



Regulatory
Authority
of Curaçao



ANNUAL REPORT 2024

Evolving Identity, Regulating With Purpose

A portrait of a woman with a warm smile, wearing a light blue top. A digital overlay features a wireframe of her face and a circular progress bar at the bottom of the image.

Evolving Identity, Regulating With Purpose.

In the Annual Report, a summary is provided of the financial and non-financial performance of the Regulatory Authority of Curaçao (RAC) for the financial year 2024.

Furthermore, the report outlines key developments and events across all market sectors under RAC's supervision. Additionally, RAC provides an outlook on the future in the Annual Report.

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2024

At a glance

OUR REGULATORY OVERSIGHT:



TELECOM



POSTAL SERVICES



ENERGY



AVIATION



HEALTHCARE



INNOVATION BOX



COMPLETED LICENCES

202



ISSUED DECLARATION OF NO OBJECTION

133



INSPECTIONS & EVALUATIONS TELECOM

872



**RAC NUMBER OF
EMPLOYEES: 46**



TOP 3 DONATIONS:

SPORT • SOCIAL • EDUCATION



TOP 3 REVENUES:

FREQUENCY • CONCESSION • ENERGY REGULATION



01.

A Message from the CEO.

"Adaptation is the key to growth, and purpose is the foundation of progress" - ChatGPT.

As my Management Team and I reflect on 2024, we recognize this year as a defining moment in our transformation. The transition from BTP to RAC was not merely a change in name, but a strategic evolution, one that embodies our commitment to regulatory excellence, digitalization, and a future-ready culture.

This transformation was guided by our strategic plan, which serves as a roadmap to ensure that RAC remains at the forefront of innovation, sustainability and consumer protection. Our vision is clear: to be the leading independent multisectoral regulator, driving innovation and inspiring public trust.

OUR PILLARS OF TRANSFORMATION IN 2024

- **A new identity: RAC**

Our transition from Bureau Telecommunicatie en Post (BTP) to the Regulatory Authority of Curaçao (RAC) marks a new era, defined by agility, transparency, and proactive regulation. This new identity reflects our enhanced vision of the Regulatory Authority of Curaçao, reaffirming our role as a catalyst for economic and technological progress.

- **Cultural transformation: A future-ready mindset**

In 2024, we prioritized an organizational shift towards a culture of innovation, accountability, and collaboration. By equipping our teams with new skills, fostering agility, and embracing digital-first approaches, we are shaping a regulatory body that is responsive to change and ready for the future.

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• **Digitalization: A smarter, more efficient RAC**

Digital transformation has been at the core of our evolution. We have modernized internal processes, adopted data-driven decision-making, and enhanced digital services to improve efficiency, accessibility, and stakeholder engagement.

• **Information security & cybersecurity: Strengthening trust**

In an era of rising cyber threats, protecting data integrity and consumer trust remains a top priority. Through robust security protocols, regulatory frameworks, and active collaboration with industry partners, RAC is at the forefront of securing critical infrastructure and digital ecosystems.

• **A rolling 3-year strategic approach (2025-2027)**

Looking ahead, we remain committed to our rolling three-year strategic planning cycle. This ensures that our policies and regulatory measures evolve alongside global and local trends. Annual reviews will allow us to anticipate challenges and leverage emerging opportunities.

FINANCIAL HIGHLIGHTS

Thanks to the dedication and commitment of our staff, we successfully closed the year 2024 with a positive financial result of NAf 7.5 million (2023: NAf 19.4 million) with total assets amounting to NAf 56.3 million. An amount of NAf 0.45 million was transferred to the Country of Curaçao during the reporting year (2023: NAf 2.64 million). As per 31 December 2024 an amount of NAf 1.3 million is payable to the Country of Curaçao.

A FUTURE BUILT ON PROGRESS AND INNOVATION

2024 was a landmark year, laying the groundwork for RAC's long-term vision. Our commitment to Curaçao's economic and digital future has never been stronger. By embracing change, driving innovation, and prioritizing security, we are shaping a resilient, sustainable, and forward-looking regulatory environment.

As part of our transformation, we are integrating artificial intelligence (AI) and automation to enhance oversight, optimize workflows, and improve predictive analytics. With initiatives such as RAC GPT and robotic process automation, we aim to improve efficiency, bolster cybersecurity, and deliver proactive regulatory solutions fit for an evolving digital landscape.

With innovation, adaptability, and security at the core of our strategy, we remain committed to driving Curaçao's digital transformation and building a future-ready regulatory framework.

We extend our gratitude to our staff, Supervisory Board, ministries, regulated entities and other stakeholders who have instrumental in this journey. As we move forward, RAC will continue to lead with purpose, adapt with agility, and build a future-ready regulatory landscape for Curaçao.

Curt Belfor

CEO



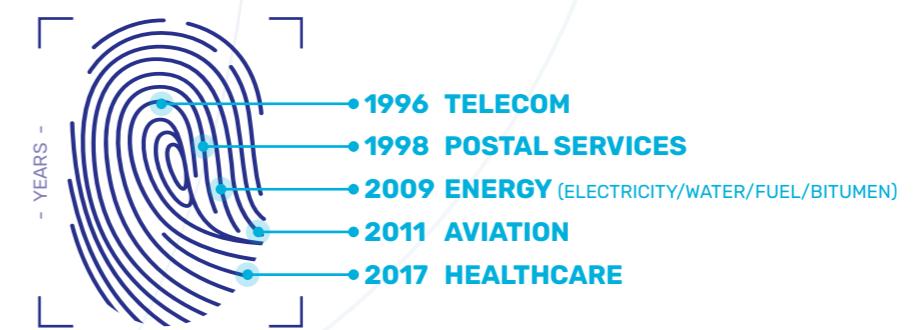
02.

About RAC

The Regulatory Authority of Curaçao (RAC)¹ has operated as an independent regulatory body for 24 years, overseeing compliance, advising, and regulating various sectors, ranging from telecommunications to healthcare and a broader range of industries.

Our operations are carried out in accordance with applicable legislation and ministerial decrees, ensuring regulatory compliance and fostering a transparent and competitive market environment. Additionally, we provide policy recommendations to the government, contributing to the development of effective and forward-looking regulatory frameworks. By maintaining oversight, establishing regulatory policies, and advising the government, we safeguard public interests and ensure the effective functioning of market sectors and services.

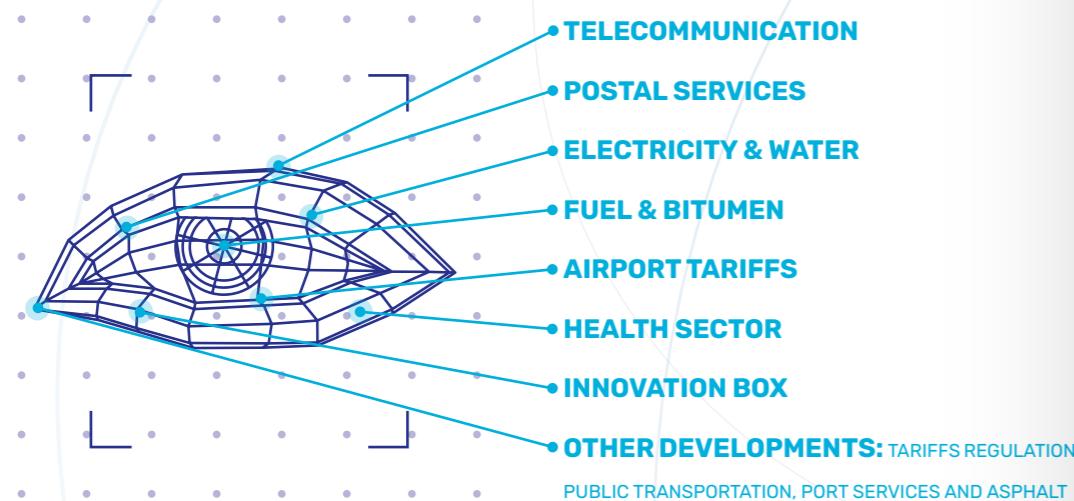
Over the years, the sectors under our regulatory responsibilities have expanded, as illustrated below:



Our responsibilities have progressively evolved, transitioning from a sector-specific regulator in telecommunications to a multi-sector regulatory authority. In addition to supervising multiple sectors, we actively contribute to cross-sector initiatives.

¹Official name Bureau Telecommunicatie en Post

For instance, since its establishment in 2017, we have managed the secretariat of the Smart Nation platform. This program aims to equip individuals with skills aligned with future labor market demands. Currently, RAC is responsible for supervising service providers and products within the following regulated sectors:



2.1 OUR STRATEGY

In 2024, RAC's Management conducted strategic planning sessions and a refinement exercise, leading to the RAC Strategic Plan 2025-2027 under the theme:

"Contributing to a Thriving Curaçao."

This plan defines RAC's regulatory priorities and long-term objectives for the next three years. It outlines our operational scope, regulatory responsibilities, and influence within Curaçao's economic landscape. Additionally, it details our strategic objectives, desired outcomes, and implementation framework. Our strategic plan is designed to provide a structured regulatory roadmap that ensures compliance, market stability, and economic sustainability, while addressing the interests of all stakeholders, including: consumers, industry players and the government of Curaçao. During its development, we identified core principles guiding our mission and strategic direction.

This ensures RAC remains an effective and forward-looking regulatory authority, incorporating market developments and regulatory considerations into decision-making. The plan also defines high-level actions and implementation timelines. By establishing this framework, RAC promotes consistency, transparency, and coherence in our decision-making and governance, serving as a foundation for sustainable growth and innovation. It ensures all team members align their efforts toward common objectives.

