

# TAX UPDATE: DUTCH TONNAGE TAX REGIME | NATIONAL FLAG EXEMPTION 2021

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**National exemption for the EU/EEA flag requirement applicable in 2021**

20 April 2021

# NATIONAL FLAG EXEMPTION 2021

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## INTRODUCTION

- Dutch ship (owner) operators can opt for the favourable Dutch tonnage tax regime which permits them to determine taxable income not on the basis of the profit and loss account, but on the basis of the vessel's freight capacity, provided that certain conditions are met.
- This favourable Dutch tonnage tax regime allows for a very low effective tax rate.
- The Dutch tonnage tax regime is also available for enterprises which are not (co-)ship-owners, but which take care of the entire crew and technical management of qualifying vessels.
- In order to be able to apply for the Dutch tonnage tax regime, the vessels should fly a European Union (EU) or a European Economic Area (EEA) flag (Iceland, Liechtenstein and Norway).

## NATIONAL FLAG EXEMPTION APPLIES IN THE NETHERLANDS FOR 2021

- There are several exemptions to the EU/EEA flag requirement available. One of these exemptions is the national exemption to the flag requirement of which the (non-) application is reconsidered on an annual basis.
- The national exemption is available for 2021 which means that in 2021 Dutch ship (owner) operators without an EU/EEA flag can apply for the Dutch tonnage tax regime.
- Since 2020, at least one qualifying ship ((co-)ownership, bareboat charter or ship management) in the fleet must fly an EU/EEA flag.
- This means that in 2021 Dutch shipowners and ship managers **have a free flag choice** to place their ships under the favorable Dutch tonnage tax regime, provided one qualifying ship in the fleet flies an EU/EEA flag.

# CONTACT

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## CONTACT DETAILS

If you would like to discuss the favourable Dutch tonnage tax regime, or more specifically, to discuss potential possibilities for your company due to the availability of the national flag exemption in 2021, please feel free to contact us:

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