“Safe haven Curaçao”: the origins of a Dutch offshore centre, 1915-1960

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The historical significance of OFCs derives not from their individual characteristics but from their place and connectedness in a growing transnational financial system that emerged from the tensions between mobile capital and the rise of the centralised, tax-levying state in the 20th century. This paper addresses these issues through a case study of the Netherlands and its crown dependencies in the Netherlands Antilles as a transnational network of OFCs funnelling international capital flows since the 1920s. The paper questions when, how and why the Netherlands, including Curaçao, emerged as OFC, and focuses on the interaction between Netherlands Antilles and Dutch authorities on the one hand and financial corporates, entrepreneurs and Dutch multinationals on the other.

The paper aims to research the rise of Curaçao’s Tax Haven within the larger context of major shifts in the world economy in the first half of the 20th century and changing organisational structures of multinationals and international markets. Firstly, we argue that the birth of Curaçao as an OFC at least dates back to the beginning of the Second World War when Dutch multinationals like Royal Dutch Shell and Philips transferred their legal seat to the island. Secondly, we argue that the island’s recognition as a safe haven during wartime and its subsequent evolution as an OFC, was also a function of the Dutch experience as an OFC in the 1920s. Moreover, as the Netherlands extended its network of tax treaties and developed into
an OFC in its own right over the course of the century, Curaçao became an integral part of the international tax planning infrastructure. In addition, we argue that the outsized role of Royal Dutch Shell on Curaçao since the 1910s made the island an important element in Dutch corporate fiscal planning as well as priming the Netherlands Antilles’ fiscal policies in the twentieth century.

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