



FreeZone Aruba

## Business Plan Outline: Trade 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: xxxx (Aruba) Freezone N.V.
- b. Who will be the shareholder(s) and managing director(s) of your 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 company have interests in other companies, local and or international? Please elaborate.
- d. Besides this free zone company, do any of the shareholders and/or managing director(s) have any interests in other companies local and/or international? 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 trade business activities will your company be conducting in the free zone? Please elaborate.
- b. Please provide us with a list of the products your company will be trading in the free zone? It is important that you make mention of all the products, because only these will be listed in your admissions license.
- c. Who are your intended suppliers and customers?
- d. Will the company make use of any specific trade agreements? If so, which?
- e. Is your 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 the address?





### 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 your company require (in m<sup>2</sup>)?
- 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 the company need extra power voltage in the building?
- 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 your company be financed? Please elaborate. When your 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 your 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 three 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.