The RAC Strategic Plan 2025-2027 will be reviewed periodically to stay aligned with market developments, compliance requirements, and policy objectives. As part of this process, we conducted extensive discussions and established eight strategic objectives to guide the organization toward its future:



These objectives will enable us to prioritize resources, optimize decision-making, and implement structured performance measurement. By continuously monitoring progress, we ensure that all efforts contribute to regulatory effectiveness and economic sustainability, ultimately fostering a thriving Curaçao. The strategic plan is translated annually into the budget, which is presented to the Supervisory Board for review and submitted for approval to the Minister of Traffic, Transport and Urban Planning (VV&RP).

2.2 RISK- AND QUALITY MANAGEMENT

The year 2024 marked a *transformative phase* for RAC, during which the organization underwent structural and strategic changes, renewing its mission, identity, and ambitions. As a leading independent multi-sectoral regulator, RAC has embarked on a *journey toward excellence* in quality management by initiating the process for ISO 9001 certification.

The establishment of an ISO 9001-compliant quality management system not only reinforces our commitment to high standards but also lays a solid foundation for sustainable growth. The ISO 9001 certification process is more than just meeting regulatory requirements; it is about embedding a culture of quality, accountability, and operational excellence that benefits both RAC and its stakeholders. By adhering to ISO 9001, RAC ensures consistency and efficiency in its operations, enhances stakeholder trust and satisfaction, and drives continuous improvement at all levels.

Commitment to quality and growth

As we embark on this transformative journey, our goal is to develop a quality management system that enhances our performance, improves service delivery, and further establishes RAC as a leading independent multi-sectoral regulator. Through strategic planning, dedicated efforts, and a strong commitment to quality, RAC is on track to achieve ISO 9001 certification, unlocking new opportunities for operational success and sustainable growth.

Risk management framework

In 2024, RAC implemented a risk management framework and initiated risk analyses. Following a structured standardization phase, key processes were documented and standardized to enhance consistency and efficiency across operations. Furthermore, a framework for regular internal audits was established to ensure compliance and *continuous improvement*.

During Q4 of 2024, RAC launched a comprehensive risk analysis initiative to align with its strategic objectives. This proactive approach to risk management enables RAC to anticipate challenges, allocate resources efficiently, and make informed, data-driven decisions that support long-term strategic goals.

Collectively, these developments in 2024, along with the integration of quality management, contribute to RAC's resilience and long-term sustainability.

2.3 OUR PEOPLE AND CULTURE

In October 2023, collective labor agreement (CLA) negotiations were successfully concluded through strong collaboration and open dialogue with the trade union. The resulting CLA, which took effect on January 1, 2024, covers a three-year period and reflects a shared commitment to enhancing not only working conditions, but also the overall well-being of employees.

In support of strategic objective #7, *People and Culture*, a quick scan of the department of Human Resource Management (HRM) was conducted in early 2024. The assessment highlighted that HRM remains largely traditional and administratively focused. While the new CLA represents an important milestone, further transformation is required to strengthen employee satisfaction, engagement, and sense of belonging. A purely transactional approach risks employees feeling disconnected or undervalued ultimately affecting motivation and productivity.

To improve the Employee Experience Journey and create a more engaged and empowered workforce, HRM is shifting toward a people-centered model. This approach prioritizes employee development, well-being, and connection to organizational purpose, laying the foundation for a more resilient and high-performing culture. Several initiatives were launched in 2024 to support this transformation:

- Culture sessions to foster mindset shifts;
- Leadership development programs;
- Rollout of core values across the organization;
- Development of a Talent Plan;
- Exploration of a Human Resource Information System (HRIS) to modernize and automate HR processes, enabling HRM to focus more strategically on people and culture.

This marks the beginning of a broader cultural shift. These efforts will continue into 2025, as we work to embed a people-first philosophy across all levels of the organization.

2.4 ICT

During the strategic sessions held in 2024, strategic objective #6 was carefully designed to reflect our ambition in *Innovation and Adaptation*. This strategic objective highlights our commitment to staying ahead in a rapidly changing world. Global and regional market conditions are constantly *evolving*, significantly influencing Curaçao's market environment. To effectively regulate and support these sectors, we must foster innovation and adapt to these rapid changes.

Our commitment to innovation also extends to our internal processes. By cultivating a culture of *continuous improvement and agility*, we can anticipate and respond to *emerging opportunities and challenges*. Staying one step ahead ensures that we remain relevant and effective as a regulatory authority. In this regard, in 2025, we will develop and launch a community education and awareness program focused on innovation and emerging technologies.

We will also initiate the automation of internal workflows and implement robotic solutions to streamline repetitive tasks within RAC. Additionally, we will strengthen RAC's engagement and knowledge-sharing efforts with local and global technology communities through strategic partnerships and industry conferences. In the coming years, we will further implement the ICT focus areas outlined in our strategic plan.

2.5 OUR TECHNICAL INFRASTRUCTURE

The technical infrastructure and technical policies of RAC are crucial to our role as a technical regulatory authority, particularly within the telecommunications sector. In this industry, measurements and monitoring constitute an essential component of the daily operations carried out by inspectors and frequency specialists. It is essential that our technical infrastructure remains up to date to meet current regulatory requirements. Therefore, we must dedicate sufficient attention to measurement equipment for inspections, testing, frequency monitoring, and resolving complaints and disruptions. Additionally, our infrastructure must facilitate the evaluation of concession applications and requests for the installation of equipment and infrastructure. The key issues identified will be addressed in the coming years as part of our commitment to *Innovation and Adaptation*.

Section 3.3 provides a summary of key statistics related to technical oversight in the telecommunications sector.

03.

Our regulatory oversight in 2024

3.1 Regulation and Legislation

Government oversight of essential public services is crucial for a well-functioning market. Such supervision serves multiple objectives, including ensuring universal service obligations, market accessibility, end-user rights protection, service affordability, quality assurance, supply security, fair competition, and the prevention of market abuse.

Effective legislation is fundamental to successful supervision and must be regularly updated. This has posed a challenge, particularly in the electricity and drinking water supply sectors, where regulatory gaps still exist concerning fuel supply legislation.

A new National Ordinance on Energy Supply is currently under development by the Ministry of Economic Development, with input provided by RAC. Additionally, a new National Ordinance on Electronic Telecommunications is in preparation, alongside the draft amendment decision on the modernization of the National Decree on Assigned Telecommunications Services. A new Postal Policy has been developed and consulted with the concessionaire before submission to the Minister. Upon ministerial approval, the policy will be signed and published.

Furthermore, a draft national ordinance has been prepared for the establishment of a new healthcare authority, with its procedural processing currently underway. Additionally, the National Ordinance Bureau Telecommunicatie en Post (P.B. 2023, no. 50 (GT)) must be amended to reflect the expansion of its mandate.

As part of its *transformation*, BTP has rebranded as the Regulatory Authority of Curaçao (RAC) and will continue its operations under this new name. In line with this transition, the organization's visual identity – including its logo and color scheme – has been updated. This rebranding officially launched on June 19, 2024.

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All proposed legislation, except for the National Decree on Assigned Telecommunications Services, must still undergo review by the relevant advisory bodies before being implemented.

3.2 OUR REGULATORY OVERSIGHT IN FIGURES

The financial policy of the Managing Board is reflected in the manner in which RAC obtains and utilizes resources during the reporting year. The process by which these resources are obtained is legally defined in the National Ordinance Bureau Telecommunication and Post. These resources are subsequently allocated to ensure efficient business operations, facilitate the execution of assigned tasks and related activities, and support necessary investments in capital assets to sustain operational continuity.

Budgeting, financial planning, and reporting

The planning and allocation of resources are conducted annually within the budget and are subsequently reflected in RAC's financial statements. The Managing Board oversees this process to ensure financial accountability and transparency and reports to the Minister of Transport, Traffic, and Urban Planning (VV&RP). The budget must receive ministerial approval as a pre-authorization for the reporting year, whereas the financial statements serve as an accountability mechanism presented to the Minister upon completion of the fiscal year.

For the 2024 reporting year, the budget was legally approved following a no-objection statement from the Supervisory Board. The actual financial policy implemented throughout the reporting year is ultimately reflected in the 2024 financial statements, which serve as the conclusive financial documentation for this Annual Report. These statements encompass, among other aspects, capital investments, operational costs, received compensations, and statutory reserves.

Operating results, assets, and liabilities

The fiscal year concluded with a positive financial result of NAf 7.5 million (2023: NAf 19.4 million). The NAf 11.9 million decrease compared to the previous year is primarily attributable to a release of personnel provisions in 2023. RAC's total balance sheet value increased by NAf 5.6 million, amounting to NAf 56.3 million, due to an increase in legal reserve and cash and cash equivalents.

Revenue

Total revenue (compensations) for the reporting year amounted to NAf 26.9 million, which is NAf 3 million higher than in 2023 (NAf 23.9 million) and equivalent to the budgeted amount (NAf 26.6 million).

Expenses

Total personnel expenses for the reporting year amounted to NAf 1.3 million less than the previous year, yet remained NAf 2.3 million below the budgeted personnel expenses (2023: NAf 1.8 million under budget). The financial statements' notes provide a detailed comparison of cost items for the 2024 reporting year relative to the prior year.

Net Contribution to the Country of Curaçao

Depending on the actual net compensations received during the year (i.e., after deducting operational and infrastructure expenses and any allocation to statutory reserves), RAC remits an annual financial contribution to the Country of Curaçao. For the 2024 reporting year, a total of NAf 0.45 million was transferred to the national treasury (2023: NAf 2.64 million). Further details on these contributions are outlined in the financial statement disclosures.

