



Sponsorship and Donations Policy

The Regulatory Authority of Curaçao (RAC) plays an important role as an independent supervisor regulating markets and sectors, with the aim of contributing to sustainable and equitable economic development. In addition to its primary mandate, the RAC is committed to advancing social development in Curaçao, with particular emphasis on Environmental, Social, and Governance (ESG) principles. This policy outlines how the RAC contributes to society through donations and sponsorships, in alignment with its vision, mission, and designated focus areas.

The RAC's Purpose

The RAC's mission is to ensure fair and transparent regulation in the interest of a thriving Curaçao. This Sponsorship and Donations Policy supports this purpose by contributing to social projects and initiatives that enhance the quality of life in Curaçao, with an emphasis on the focus areas listed below.

Policy Objectives:

1. To establish guidelines for granting donations and sponsorships
2. To clarify the procedures for donation and sponsorship requests
3. To ensure transparency and accountability in the allocation of donations and sponsorships
4. To contribute to the social development of Curaçao, with particular attention to the focus areas of education, sports and youth welfare, and arts & culture.

Distinction between Donations and Sponsorship

- **Donation:** A financial contribution *without direct consideration*, intended to support social purpose organizations and projects that align with the vision and mission of the RAC, particularly within the established focus areas.
- **Sponsorship:** A reciprocal agreement in which the RAC provides financial resources to an organization or event *in exchange* for promotional benefits such as name recognition, publicity or brand association. However, in keeping with the nature of its regulatory role, the RAC seeks minimal promotion.

Risk Management and Mitigation

The RAC acknowledges the potential risks associated with granting donations and sponsorships, such as conflicts of interest or association with controversial activities. These risks are mitigated by applying strict criteria and following a transparent assessment process.



Assessment Committee

Applications are assessed by the Sponsorship and Donations Committee, which consists of a:

Coordinator:

- **Initial Assessment:** The Coordinator is responsible for the initial review of all incoming applications. This person conducts a preliminary screening to determine whether the applications meet the basic criteria and qualify for further assessment.
- **Gathering Information:** The Coordinator gathers all necessary information to fully document and validate the application before it proceeds to the next stages of assessment.
- **Referral:** If the application is deemed eligible, the Coordinator forwards it to the relevant officers—such as the Finance and Communication Officers—for further assessment and processing.

Financial Officer:

- **Financial Feasibility Assessment:** The Financial Officer examines whether the application is financially feasible within the available budget. This person assesses the application against the budget, analyzes costs, and determines whether the funds can be allocated responsibly.
- **Budget management:** This officer is responsible for monitoring budgets and ensuring the balanced allocation of resources across applications and reports any doubts or budget limitations to the Coordinator.
- **Advice:** The Financial Officer advises the other members of the team on financial priorities and risks and offers suggestions for the financial planning of future applications.

Communication Officer:

- **Correspondence with Applicants:** The Communications Officer ensures clear and efficient communication with the applicants. This includes informing them about the status of their application, providing feedback, and offering an explanation if the application is declined.
- **Documentation and Recordkeeping:** This officer is responsible for maintaining accurate records of all communication related to application decisions and ensures that this information is properly archived for future reference.
- **Public Relations and Transparency:** When necessary, this officer also communicates with a wider audience on the approval and decision-making processes, reinforcing the organization's image as transparent and proactive to stakeholders and the community.



Focus Areas and Priorities

The RAC focuses specifically on the following social areas:

- Education: Initiatives that promote knowledge, skills and personal development.
- Sports and Youth Welfare: Projects that support the physical and mental well-being of young people through sports activities and programs that promote youth welfare.
- Arts & Culture: Programs and initiatives that stimulate cultural development and contribute to the preservation and promotion of Curaçao's art and culture.

Criteria for Donations and Sponsorship

Applications that do not meet the terms and conditions of the RAC policy will not be considered.

- The annual budget for sponsorships and donations is determined by the Board of Directors.
- Written applications must be submitted online via the Sponsorship and Donations Application Form on our website.
- Applications must be submitted at least 8 weeks prior to the start of the activity.
- Applications will be assessed based on:
 - o their relevance to the focus areas
 - o alignment with the mission and vision of the RAC
 - o and their contribution to the ESG principles
- Sponsorships and donations must benefit a Curaçao-based organization.
- Sponsorships and donations must relate to one of RAC's three focus areas: education, sports and youth welfare, and arts & culture. Priority is given to education, sports and youth welfare.
- The RAC does not sponsor or donate to individuals—only to organizations, teams and events.
- Sponsorships and donations on behalf of legal entities will only be paid to the bank account of the legal entity concerned.
- The maximum amount for sponsorships and donations is XCG. 10,000. Requests for higher amounts, if applicable, will be subject to approval by the Board of Directors.
- The RAC may require a form of consideration as part of the sponsorship agreement.
- The provision of a sponsorship or donation does not guarantee its renewal in subsequent years, and no prior commitments will be made.



- The RAC can request additional information about the proposed activity or project, or about the organization itself, in order to better assess the legitimacy of the request.
- In principle, sponsorship and donation applications will **only** be considered if the organization has a board and articles of association.
- When assessing a sponsorship and donation application, the RAC also considers the applicant's own contribution or efforts made to secure funding from other sources.
- Organizations may be considered for sponsorship and donations no more than twice per year.
- Organizations with which the RAC has a supervisory relationship may only be considered for sponsorship or donations if the following conditions are met:
 - o A maximum of three applications may be submitted per year
 - o The total amount sponsored in a given year does not exceed the annual regulatory fee paid to the RAC by law.

Restrictions

The following types of applications are not eligible for sponsorship or donations:

- Applications for activities with a commercial or profit-oriented purpose
- Applications submitted by individuals for sponsorship or donations for personal gain
- Government entities, except under specific conditions (e.g., promoting Curaçao's brand visibility or adding value to the tourism sector)
- Associations or institutions lacking an administrative structure, or those with board members of questionable integrity
- Criminal organizations
- Applications directly linked to political parties, unless those parties are represented in parliament
- Applications related to beauty pageants
- Organizations linked to illegal activities
- Organizations or events associated with drug use or behavior deemed contrary to public morals
- Applications that conflict with the RAC's mission, vision or strategic objectives.

Procedure

Submission:

Applications must be submitted online using the Sponsorship and Donations Application Form (available at www.rac.cw), accompanied by a detailed project proposal and a letter of application.

Registration and Assessment:

The Donations Coordinator registers the application and reviews it against the established criteria. If the application meets these criteria, it is forwarded to the Financial Officer for a budgetary assessment.



Advisory Committee:

The Committee meets once a month to review applications and issues a joint recommendation to the Board on each application submitted.

Decision-Making:

The Committee's recommendation is presented by the Donations Coordinator to the Board, which makes the final decision.

Communication:

The Communications Officer sends a formal letter of approval or decline to the applicant, including an explanation of the decision.

Appendices

The following appendices are part of this policy:

Appendix 1: Sponsorship and Donations Application Form

Appendix 2: Donation/Sponsorship Approval Letter

Appendix 3: Donation/Sponsorship Letter of Decline