



Press release

February 16th, 2023

Cft: "Sint Maarten, continue improvement process"

Philipsburg – In its conversation with the Minister of Finance of Sint Maarten, the Board of financial supervision Curaçao and Sint Maarten (Cft) determined that Sint Maarten is taking the necessary steps to improve its budgetary process. The Kingdom Council of Ministers (RMR) requested Sint Maarten to adopt the 2023 budget by March 31st, 2023. This budget has to comply with the budget standards as stipulated in the Kingdom Act on financial supervision Curaçao and Sint Maarten (Rft).

According to the Rft, the 2023 budget had to be adopted prior to December 15th, 2022. Sint Maarten did not meet this deadline and has indicated that it will submit the 2023 budget to Parliament as soon as possible, so that it can be adopted before the March 31st, 2023 deadline that was requested by the RMR.

Investments

The level of public investment in Sint Maarten has been low for some time now. Consequently, Sint Maarten is not using the opportunities to stimulate sustainable economic development. In 2022, Sint Maarten planned to finance ANG 15 million in investments through the loan subscription by the Netherlands. Sint Maarten had a significantly higher deficit in the adopted budget amendment 2022 than was permitted by the RMR. Therefore, the Cft was unable to give a positive advice on the loan request. The government is currently working on sufficiently substantiating the investments in the 2023 budget.

Healthcare and social security

Sint Maarten took the first steps in 2022 to reduce the shortages in the healthcare funds. For instance, the wage limit for Health Insurance and Accident Insurance has been raised as of September 1st, 2022, and Sint Maarten has started a cost saving program for medicine costs. The Cft discussed the proposed reforms and the importance of a realistic and adequately substantiated (long-term) budget for the social funds with the Council of Ministers and the executing entity for Social and Health Insurances (SZV). Sint Maarten expects to structurally reduce the deficits of the health care funds when the general health insurance is introduced on January 1st, 2024.

Increase tax benefits

From an international perspective, Sint Maarten's tax and premium burden is low at approximately 27 percent of the Gross Domestic Product (GDP). The Cft advises Sint Maarten to introduce in the short term a casino tax and a turnover tax on the private import of goods. Sint Maarten is already working on a reform of the accommodation tax on the rental of homes to tourists. Sint Maarten also wants to include lottery booths in the tax and premium levy. During the meeting with the Minister of Finance, the Cft emphasized that modernization of (tax) systems and the Tax Authority is necessary to improve compliance. The exchange and linking of data (files) between implementing organizations is of utmost importance in this respect.

Financial management

In recent months Sint Maarten has assessed various financial work processes and cleared various (suspense) accounts. The 2019 and 2020 annual accounts were adopted in January 2023. This means that the backlog with regard to the preparation and adoption of annual accounts has largely been cleared. The



2021 annual accounts are expected to be adopted shortly. Sint Maarten is also working on shortening the process for the delivery and audit of the annual accounts. The Cft emphasizes the importance of a sustainable implementation of the improvements resulting from the projects, in order to structurally improve the quality of financial management. It is important to have sufficient capacity to this effect.

As of February 1st, 2023, Ms. Lidewijde Ongering has been appointed as chair of the Board of financial supervision Curaçao and Sint Maarten, the Board of financial supervision Aruba and the Board of financial supervision Bonaire, Sint Eustatius and Saba. In its new composition the Cft visited Sint Maarten on February 15th and 16th, 2023 and held talks with the Governor, the Council of Ministers, the Minister of Finance and the Sint Maarten Parliament. The Cft also spoke with the executing agency for Social and Health Insurances and the director of the Princess Juliana International Airport.

On February 13th, 2023, the Board of financial supervision Bonaire, Sint Eustatius and Saba (Cft BES) visited Saba where it held talks with the Executive Council and the Island Council. The Cft further visited the construction site for the new port. On February 14th, 2023, the Cft BES spoke with the Executive Council and received a tour of Global Terminal Investments Statia on Sint Eustatius.

[End of press release]

Photo:

Edgardo Lynch

Caption:

Sint Maarten needs to adopt the 2023 budget before March 31st, 2023.

Note for the editing department – not for publication

Contact Cft:

Secretariat Board of financial supervision
Telephone +5999 461-9081 / +5999 461-9082 / +5999 461-9084
Email info@cft.cw
Website www.cft.cw

Press contacts:

Jefka Alberto
Telephone +5999 512-6861