Independent auditor's report

In addition to internal audits conducted throughout the year by the Internal Audit Department, the financial records of RAC are annually audited by an independent external auditor to assess fairness (accuracy, completeness, and timeliness) before the financial statements are issued with an auditor's report.

For the 2024 financial year, the independent external auditor, EY, issued an unqualified audit opinion, confirming that RAC's financial statements comply with applicable standards. The financial statements, including the accompanying unqualified audit opinion, form an integral part of this report.

3.3 TELECOMMUNICATIONS

As stated in Chapter 2, BTP (now RAC) was established in 1996 with the mandate to exercise oversight over the telecommunications sector.

Update on the draft Telecommunications Ordinance

In the new Telecommunications Ordinance, emphasis is placed on the following objectives:

- Stimulating the development of the telecommunications market.
- Implementing high-quality electronic communications networks and promoting competitive services.
- Differentiating between passive and active telecommunications infrastructure for an efficient network operation.
- Broadband internet as the foundation for the digital economy.
- Ensuring an open internet.
- Strengthening the competitive position of Curaçao.

In 2024 emphasis has been put on the National Decree on Assigned Services, as explained below, in order to address certain key aspects for the regulation of telecommunication. In 2025 the process regarding the development of a revised Telecommunications Ordinance will be reinitiated.

National Decree on Assigned Services

In 2024, an amended National Decree on Assigned Services ("Landsbesluit opgedragen diensten") was drafted by RAC. With the intended changes to this national decree, RAC will, in addition to traditional voice services, begin regulating internet services on Curaçao. Additionally, number portability will be introduced as part of the decree. The regulation of internet services and the introduction of number portability are expected to support and strengthen the interests of consumers in the field of telecommunications in Curaçao.

The following targets, related to the supervision of the telecommunications sector, have been achieved in the year 2024.

• Telecommunications market analysis

One of the key objectives of RAC is to stimulate the market for electronic communications networks and services. This requires in-depth market insights to assess and adjust developments. To achieve this, RAC conducts annual market studies using both internal intelligence ("market intelligence") and data collected from concessionaires through reporting requirements or International Telecommunication Union (ITU) questionnaires.

RAC publishes an annual market report, benchmarking local ICT developments against international trends. Organizations utilizing this information include telecommunication operators, the Central Bank of Curaçao and Sint Maarten (CBCS), the Central Bureau of Statistics (CBS), the Chamber of Commerce, the Smart Nation Platform Curaçao, the Ministry of Economic Development (MEO), and other ministries. The 2024 market report, Telecommunication Services Performance Indicators - Statistical Publication 2023, has been published in February 2025.

The market analysis is also shared with the ITU and benchmarked in global reports from institutions such as the ITU, Caribbean Telecommunications Union (CTU), World Bank, and Ookla.

• Aqualectra telecommunications plan

In 2023, RAC assessed Aqualectra's application for a concession to build fixed/local and long-distance telecommunications infrastructure. In 2024, Aqualectra paused its concession request and sought RAC's advice on its market position and potential strategies, including mobile service provisioning. RAC provided strategic guidance in relation to the telecommunications policies and objectives of Curaçao.

• New subsea cable project

At the end of 2024, RAC initiated a strategic project to explore the development of new submarine cable connections for Curaçao. This effort aligns with RAC's commitment to strengthening the island's digital infrastructure and supporting a resilient, future-proof economy. As part of the project, RAC conducted a thorough study on current submarine cable structures and shared the findings with the Minister of Traffic, Transport and Urban Planning (VVRP). The outcome contributed to the development of a national strategy for international fiber-optic connectivity. RAC's recommendations focus on ensuring:

- Affordability for end users;
- Continuity and resilience of international internet access;
- Increased capacity to support the digital economy and emerging technologies, including AI;
- A more competitive and inclusive market structure.

The study also examined the current monopolistic framework in submarine cable ownership, highlighting the need for greater transparency and market diversity. At the heart of this initiative lies a firm belief in the consumer's right to be connected—both in terms of reliable access and the freedom to choose among providers. By advocating for a diversified and modern cable ecosystem, RAC aims to empower consumers, reduce systemic risks, and support Curaçao's ambitions in the global digital landscape.

• **Project Number Portability**

Number portability is a key regulatory tool that enhances consumer choice and competition by allowing customers to switch providers without changing their phone numbers.

- Consumer Protection - Ensures users can change providers without inconvenience.
- Fair Competition - Prevents consumers from being locked into a single provider, fostering a competitive market.

Number portability is included in the draft National Decree on Assigned Services. In preparation for its implementation, the following milestones were achieved in 2024:

- Finalization of the Number Portability Task Force Guidelines & Procedures.
- Development of business rules in collaboration with industry experts.
- Drafting of a Service-Level Agreement between telecom operators and number portability providers.

• **New spectrum monitoring system**

RAC started 2024 with the implementation of a new spectrum monitoring system. This system provides a more detailed view of spectrum usage, allowing for the detection of various cases of interference and their sources. This is crucial for the general public, as they rely on a clean spectrum to effectively use all forms of telecommunication, such as mobile phones, Google Maps navigation, remote controls, IoT devices, and aviation landing guidance systems.

• **Fixed internet connection quality monitoring box**

In 2024, RAC also developed the latest version of its fixed internet connection quality monitoring box. This device is designed to monitor the quality of fixed internet connections at a provider's customer premises.

As part of an information campaign launching in 2025, this initiative aims to educate the public about internet connectivity, including how internet connections

work, what to expect from their internet service, how to use it effectively and what defines connection quality.

A number of these monitoring boxes have already been deployed in the field, and they are providing valuable data to safeguard service quality.

• **The Smart Seas Toolkit (SST) for Disaster Resilience ("Smart Seas") project**

The Smart Seas Toolkit (SST) for Disaster Resilience ("Smart Seas") project is a joint initiative of the ITU, the CTU, and the Telecommunications Authority of Trinidad and Tobago (TATT). This project is supported by the Government of Trinidad and Tobago along with several Eastern Caribbean islands.

The goal of this project is to increase resilience and ultimately preserve the lives of Caribbean small-scale fishers (SSF) by providing access to information and communications technologies (ICTs) and resources that enhance the enabling environment for fisheries.

In 2024, we attended and contributed to the Smart Seas Project Workshop.

Administrative and technical supervision

Below is a summary of the key statistics related to technical supervision in the telecommunications sector. These statistics cover:

- applications for new concessions, modifications, or revocations;
- applications for new licenses, modifications, or revocations;
- inspections and evaluations conducted by RAC;
- complaints and disruptions investigated by RAC.

Concessions

In the reporting year, a new concession application was received for long-distance telecommunications, compared to no applications in 2023. Furthermore, no applications were received in 2024 for local telecommunications or mobile telephony, and no requests for concession modifications were submitted.

Licenses

Regarding licenses, a total of 231 applications were submitted in the reporting year (compared to 253 in 2023), including 183 new applications, 20 modifications, and 28 revocations. Of these, a total of 202 applications were processed in 2024, including applications from previous years.

In 2024, the total number of license applications decreased compared to the previous year, mainly due to fewer applications for licenses for ship stations, maritime communication, ship station recreational use, and local amateur radio operations. These declines were partially offset by an increase in applications for FM radio broadcast stations.

License and registration process

In 2024, the license and registration process underwent a major change. As of July 1, 2024, the process has been almost fully digitalized for all ship station licenses. This means that individuals who wish to apply for a ship station license can now do so from home via their own computer, eliminating the need to visit RAC. This shift enhances efficiency. The digitalization process has received highly positive feedback from the ship station license applicants and RAC employees and will be extended to other types of authorizations.

Additionally, RAC supervised two selection procedures for issuing of one or more licenses for an FM radio broadcast station in 2024. As a result of the first selection procedure, an available FM frequency has been allocated to a participating party. This party will soon receive a license for an FM radio broadcast station. The outcome of the second selection procedure has yet to be determined. Overall, a relatively large number of applications were submitted and evaluated in 2024 for FM radio broadcast station licenses.

Furthermore, an application has been received for the extension of a long-distance telecommunications concession. This application is currently being processed by RAC.

Inspections and examinations

In the reporting year, RAC conducted a total of 872 inspections and examinations, representing a significant increase compared to 2023, when 222 were carried out. The inspections and examinations mainly related to type approvals, radio stations, mobile drive tests, boats and drones.

Investigated complaints and malfunctions

The investigation of complaints and malfunctions related to telecommunications equipment is of great importance for ensuring efficient service provision (by concession holders) in the telecommunications sector, due to its social and economic significance. Therefore, RAC prioritizes the investigation and resolution of complaints and malfunctions as quickly as possible. The general rule is that malfunctions should,

in principle, be resolved within three days. In the reporting year, 6 complaints (2023: 15) and 6 malfunctions (2023: 6) related to radio communication frequencies and networks were received and investigated.

3.4 POSTAL SERVICES

The supervisory responsibility for the postal sector was added to RAC's mandate in 1998. As a member of the Universal Postal Union (UPU), Curaçao is required to comply with international postal commitments concerning the transport of letters between member states. In Curaçao, Cpost International has been granted exclusive rights through a concession to transport letters up to 2000 grams.

In addition to Cpost, courier services are also allowed to offer this service, provided they meet specific conditions, including registration with RAC and compliance with letter and parcel criteria. Since 2018, a working group has been established to improve postal regulation compliance and strengthen oversight of illegal courier services. Supervision of courier services remains in place.

The UPAEP (Unión Postal de las Américas, España y Portugal) is an international intergovernmental organization, represented by governments from 28 different countries. Its primary objectives include promoting technical cooperation between member states, postal organizations, and regulators, and protecting the interests of its regional members.

