

## Responsibilities of the legal representative

The legal representative is not a managing director, but is appointed with limited responsibilities in the absence of the directors residing in Aruba. The responsibilities include:

- maintaining the Shareholders' Register;
- documents registration at the Trade Registry;
- tax filing;
- issuing of share certificates;
- license applications;
- maintaining contact with local authorities.

## Issued shares

One of the advantages of the VBA is that it does not require a minimum amount of authorized capital for incorporation.

The choice to have shares in the VBA or not is stated in the Articles of Incorporation. According to the law, shares are transferable, but this transferability of shares may be restricted or prohibited by the VBA's Articles of Incorporation. Shares can be issued with or without nominal value, right of profit and/or to vote. The shares may be stated in a currency other than the Aruban florin.

## Annual financial statement

The managing director(s), or the legal representative(s), is/are legally required to file the annual financial statement at the Chamber within 8 days after the Board's approval. The annual financial statement should be ready within 8 months after the financial year is completed. Under exceptional circumstances, this term may be prolonged by max. 6 months by the shareholders.

Shareholders, directors and supervisory board members, if applicable, shall all sign the financial statement (art. 36.1 and 36.2 lvVBA). The financial statement is not public information, unless explicitly authorized by the corporation.

For more information on our services or products, please contact:  
Trade & Foundations Register  
Tel. +(297) 582.1566, ext. 21  
[registers@arubachamber.com](mailto:registers@arubachamber.com)  
Business Information & Support  
Tel. +(297) 582.1566, ext. 35  
[businessinfo@arubachamber.com](mailto:businessinfo@arubachamber.com)

This flyer contains only limited information and does not cover all aspects of the subject. If you need more information, please contact Business Information & Support at the Aruba Chamber.

### Aruba Chamber of Commerce & Industry

J.E. Irausquin Blvd. 10  
P.O. Box 140  
Oranjestad, Aruba  
Tel: (297) 582.1566  
Fax: (297) 583.3962

[www.arubachamber.com](http://www.arubachamber.com)  
[businessinfo@arubachamber.com](mailto:businessinfo@arubachamber.com)  
[registers@arubachamber.com](mailto:registers@arubachamber.com)

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# Limited Liability Company *Vennootschap met Beperkte Aansprakelijkheid* (VBA)



## Aruba Chamber of Commerce & Industry

## Chamber of Commerce & Industry Aruba

The Chamber was officially designated as the representative body of trade and industry in Aruba on September 8, 1930.

The Aruba Chamber is an autonomous public law institution that provides advice to the Minister of Economic Affairs - both on request and on its own initiative - on issues of economic, financial & general nature. The Chamber also provides bonafide information and support services to the Aruban business community and potential entrepreneurs and investors.

In addition to these obligations the Aruba Chamber is also responsible for administering and supervising two public registers, namely the Trade and the Foundations' Registers.

## Vennootschap met Beperkte Aansprakelijkheid

As of January 1<sup>st</sup>, 2009, Aruba introduced a new legal form called the *Vennootschap met Beperkte Aansprakelijkheid* (VBA), in English the Limited Liability Company (LLC) and in Spanish *Sociedad de Responsabilidad Limitada* (SRL), next to the existing entities NV and AVV. The VBA is a legal entity which is established by a notarial deed and may have as few as one incorporator.

The VBA is a flexible and modern legal entity enhancing the Aruban investment climate and aimed at developing its financial services sector. It complies with Organization of Economic Cooperation & Development (OECD) and Financial Action Task Force (FATF) stipulated international standards and norms.

The incorporator(s) may choose to keep the VBA as simple or as complex as deemed necessary. This entity, with statutory seat in Aruba, acts as a vehicle for business developments over time without requiring any change to its legal status, as the VBA Ordinance provides stipulations for (inter) national mergers, conversions or splitting.

## Incorporating the VBA

The VBA is incorporated by a Civil Notary, who provides the Deed of Incorporation. A draft of the Deed of Incorporation has to be submitted to the Minister of Justice together with a request for a Ministerial Declaration of No Objection. Once this has been granted and the notary has duly executed the Deed of Incorporation, the VBA legally exists.

The Deed of Incorporation may be executed in the languages Papiamentu, Dutch or English. In case another language is desired, it is mandatory to provide a sworn translation in Papiamentu or Dutch next to the original deed.

### The Deed of Incorporation shall include:

- Articles of Incorporation.
- Name, date of birth, place of birth and residence address of incorporator(s).
- Name and address of the legal representative, if applicable.
- Name and address of (first) director(s).
- The type and amount of shares issued as well as the names, address and personal data of natural and legal persons holding shares, and the amount paid up on the shares.

The Articles of Incorporation may be as extensive as the incorporators consider necessary. They must include at least the name, object and seat of the VBA. The Deed of Incorporation must be duly signed by all incorporators & shareholders. The Civil Notary is required by law to register the VBA in the public Trade Registry held at the Aruba Chamber of Commerce.

### Business License

According to the Ordinance on the establishment of businesses, all corporations need a business license in order to conduct business in Aruba. After incorporation the VBA can apply for a business license which is issued by the Department of Economic Affairs after the Chamber has been heard.

## Rules & regulations (operating agreement)

With the exception of the name, seat & object, the incorporator(s) can choose which items to include in the Articles of Incorporation. When deciding to exclude specific items from the Deed of Incorporation or Articles of Incorporation, rules & regulations (operating agreement) are to be included in, or attached to the notarial deed. Formulation by a notary is optional.

The shareholders establish and amend the regulations which must be filed at the Trade Registry. The regulations are not public information, unless authorized by the VBA.

## Representation & Liability

The VBA must be represented at all times by at least one managing director. Authorizations and restrictions are stated in the Articles of Incorporation, or in the rules and regulations. The managing directors are responsible for complying with obligations towards the Chamber. All modifications in the company data must be registered at the Trade Registry.

At least one of the managing directors must be a resident of Aruba. In case all the directors are non-residents, the VBA must also appoint a corporation, established and located in Aruba, whose objects include the representation of VBA's, and is in possession of the applicable business license, as its legal representative.

One of the characteristics of the VBA is the possibility to annul a legal act which was carried out by the corporation when the corporation oversteps its object and the counterparty was aware of it. Only the VBA can request such an appeal in regard to this annulment and it is not possible to request an appeal of such stipulation in case the articles of incorporation exclude this possibility.

The VBA also allows flexibility in its management structure. Next to the common One Tier model, the corporation can also opt for the One Tier Anglo-Saxon model or the Two Tier model.