amerigo Vespucci. This submarine optical cable has been operational since 1998 and has a total capacity consisting of 6 twisted pairs. Together with the current termination equipment these twisted pairs have a theoretical capacity of 2.5Gb per twisted pair, amounting to 15 Gb in total). It is a scalable and flexible solution for space and bandwidth needs, while ensuring minimal business risks. TELBO e-zone focuses on renting standard and premium racks. Rental of suites and cages are also available in the service package.

- **Network services**

TELBO e-zone will offer its clients bandwidth (per E1) at competitive prices. .

- **Hosting services**

TELBO e-zone will offer basic and premium hosting services. The service will offer maximum flexibility, scalability and performance, backed up by service level guarantees.

- **Office space leasing**

The office space in the new building of TELBO e-zone meets today's requirements and will be leased to the clients.

The Bonaire International Airport E-Zone.

Bonaire is strategically enhancing its airport facilities. Using Bonaire as a hub for destinations, by especially creating a suitable and highly efficient bridge between Europe and South America and between North America and South America. These improved airport facilities are also envisioned to create possibilities for the development of economic activities other than tourism, including transshipment, cargo-hub, e-commerce, assembling companies etc. In this regard BIA is developing a 75 acres of multi-functional warehouse facilities in three stages. The Economic-Zone Ordinance including the investment incentives applicable are in charge of the management of the 75 acres of multi-functional warehouse facilities.

Bonaire Airport Details

- RWY 2880m (Approx. 10.000 ft.)
- No ATC/RWY slot delays
- VMC weather all the time
- Above international standard security
- No chapter 3 noise restriction
- Low fuel prices
- Close proximity to South American mainland
- Within 1 hour radius of the Caribbean Basin
- 24/7 availability
- Multi lingual white & blue collar labor available
- Lots of space with "build to suit" options available

For more information please contact the Department of Economic and Labour Affairs.

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The Island of Bonaire

The E-zone

**How to establish a E-business in the
E-zone.**

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