In October 2021, Curaçao hosted the 24th UPAEP Congress, during which, thanks to the significant contribution of BTP (now RAC), Curaçao was elected chair for the four-year cycle. The CEO of RAC serves as the chair on behalf of Curaçao. In 2026, Portugal will assume the chairmanship.

Additionally, an extraordinary UPU Congress took place in October 2023 in Riyadh, where the main topic was the inclusion of non-postal organizations in the Union. Curaçao, Aruba, and Sint Maarten (CAS countries) share one seat as UPU members, meaning one vote represents all three nations. According to the CAS countries' protocol, Aruba serves as the delegation representative for the 2021-2025 cycle.

The next UPU Congress will take place in 2025 in Dubai, and will be represented by Sint Maarten for the 2025-2029 cycle. At Sint Maarten's request, Curaçao will hold the chairmanship during this cycle.

3.5 ENERGY

In 2009, the supervisory responsibilities of BTP (now RAC) in the field of telecommunications and postal services were expanded to include oversight of the production, distribution, and supply of electricity and potable water, as well as the distribution of fuels, which is referred to as the energy sector.

3.5.1 ELECTRICITY AND POTABLE WATER

RAC advises the Minister of Economic Development on the regulation of electricity and potable water, particularly regarding the tariffs as well as specific quality aspects related to the production, distribution, and delivery.

Tariff regulation

The tariff regulation for the provision of electricity and potable water is determined according to the Pricing Ordinance (P.B. 2024, no. 101). In 2024, the electricity and water tariffs consisted of two components: the base tariffs and the fuel clauses.

The base tariffs for electricity and water are intended to cover the operational expenses of Aqualectra and a reasonable rate of return for the production, distribution and delivery of electricity and water. The fuel clauses cover the fuel costs for the production of electricity and water, as well as the purchases from third parties (wind and solar energy and electricity supplied by the B00-power plant).

As of June 2024, the Bureau Telecommunicatie & Post (BTP) evolved its identity to the Regulatory Authority of Curaçao. This evolution reflects the broadened responsibilities of the organization, which includes the regulation of the utility sector, allowing RAC to continue overseeing this sector in accordance with its purpose. In this respect our purpose aims to ensure that electricity and water is affordable, reliable and accessible to the citizens of Curaçao.

Affordability is at the center of the regulatory framework. RAC consistently evaluates the investments into renewable energy sources that Aqualectra undertakes to provide its services at an affordable price. From September 2024, the fourth wind park became operational, marking a significant step in lower fuel clauses.

With the increased penetration of renewable sources, it is essential that Aqualectra maintains reliability of its network with its plans to invest in energy management

systems and storage of energy. Reliability of our energy supply means ensuring continuous availability, meeting quality standards and maintaining resilience against disruptions.

Base tariffs

On the recommendation of RAC, the Council of Ministers adopted the 'Policy regulation of the base tariffs electricity and water' on April 12, 2017. The policy sets out the fundamental principles, calculation model and evaluation process for the base tariffs. According to the policy, the base tariffs are to be evaluated on an annual basis and will be adjusted if necessary.

In 2024, the ex post evaluation over the year 2021 was finalized with the recommendations being submitted to the Minister of Economic Development.

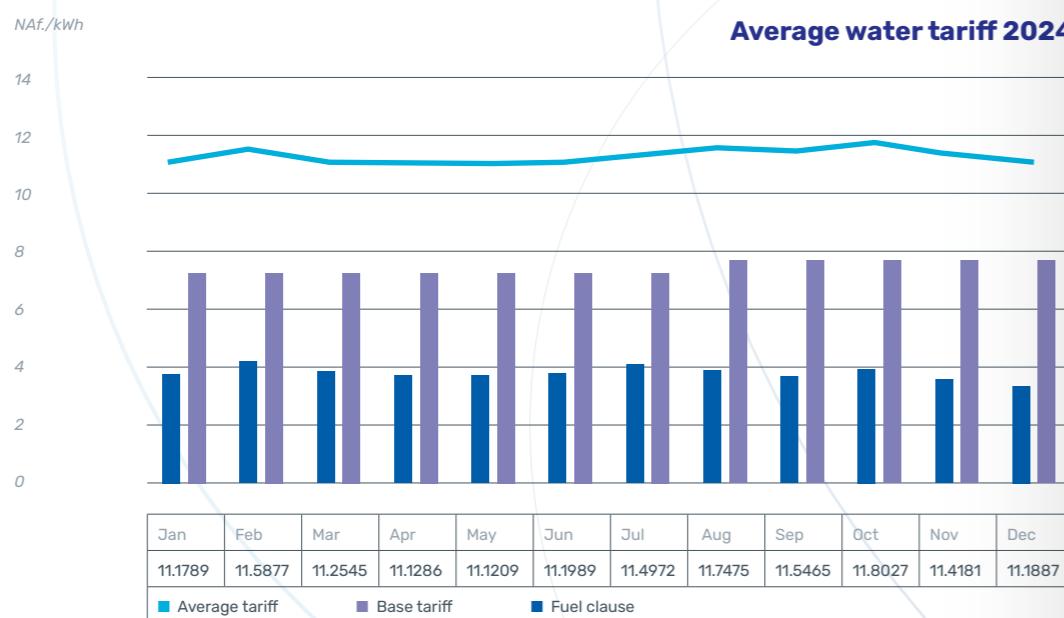
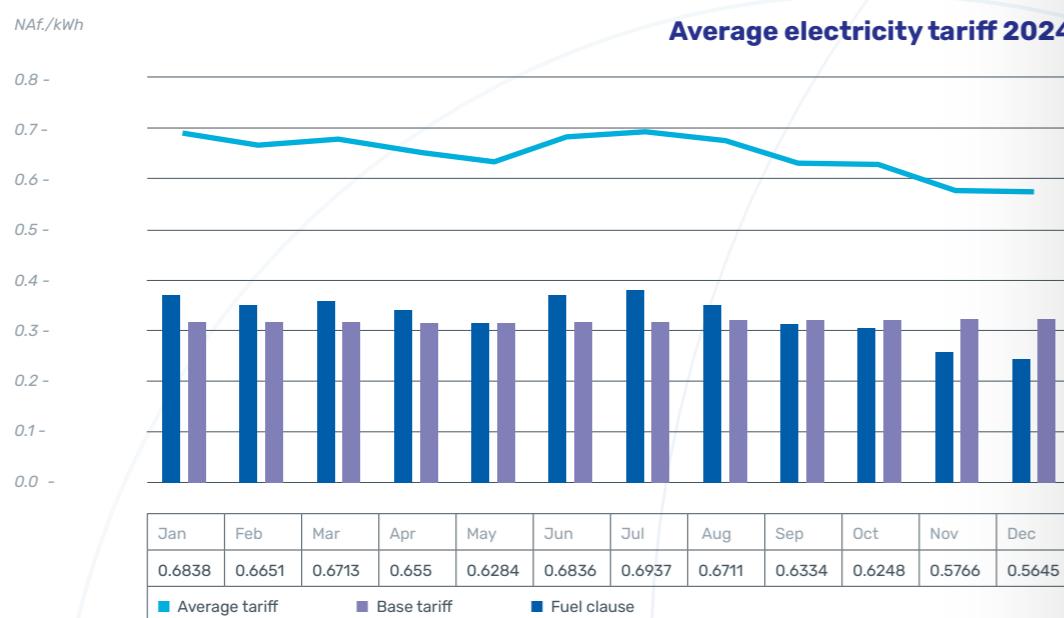
The ex ante evaluation over the year 2024 resulted in an increase of the base tariff for electricity with NAF 0,0125 per kWh, with an unchanged base tariff for water. The new base tariff was implemented on August 1, 2024. The adaptation was mainly driven by an increased level of expenses due to inflation and the transformation to a more sustainable energy supply. This transformation requires enhanced management of the energy system and therefore certain increased costs, while on the other hand the growth of the use of sustainable energy sources results in lower and/or more stable production costs (part of the fuel clause).

Fuel clauses

On April 12, 2017 after consultation with Aqualectra and following the recommendation of BTP (now RAC), the Council of Ministers adopted the 'Policy fuel clause electricity and water'. This policy stipulates that the fuel clauses, as part of the electricity and water tariffs, are to be revised on a monthly basis to timely address the fluctuations in fuel prices and the dynamic character of the production mix.

Throughout 2024, the fuel clauses and the corresponding tariffs for electricity and water were adjusted on a monthly basis based on the advice of RAC. In August 2024, RAC - in an intermediate role - provided a separate advice to the Council of Ministers regarding the use and availability of the B00 plant during the rest of 2024 in order to safeguard sufficient production capacity. All advices provided by RAC over 2024 was approved by the Council of Ministers upon the proposal of the Minister of Economic Development. In 2024 the (ex post) evaluation of the fuel clause of 2022 was prepared and will be consulted with Aqualectra within the first quarter of 2025.

Below the developments of the tariffs for electricity and water for the year 2024 are depicted.



Feed-in tariffs

The evaluation of the feed-in tariffs took place in the last quarter of 2024. The feed-in tariffs represent the rates and compensation associated with the small-scale renewable energy generation systems, or the so called PV-installations, that are connected to the electricity grid of Aqualectra. The payback period of a PV-installation has slightly increased compared to the previous year. However, it remains attractive when measured against international standards.

The advice submitted by RAC to the Council of Ministers, on behalf of the Minister of Economic Development, recommended to maintain the feed-in tariff at Naf 0.25 per kWh as well as the fixed stand-by fee at Naf 8, Naf 16 or Naf 24 depending on the respective tariff group. The advice was adopted, hence over 2025 the tariffs pertaining to small scale renewable energy remain unchanged.

