



FreeZone Aruba

## Business Plan Outline: Industrial Companies

The business plan shall contain information covering, but not limited to, the questions below. The information you submit in your business plan will remain confidential.

### 1. Brief description free zone company ownership structure

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- a. What is the trade name under which your free zone company will conduct business? Please be advised that whatever name you decide to call your free zone company, the official company name (statutory name) must at all times include the words '*free zone*' or '*vrije zone*' in it. The word 'Aruba' may appear before the name of the company only if the word 'Aruba' is put between brackets. Example: XXXXXX (Aruba) Freezone N.V.
- b. Who will be the shareholder(s) and managing director(s) of the free zone company? Individuals as well as a legal entity may be designated as a shareholder or director of a free zone company. The individual or legal entity does not have to be a resident of Aruba (taking the representation requirements into account).
- c. Will your free zone company have interests in other companies, local and or international? Please elaborate.
- d. Do any of the shareholders and/or managing director(s) have any interests in other companies local and/or international, besides this free zone company? Please elaborate.
- e. Have the shareholders and/or managing directors conducted business in any other free zone? If so, where?

### 2. Intended operations in the free zone

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- **Nature of business**
  - a. What type of industrial activities will your company be conducting in the free zone? Please elaborate. Please provide a detailed description of the business process, including a general description of the materials and equipments to be used (in case of manufacturing).
  - b. Who will be the intended main suppliers and customers?
  - c. Do you already have contracts or pre-contractual agreements with these suppliers and customers? In order to protect your company and the reputation of the free zone it is essential that once your company is established you have a sound 'know your customer policy' in place.
  - d. Will your company make use of any specific trade agreements? If so, which?
  - e. Is the company planning on selling its products to the local market? If so, who are the customers? Please be advised that sales to the local market are limited and by special permission, on a case by case basis. Normal duties are applicable on sales to the local market.
  - f. Where will your administration be located in or outside the free zone? If





outside the free zone, can you provide us with an address?

▪ **Environmental impact**

FZA NV pursues a clean free zone which benefits all free zone tenants. It is a well known fact that every company produces waste in one way or the other. Each company will have to take all preventive measures to prevent any environmental contamination and prevent any type of pollution, including sound and smell. Therefore, we are interested to know how the company is going to deal with waste.

- a. Please describe the environmental impact of the business such as air, noise and/or water pollution.
- b. Which waste products will be generated and how will they be disposed of?

### 3. Organizational structure

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▪ **Positions**

- a. What will be the expected size and composition of the staff (Aruban and non-Aruban personnel)?
- b. Please provide us with short descriptions of the positions (tasks, responsibilities, etc.).

▪ **Manpower planning**

- a. Who will be responsible for the daily management of the company? Please be advised that if the director of the company will remain residing abroad, he or she must appoint a local representative, with a permanent residence in Aruba and with authorized managerial powers to act as a local managing director (local representative) to represent the free zone company.

### 4. Requirements in the free zone

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▪ **Accommodation**

- a. How much warehouse space will the company require (in m2)?
- b. Is the company planning on doing any alterations to the warehouse unit(s)?

▪ **Utilities**

- a. Besides the regular 110 volt power for office use, does your company need extra power voltage in the building? Please describe for which type of machines, airco's etc. and what voltage is needed for each item. This in connection with any necessary application for high voltage.
- b. Is your company planning on installing telephone/fax lines, internet - connection or other telecommunication lines in the warehouse unit(s)? If so, please elaborate on type and amount of lines.





- c. Is your company planning on installing any air conditioning in the warehouse unit(s)? If so, how many and what capacity (BTU's)?

## 5. Financial aspects

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### ▪ Start up

- a. What will be the expected investment? Once your company is approved we will request you to send us a “proof of income” statement from the bank or a certified public accountant, substantiating the mentioned capital investment. In addition to this, you will be also required to sign a source of income declaration.
- b. What will be the expected turnover? After a company has been admitted to the free zone it is subject to payment of the Free Zone Facility Charge (FFC) which is set at 1.12% of the turnover and will be charged on a monthly basis, figured over the previous month.
- c. How will the company be financed? Please elaborate. When the company is established, it is strongly advised to open an account at a local bank. The company must have an account in its name to conduct and receive payments. If the company already made contact with a bank, please provide us with general information, such as: name and address of bank, name of contact person(s), and telephone number(s).

### ▪ Financial projections

If possible, please provide us with projected financial statements for 3 years including:

- a. balance sheet;
- b. profit & loss statements;
- c. investment planning and
- d. cash flow statement.

We request financial statements of each company so we can get a broader idea of the expected midterm viability of the company that wants to establish in the free zone. Although the projected financial statements are based on assumptions, they still give us important information. All financial statements need to be accompanied by explanatory notes, explaining each item in as much detail as possible.

Please take the 1.12% Free Zone Facility Charge into consideration while making your financial projections. This is a uniform, flat percentage levied on the total business volume (turnover) of a free zone company, irrespective of the type of goods traded or services rendered in the free zone. The payment of the FFC will go into effect as soon as your company starts to operate in the free zone.