Quality regulation

As the regulator, a primary focus is minimizing the losses in both the production and distribution of electricity, referred to as Non-revenue Electricity (NRE), as well as in the production, distribution and delivery of water, referred to as Non-revenue Water (NRW).

The components that are part of NRE/NRW are both of a technical and administrative nature. Curaçao has been facing a high level of both NRE and NRW. A detailed understanding of the composition of NRE/NRW remains essential for reduction of the non-revenue.

The regulation of the electricity and water tariffs includes certain regulatory norms for NRE/NRW, which remained unchanged during 2024. Subsequently, the tariffs did not include the costs incurred as a result of exceeding these regulatory norms.

In addition to these tariff regulations, RAC will continue to monitor the measures taken by the Aqualectra in order to ensure that non-revenue is reduced.

In line with previous years, in 2024 an evaluation was performed on the usage parameters related to the efficiency of the production of electricity and water. The calculation considers the usage of fuel relative to the production of one kWh of electricity and the usage of electricity in order to produce one cubic meter of water. The adjusted usage parameters were applied as of April 2024 after consultation with Aqualectra.

Administrative supervision

In the energy sector, RAC also exercises administrative supervision. The administrative supervision primarily relates to the following aspects:

- evaluating the administrative aspects of concession applications for the production, distribution, and/or supply of electricity;
- assessing requests for the issuance of a Declaration of No Objection for the (PV) installations intended for non-commercial generation of sustainable electricity.

Concessions

No new concessions were granted in the energy sector in 2024.

Following the publication by the government of the Guideline regarding evaluation of electricity concession applications by the end of 2023 on advice of RAC, the principles of this guideline were challenged in the Court of First Instance during 2024. RAC supported the Minister of Economic Development (MEO) in its advisory role on this matter and the Court eventually ruled that the guideline is legally valid and provides a lawful basis for addressing concession applications. This process confirmed that the guideline is part of the regulatory framework, facilitating a balanced and responsible transition towards a more sustainable energy sector on Curaçao.

Declarations of No Objection ("Verklaringen van Geen Bezwaar")

During the year 2024, a total of 118 Declarations of No Objection (VvGB) were issued by RAC for the construction of solar installations for the non-commercial generation of sustainable electricity (PV installations):

APPLICATIONS PER TARIFF GROUP	PRIVATE	COMMERCIAL	TOTAL
NUMBER OF APPLICATIONS FOR A VVGB	89	36	125
ISSUED VVGB'S	82	36	118
NUMBER OF WITHDRAWN APPLICATIONS	2	0	2
TOTAL CAPACITY IN KWP	331.44	1,040.86	1,372.30

Other activities

In early 2024, RAC finalized the independent investigation into the series of electricity blackouts that occurred in 2023.

The investigation was conducted to determine root causes, assess systemic vulnerabilities, and propose measures to prevent future incidents. The final recommendations were formally submitted to the Minister of Economic Development and to Aqualecra. These recommendations aim to strengthen the resilience, reliability, and accountability of Curaçao's electricity infrastructure, in line with RAC's mandate to safeguard the public interest and promote system-wide transparency and efficiency. The policy on small-scale renewable energy was revised in 2024, during which various stakeholders such as PV installers, Aqualecra and the Public Works (UOOW) were consulted in order to align the policy with current market developments. This revision took place in order to enhance the safety of PV-systems to be in line with international best practices, as well as to stimulate further growth of distributed solar capacity. The aim is to submit the revised policy to the Council of Ministers for approval in the first quarter of 2025. As part of the monthly tariff calculations, an information sheet for the electricity and water tariffs is now included. The purpose of the information sheet is to inform the general public about the changes in the tariffs through key figures and diagrams.

The first annual energy report over the year 2023 was published by the end of 2024. The energy report contains details on the fuel market, utility market and important developments such as renewable energy.

3.5.2 FUELS

In the field of fuel distribution, RAC advises the Minister of Economic Development, focusing primarily on the regulation of tariffs. This includes fuels for transport (Mogas 95 and Gasoil (U)LSD), propane gas for cooking (LPG), and fuels used for electricity generation by Aqualecra. While there are currently no statutory standards for the monitoring of fuel quality, the composition of regulated fuels is determined as a matter of policy, based on guidelines from RAC. In this regard, RAC also plays an advisory role.

Tariff regulation

Established guidelines outline the principles and procedures for determining regulated fuel tariffs and their components. Monthly tariff adjustments are implemented based on changes in purchase prices and the correction factor. Other tariff components, such as wholesale and retail margins, are generally reviewed every three years. The cessation of the refinery's operations under PdVSA continues to impact fuel supply, distribution, and the regulated tariffs in 2024.

Use of refinery facilities for fuel supply

As of January 1, 2020, the refinery's operations under PdVSA ceased, leading to a structural shift in the energy supply chain. Portions of the refinery's infrastructure (e.g., tanks, pipelines, pumps, and the BOO plant) have since been utilized by RdK (now 2Bays)/CRU to sustain fuel storage and support distribution by Curoil in Curaçao. The costs associated with the use of this infrastructure have not been covered by PdVSA since January 1, 2020. To compensate for these expenses for the first half of 2020, the tariff component "fuel supply guarantee (1a)" was introduced, spreading the costs over four years. This component remained part of the 2024 fuel tariffs.

Efforts to restart the refinery's operations before July 2020 were unsuccessful, requiring continued use of the infrastructure. By July 2020, financial constraints prevented the distribution of associated costs over a longer period. Consequently, these costs were directly incorporated into the monthly fuel tariffs, leading to the introduction of the tariff component "fuel supply guarantee (1b)" in August 2020.

As a result of historic increases in fuel prices in 2022, the Council of Ministers decided to temporarily finance the operational costs of the fuel supply assurance. This decision, made possible by financial facilities provided by Curoil and RdK (now 2Bays)/CRU, was implemented on September 2nd, 2022. Consequently, the "fuel supply guarantee (1b)" component was temporarily reduced to zero for all regulated fuel products. This financing arrangement remained in effect till June 2023.

As of July 2023, the 'fuel supply guarantee (1b)' component was recalculated by RAC and approved by the Council of Ministers for gradual reintroduction over a three-month period into the monthly fuel tariff. By October 2023, the 'fuel supply guarantee (1a)' which included the remaining balance of the costs of the first half of 2020 and the financed 'fuel supply guarantee (1b)' component by Curoil and RdK (now 2Bays)/CRU over the period September 2022 to June 2023, was also recalculated by RAC, approved by the Council of Ministers and included in the monthly fuel tariffs for a renewed period of four years. Although continuously monitored by RAC, both 'fuel supply guarantee' components remained unchanged in 2024.

Regulation of Dealer Margin

The tariff regulation for fuels is based on a price cap method for all regulated fuels on Curaçao, including Mogas 95 and ULSD used for transportation purposes. This price cap implies also a uniform maximum margin for the exploitation of gas stations (dealer margin), while the economic reality of each of the 26 gas stations on Curaçao

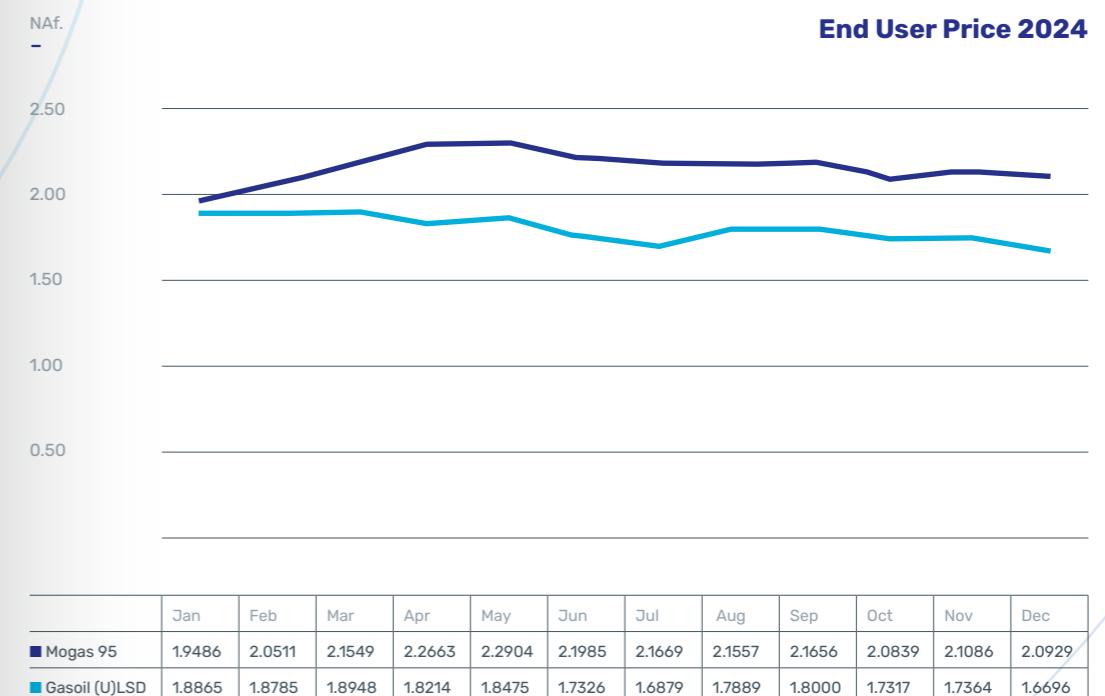
might differ substantially. Therefore, this regulation method has been subject to discussion and controversy for a number of years, while this market is also affected by the ongoing transition of the energy sector towards more sustainable resources.

These circumstances and developments necessitated an evaluation in 2024 of the regulatory principles and methods related to the dealer margin. Following this evaluation, the recommendations are further consulted with the stakeholders in the retail market. This process will continue throughout 2025 to ensure effective implementation.

Monthly price developments

The monthly calculations and recommendations concerning the tariffs for regulated fuels continued to be carried out in 2024. The tariff developments largely followed international price trends for oil and refined fuels. The unrest in the international markets, fueled this year by persistent unstable geopolitical developments, resulted in price fluctuations. In this regard, RAC has consistently sought a balanced approach between price increases and temporary distribution of higher procurement costs.

All of this has resulted in the following tariff developments for the fuels Mogas and LSD in 2024:



In general, energy costs represent a significant part of consumer expenses and fluctuations in fuel tariffs understandably remain a topic of great interest to the community. Therefore, RAC deems it of great importance to enhance transparency regarding these tariff changes. In 2024 RAC introduced a monthly info sheet in which the tariff changes for Mogas 95 and ULSD are illustrated both visually and schematically. Furthermore, RAC published its first energy report regarding the year 2023 (including an outlook for 2024), in which key figures and developments of the fuel sector are visually presented.

Fuel quality

The investigation into the quality of Mogas and diesel in Curaçao, which began in 2022, was completed in April 2023. RAC was part of the working group established by the Minister of Economic Development for this purpose and played a facilitating and advisory role in determining subsequent steps.

Based on the recommendations from the investigation report, RAC prepared a new Guideline for the Quality of Regulated Fuels, which was submitted to the Minister of Economic Development for approval and subsequently adopted with the consent of the Council of Ministers. Following the adoption of the guideline, RAC supported the communication campaign initiated by the Ministry of Economic Development during 2024. The adoption of this guideline resulted in the purchase of fuels by Curoil in compliance with the improved specifications by the end of 2023. By the end of the first quarter of 2024, Mogas and diesel compliant with the new specifications were being distributed in Curaçao. During 2024 further preparations have been initiated by RAC towards a structural monitoring process regarding the quality of distributed fuels, which will be continued in 2025.

3.6 AVIATION

Since 2011, BTP (now RAC) has overseen the establishment of three aviation tariffs, namely: passenger facility fees, landing fees, and parking fees, which are charged by the airport to passengers and airlines, respectively. Pursuant to the National Ordinance on Passenger Facility Charges² and the National Ordinance on Landing and Parking Fees³, the passenger facility charges applicable to departing and transfer passengers as well as the landing and parking fees (hereinafter collectively referred to as: 'the aeronautical tariffs' or 'tariffs') are to be proposed by Curaçao Airport

Partners, the airport operator of Curaçao, in collaboration with DC-ANSP, air traffic control, in consultation with the airline companies. In accordance with the National Decree, which establishes the methodology and procedure for evaluating and revising tariffs, RAC assessed the tariffs for the three-year tariff period 2025-2027 based on the proposal from Curaçao Airport Partners and DC-ANSP.

The proposed tariffs for 2025-2027 were significantly lower than the 2024 tariffs, as faster-than-expected traffic recovery allowed for the recovery of most COVID-19 losses. The Passenger Facility Charges (PFC) for Aruba and Sint Maarten saw the largest reductions, promoting interisland travel, while international and transfer traffic PFCs, as well as Landing Fees, returned to pre-2022-2024 levels. Parking fees remained unchanged, reflecting a strategy to enhance domestic and international connectivity while supporting socio-economic goals. Following RAC's advice, the Minister of Traffic, Transportation, and Urban Planning, with the consent of the Council of Ministers, decided to reduce the aeronautical tariffs effective January 1, 2025.

3.7 HEALTHCARE

In the year 2017, the scope of responsibilities of BTP (now RAC) was expanded to include advisory services on performance descriptions and tariffs in the healthcare sector. Furthermore, following a decision by the Council of Ministers in 2019, preparations commenced for the establishment of the Curaçao Healthcare Authority ("Curaçaoese Zorgautoriteit", CZA), whose role and mandate will be fulfilled by RAC. The formalization of the CZA as a supervisory body overseeing the efficiency of the healthcare sector is expected to be realized in the near future.

In preparation for this responsibility, three cost price investigations have thus far been carried out, namely in the mental health sector (Dr. D. Caprileskliniek) and in Curaçao's main hospitals (Curaçao Medical Center and Antillean Adventist Hospital). Investigations in the hospice sector and the sector covering nursing home care, care for handicapped persons and home care are currently in different phases of execution and preparation. These cost price investigations consist primarily of the development of updated performance descriptions, the development of a cost price model, an analysis regarding (financial and operational) efficiency both within the respective healthcare providers as in the sector in general and ultimately the development of a multi-year tariff model. To promote sustainable development of the healthcare sector these investigations will be repeated with a certain frequency.

²P.B. 2013, no. 75 (G.T.)

³P.B. 2013, no. 74 (G.T.)

Draft National Ordinance on Market Regulation in Healthcare

In preparation for the establishment of the Curaçao Healthcare Authority, priority was given in 2023 to finalizing the draft National Ordinance on Market Regulation in Healthcare (draft-Lmg). In the process of completing the draft-Lmg, RAC submitted the draft to WJZ at various stages for a legislative-technical review. RAC submitted the draft to the Minister in August 2023, requesting that the draft-Lmg, along with its accompanying explanatory memorandum, be presented for consultation to all relevant market players in the healthcare sector. Upon RAC's request, the Minister of GMN formally submitted the draft-Lmg and its explanatory memorandum for consultation to 61 stakeholders in the healthcare sector between August 22 and October 3, 2023. Additionally, the Minister of GMN arranged for advertisements to be placed in local newspapers to inform stakeholders and the general public that the draft was open for consultation.

Following the expiration of the consultation period, sixteen written responses were received. These responses were carefully reviewed and assessed. The explanatory memorandum includes a thematic summary of the responses from the sixteen participants, along with a government response. Some responses resulted in modifications to the draft ordinance or the explanatory memorandum. The Draft National Ordinance on Market Regulation in Healthcare regulates:

- the authorities and instruments of the supervisory authority RAC;
- the relationship between RAC and the Minister, as well as other supervisory authorities and relevant stakeholders;
- supervision of the healthcare services, health insurance, and healthcare procurement markets. This includes both market creation and monitoring, as well as market regulation, including the regulation of tariffs and performance standards. It also aims to enhance market transparency and improve consumer decision-making data;
- supervision of the legal and efficient implementation of the National Ordinance on Basic Health Insurance;
- supervision of the legal and efficient implementation of the National Ordinance on General Insurance for Special Medical Expenses;
- supervision of the legal and efficient implementation of the draft-Lmg;
- monitoring the administrative costs of the implementing organization.

The draft ordinance was submitted to the Council of Ministers in the first quarter of 2024 with a request to seek advisory opinions from the Advisory Council and the Social and Economic Council. The draft ordinance has been presented and explained

to the Social and Economic Council and its advice has been received during 2024. This legislative process will be continued in 2025.

3.8 INNOVATION BOX

According to the nexus approach of the Organisation for Economic Co-operation and Development (OECD), a low corporate tax rate can be applied in Curaçao to income from intellectual property (IP), provided that this income is generated from intangible assets for which actual research and development (R&D) activities have been conducted in Curaçao or for which a Curaçao taxpayer has commissioned development to a foreign company that is part of the same tax entity. The specific rules are laid down in Articles 8A to 8D of the National Ordinance on Profit Tax 1940, which define the conditions and applicability of the Innovation Box.

To be considered a qualifying intangible asset, a statement must be issued by an entity that is independent of the Tax Administration, confirming that R&D activities have taken place. The task of issuing this statement has been assigned to the Director of BTP (now RAC), taking into account the requirement that the statement must not originate from the Tax Administration itself.

RAC has entered into a cooperation agreement with the "Rijksdienst voor Ondernemend Nederland" (RVO), which has expertise in the field of R&D activities. In 2023, BTP (now RAC)⁴, with the support of RVO, worked on further developing the feasibility of the scheme, which was subsequently implemented in 2024.

In total, RAC has received eight applications, of which one has been completed by the sign-off date of this Annual Report. The remaining applications are awaiting responses to RAC's questions from the taxpayers or still need to be completed.

⁴ This task has been assigned to the Director of BTP (now RAC) by National Decree, containing general measures, dated December 13, 2021, amending the National Decree on Profit Tax and the National Decree on Administrative Sanctions for Non-Compliance with Fiscal Obligations.

3.9 WHAT ELSE DID WE DO IN 2024?

3.9.1 CARICERT

The goal of the Caribbean Cyber Emergency Response Team (CARICERT) is to raise national cybersecurity awareness by sharing knowledge on preventing cyber-attacks among computer and internet users.

CARICERT collaborates with key sectors such as banks, telecom providers, utilities, and government agencies, which together represent a large portion of critical industries. It provides a platform for its partner network to exchange information, fact sheets, whitepapers, and advice, as well as to coordinate incident handling. Additionally, CARICERT works closely with other partners such as police forces and the Public Prosecutor's Office, as well as internet service providers, universities, and other stakeholders.

Cybercrime knows no borders; cybersecurity is an international issue. Therefore, CARICERT maintains close contacts with international partners, particularly within the CERT community.

In the reporting year, special attention was devoted to awareness campaigns, public workshops, closed-group workshops, and a public seminar. In addition, CARICERT offered its services during Cybersecurity Awareness Month and Data Privacy Week.

Cybersecurity Awareness Month

Cybersecurity Awareness Month, observed every October, is an international initiative that highlights actions everyone can take to stay safe online. Even amidst large-scale data breaches and cyberattacks, this initiative reminds us that there are simple yet effective ways to stay safe online, protect personal data, and ultimately secure our world. During this month, CARICERT published articles on various cybersecurity topics, sharing them on Facebook and on its website. The worldwide theme for 2024 was "Secure the World".

Data Privacy week

Data Privacy Week is an international effort to empower individuals and businesses to respect privacy, safeguard data, and build trust. In 2024, CARICERT published articles on Facebook and on its website to spread this message. CARICERT also created an MP4 video to share the message in a more engaging way.

3.9.2 EMERGENCY SUPPORT FUNCTION 2: CELL-BROADCAST PROJECT

Official agreements were made with the Directorate for Risk Management and Disaster Policy regarding the contribution of the RAC as the leading executive organization responsible for ensuring the continuity of telecommunications networks and services in the event of a crisis or disaster. Since 2016, the RAC has officially played a coordinating role in the "Emergency Support Function" of the telecommunications sector (ESF-2) and has also been responsible for establishing communication resources within the "Emergency Operations Center" (EOC).

In 2024, special attention was given to the preparation of a Cell-Broadcast public warning system. The objective of this system is to enable the government to quickly and area-specifically inform the population in the event of a disaster or imminent crisis. By doing so, the potential consequences of a disaster or crisis can be mitigated. Citizens receive alerts and real-time updates through the warning system.

The system also aims to provide an initial action as soon as possible after an incident and to encourage citizens to follow the recommended action steps and inform others about the alarm message. Curaçao has opted for a system based on Cell Broadcast technology, which enables all mobile phones in Curaçao to receive alerts within seconds.

The objective of this Cell-Broadcast pilot is to test whether the system can be effectively implemented in Curaçao and to analyze whether it will yield the desired results. Since the test is being conducted in collaboration with Digicel, and because Digicel's network also provides services on Bonaire, there are plans to conduct tests in Bonaire as well. Several tests took place during the month of March 2025.

3.9.3 SMART NATION PLATFORM CURAÇAO: FRAMEWORK FOR NATIONAL AI STRATEGY

At the initiative of BTP (now RAC), a Smart Nation platform was established in 2017 to further develop the digital economy and improve the quality of life of citizens through innovative technologies in the ICT field. Since then, RAC has organized several meetings, presentations and conferences, bringing together representatives from various sectors to brainstorm the plan's content and further implementation. These sessions have also provided information about ongoing Smart Nation activities across multiple sectors.

In 2024, the focus was on the National Artificial Intelligence (AI) Strategy. We began developing a framework to implement this strategy. With this framework, Curaçao has taken the first steps toward a National Strategic AI Plan. Various preparations were made in 2024 to support this strategy, including:

- **Participation in the AI Parliamentary meeting**

In March 2024, a Parliamentary meeting was held, during which Parliamentarians asked over 100 questions about Artificial Intelligence, which were answered by RAC.

- **World Summit AI 2024**

In October 2024, we participated in the World AI Summit in Amsterdam, attending various sessions and workshops. The World AI Summit is a global gathering where AI experts work toward a consensus on achieving safe, responsible and successful AI implementation.

- **Meetings and presentations in the Netherlands**

We participated in meetings and gave presentations to: the Ministry of Economic Affairs in the Netherlands, Amsterdam Municipality, University of Amsterdam, and the Civic AI Lab. At Ministry of Economic Affairs, we discussed the origins of the AI Strategic Plan and its alignment with the Netherlands' strategy. At the Amsterdam Municipality, we engaged with the technology and innovation team on AI implementation. At the University of Amsterdam's Civic AI Lab, we delivered a presentation to AI students and held brainstorming sessions with PhD-level professors on global AI developments. Additionally, we met with the Civic AI Lab management to explore potential collaboration on a Strategic AI Plan and its implementation.

- **AI presentation "Fundashon pa Konsumidó"**

In October 2024, "Fundashon pa Konsumidó" held a seminar titled "Fair and Responsible AI for Consumers." In this context, we prepared and delivered the introductory speech for the Minister of Traffic, Transport, and Urban Planning and gave a presentation to raise awareness about the National AI Strategic Plan.

- **National AI Strategy Framework**

We are actively developing the National AI Strategy Framework, having compiled over 100 pages of carefully drafted content, including areas for further development. Upcoming sessions will engage stakeholders to ensure a holistic and sector-driven approach to AI strategy.

- **UNESCO RAM Taskforce**

RAC has been invited to participate in a national task force responsible for developing a Readiness Assessment Methodology (RAM) on AI applications in Curaçao. This initiative also aims to address the ethical challenges associated with AI implementation. The key question here is how AI can be used to address social issues on the island.

This UNESCO-facilitated project seeks to support Curaçao in promoting ethical and responsible application of AI. The RAM will provide a baseline assessment to determine Curaçao's current position in key sectors compared to AI implementation worldwide. Based on this assessment, a targeted action plan will be developed and incorporated into Curaçao's National AI Strategy, which RAC is overseeing.

3.9.4 DIGITAL HUB AMERICAS (DHA)

DHA is an initiative of BTP (now RAC) and Blue NAP Americas, supported by its co-founders, including CINEX, CIFC, IPE, SIMIA, CFA, and Chamber of Commerce.

As a platform, DHA facilitates interaction between companies that are actively engaged in the digital economy ecosystem to provide commercial and professional services to governments and the private sector in the Americas ("the Caribbean and beyond").

This interaction can lead to:

- the development of new products and services to better serve citizens and customers;
- creating opportunities for DHA members to offer their services in international markets.

DHA believes in the power of unity. Together, it is possible to develop the digital sector into the fourth economic pillar for Curaçao, creating new job opportunities for the community.

3.9.5 PROJECT "INTERNET ACCESS FOR ALL"

Internet access is a basic human right and must also be affordable, in alignment with UNESCO guidelines. To achieve connectivity and digital inclusion for all, a social internet package has been developed.

The introduction of a social internet package can significantly contribute to reducing digital exclusion, ultimately ensuring that everyone can participate in the inevitable digital transformation of our country. RAC conducted the necessary studies in 2024, and in 2025, it will initiate a tender procedure to select the executing parties. This initiative includes internet connectivity, devices (such as laptops), and training.

The target group for this digital inclusion initiative consists of households with school-going children who cannot afford an internet connection. The intention of the social internet package is that qualifying households will receive subsidized internet access, enabling them to perform essential online activities.

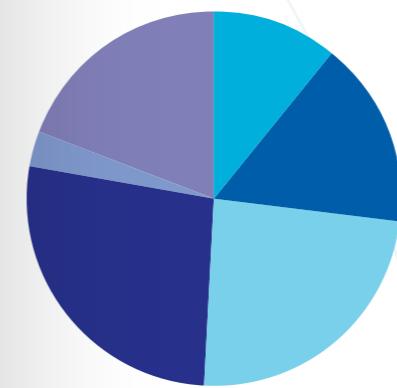
Through the social internet project, participants will receive basic ICT and digital skills training, managed by a dedicated platform. The objective is to educate people on ICT skills and raise awareness of the opportunities the Internet provides, empowering individuals to advance in the digital world. Additionally, the project aims to motivate participants to either continue using the service independently or transition to a paid subscription when they are able to do so. The project also includes an important cybersecurity component, educating users on safe and responsible internet use, including privacy protection.

3.9.6 CSR

RAC is a local regulatory organization that is constantly committed to serving the public interest. In this context, and as one of the primary bodies under the Ministry of VVRP, RAC feels a responsibility to undertake actions that contribute to a sustainable future, where environmental, social, and economic benefits reinforce each other.

RAC places great value on its Corporate Social Responsibility (CSR). In this regard, BTP (now RAC) has contributed over the past years to various social initiatives of a philanthropic nature.

In the year 2024, RAC fulfilled its responsibility by contributing to various initiatives, including sports activities, social projects, and arts & culture. This demonstrates RAC's commitment to investments in long-term development and social well-being for the community. The pie chart below illustrates the distribution per category.



Education	11%
Social	16%
Sport	24%
Sponsoring	27%
Arts & Culture	3%
Other	19%

Corporate Carbon Footprint

In line with the national Sustainable Development Goals (SDGs), RAC aims to fulfill its commitment to socially responsible corporate practices through concrete measures. To measure its ecological impact, BTP (now RAC) conducted a CO₂ calculation for the year 2022.

By identifying CO₂ emissions resulting from its business activities, RAC can make targeted sustainable decisions that align with its goal of achieving climate neutrality. The Corporate Carbon Footprint (CCF) calculation showed that RAC's total CO₂ emissions from January to December 2022 amounted to 505,747.08 kg. Given the local standard of 687,534 kg for comparable businesses, which is based on international policy guidelines, RAC's CO₂ emissions are considered reasonable. RAC's CO₂ emissions are 181,786.92 kg (26%) lower than the expected emissions of a comparable company.

The CCF calculation has identified the main sources of emissions, enabling management to implement a strategy aimed at reducing the CO₂ footprint in the coming years.

To at least reduce its CO₂ emissions, RAC will implement the recommended concrete actions from the CCF report in the coming years.

3.10 POLICY IMPLEMENTATION AND OTHER LEGAL OBLIGATIONS

Internal policies

Over the past year, a thorough review was conducted on the implementation of certain internal policies related to the administrative organization of RAC. This review assessed the extent to which the various key policy aspects in the following areas were implemented and whether any noteworthy aspects should be reported:

- Governance and supervision;
- Management and control;
- Planning;
- Human resources policy;
- Finance and internal control;
- Operations and automation;
- Technology, malfunctions, and crisis management;
- External communication;
- Compliance;
- Conflict of interest;
- Audits and other investigations;
- Reporting.

National Ordinance on Top Income Regulation Curaçao

As of December 21, 2022, the National Ordinance on Top Income Regulation Curaçao (P.B. 2022, no. 133), hereafter referred to as LNTI, entered into force. The LNTI also includes a public reporting obligation, which stipulates that additional lower-level regulations (ministerial regulations with general applicability) will determine which specific data must be reported. However, these lower-level regulations have not yet been established. Once they are finalized, RAC will report the relevant data accordingly.

Corporate Governance Code (Code)

With the entry into force of the LNTI, as of December 21, 2022, the National Ordinance on Corporate Governance (P.B. 2014, no. 3 (G.T.)) and an amendment to the National Decree on the Corporate Governance Code Curaçao (P.B. 2020, no. 50) also became partially applicable to BTP (now RAC).

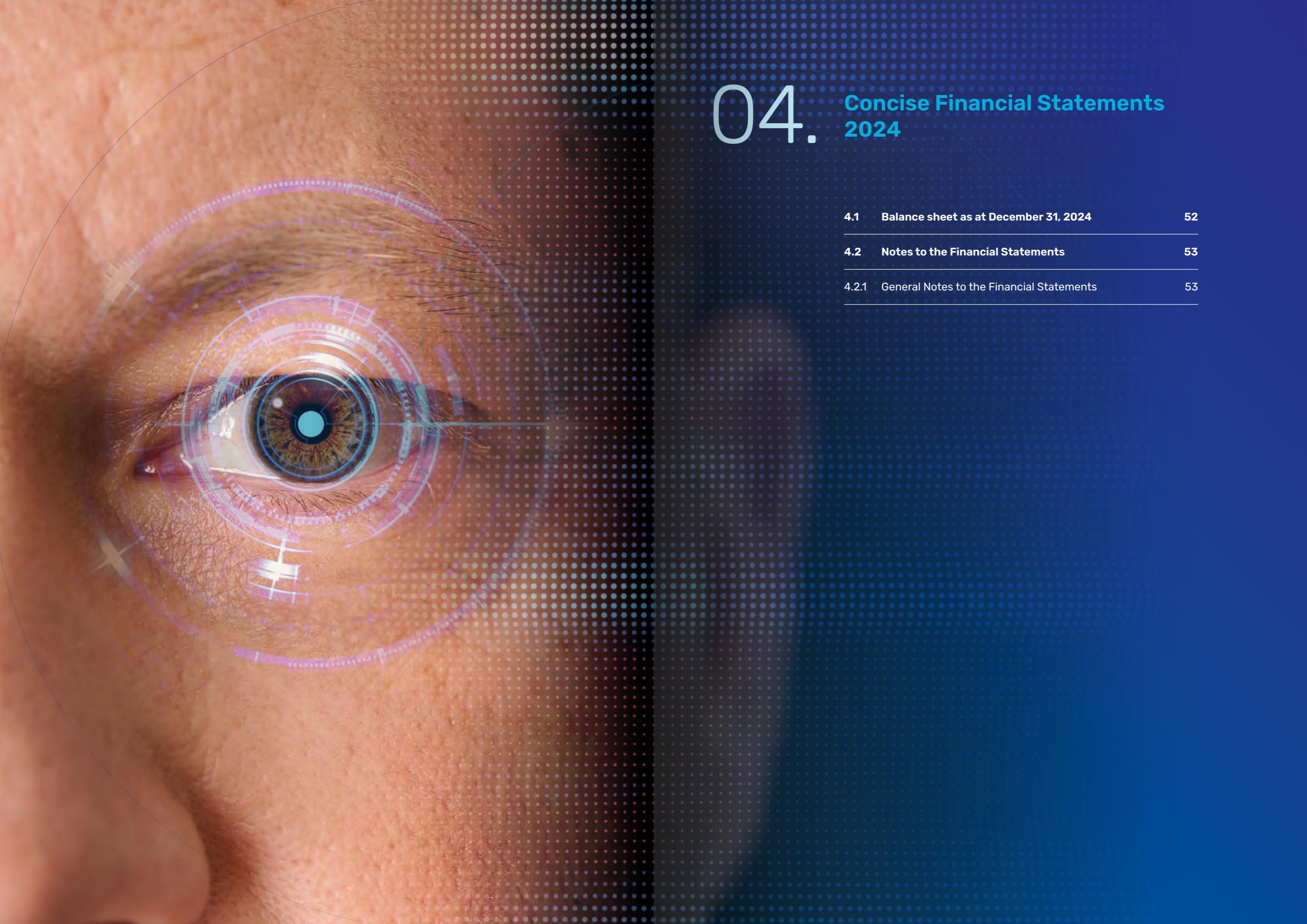
Following this development, an assessment was conducted to clarify the implications for BTP (now RAC) and its governing bodies and, if legally required, to implement necessary adjustments and initiate relevant processes. The assessment concluded that even before the Code was formally declared applicable, BTP (now RAC) already

considered key aspects of the Code. This resulted in the signing of a new Collective Labor Agreement, effective January 1, 2024, the submission of position profiles for the Supervisory Board to the Minister, the development of the RAC Strategic Plan 2025-2027, the implementation of a risk management framework, and progress toward achieving the ISO 9001 certification. RAC operates under the assumption that both the Institutional Ordinance and the Corporate Governance Code complement each other.

04.

Concise Financial Statements 2024

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4.1 BALANCE SHEET AS AT DECEMBER 31, 2024

Assets (after appropriation of results)

EQUITY AND LIABILITIES

		2024	2023
		NAf.	NAf.
Non-current assets		10.191.767	10.387.864
Total current assets		46.098.636	40.336.876
Total assets		56.290.403	50.724.740

		2024	2023
		NAf.	NAf.
Equity		46.927.049	42.394.837
Provisions		6.620.960	6.413.426
Current liabilities		2.742.394	1.916.477
Total equity and liabilities		56.290.403	50.724.740

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	Budget 2024	2023
		NAf.	NAf.	NAf.
Revenue		26.916.905	26.625.000	23.932.175
Total expenses		19.023.663	23.602.000	19.755.619
Operating result before changes in provisions		7.893.242	3.023.000	4.176.556
(Addition to)/ release of provisions		(339.873)	(114.000)	15.260.663
Result before financial- and extraordinary income and expenses		7.553.369	2.909.000	19.437.219
Financial income and expenses		19.512	47.000	51.978
Extraordinary income and expenses		485	-	(2.344)
Net result		7.573.366	2.956.000	19.485.853

4.2 NOTES TO THE FINANCIAL STATEMENTS

4.2.1 GENERAL NOTES TO THE FINANCIAL STATEMENTS

General

These financial statements have been prepared based on the principles described below, following as much as possible the generally accepted accounting principles in the Netherlands for the valuation of assets and liabilities and the determination of results. The provisions included in the National Ordinance Bureau Telecommunications and Post (P.B. 2023, no. 50 (GT)) (hereinafter: national ordinance) have also been taken into account.

The Regulatory Authority of Curacao (RAC), formerly Bureau Telecommunicatie en Post (BTP), is a public legal entity of the Country of Curaçao, established by national ordinance with the task of supervising and developing policy frameworks for the telecommunications and postal services. Additionally, RAC is mandated by the government to supervise the electricity supply, drinking water supply, fuel supply, healthcare, and developments in aviation tariffs.

Budget

In accordance with the national ordinance, management is responsible and accountable for the administration of RAC's funds to the Minister of Traffic, Transport, and Urban Planning. Consequently, the RAC's annual budget must be submitted to the aforementioned minister for approval. While there are differences between actual figures and the budget in some items, the operating expenses remained within the approved budget for the reporting year.

For the year 2024, an amount of NAf 1,700,000 was estimated for provisions for employee benefits (budgeted under other operating expenses). In 2023, there was a release in provisions for employee benefits based on actuarial calculations (see Section 15: Provision addition/release), resulting in a higher net result.

Estimates

When applying the principles and rules for preparing the financial statements, RAC makes various judgments and estimates that may be essential for the amounts included in the financial statements. If necessary for a proper understanding, the nature of these judgments and estimates, including the related assumptions, are disclosed in the notes to the relevant financial statement items.

Foreign currency translation principles

Monetary balance sheet items denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Exchange differences are recognized in the statement of profit or loss. Revenue, costs, and results in the statement of profit or loss are translated into Netherlands Antillean guilders at the exchange rate applicable on the transaction date. Non-monetary balance sheet items that are measured at current value are translated at the functional exchange rates ruling at the date of valuation.

VALUATION PRINCIPLES

Comparison with previous year

The applied valuation and result determination principles remained unchanged compared to the previous year.

Impairment of non-current assets

At each balance sheet date, RAC assesses whether there are indications that a non-current asset may be subject to impairment. If such indications exist, the recoverable amount of the asset is determined. As of the balance sheet date, there were no indications of impairment of non-current assets.

PRINCIPLES OF DETERMINATION OF RESULT

Revenue Recognition

Revenue is recognized to the extent they relate to the reporting year. Inspections of reported telecom connections may occur after the balance sheet date, which can lead to revenue being recognized in the subsequent year.

Revenue includes fees related to the granting of concessions and licenses for the telecommunications and postal sectors, as well as compensation related to the supervision of the telecommunications and postal sectors, regulatory fees from RAC's oversight of the energy sector (electricity, drinking water, and fuel) and aviation tariffs.

Expenses

Expenses are valued at nominal value and allocated to the reporting year to which they relate. Income is recognized when services are performed, while losses are accounted for in the year they become foreseeable.

Taxes

RAC is exempted from profit tax in Curaçao.

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Regulatory
Authority
of Curaçao