



## Press release

June 20<sup>th</sup>, 2024

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### **Cft: Adopt budget modification for 2024 without delay**

**Philipsburg – On May 14<sup>th</sup>, 2024, Sint Maarten adopted its budget for 2024. This exceeds the deadline set to December 15<sup>th</sup>, 2023, by almost six months. The Board of financial supervision of Curacao and Sint Maarten (Cft) is concerned about the quality of the budget and urges the country to align it with the standards set forth in the Kingdom Act on Financial Supervision Curacao and Sint Maarten (Rft) without delay. As soon as this modification of budget has been adopted, the country can take out a loan to make the necessary investments.**

For years, the Cft has been expressing its concerns about the structural delay in the submission of the adopted budgets. Due to the recent political developments, the budgetary process for 2024 is delayed even further. At current, the country is working on a modification of budget for 2024. The Cft stresses the importance of rapidly finalizing this process. Also, the country must implement the already drawn up plans of approach for the improvement of the budgetary process. The draft budget for 2025 must be prepared in a timely manner.

#### **Loan for investments**

In 2024, Sint Maarten wishes to take out a loan for the construction of a new prison and road maintenance. As long as the budget for 2024 does not comply with the standards set forth in the Rft, the country will be unable to take out loans through the current subscription with the Netherlands. The Cft requested Sint Maarten to submit a modification of draft budget that meets these standards prior to July 1<sup>st</sup>, 2024.

#### **Reforms Tax Authorities**

The Cft considers that modernizations of Sint Maarten's tax system and the Tax Authorities are of great importance. The Tax Authorities are currently facing staff shortages and major operational problems, which is part of the reason that the tax income falls short compared to the economic growth. The Cft anticipates that the country will be able to significantly increase its tax income in the short term. In that context, the Cft stresses the importance of increased controls by the Tax Authorities and other institutions, such as the Audit Team Sint Maarten. Whenever there is a higher realization of tax income, Sint Maarten will have more room in its budget for new (policy) initiatives and investments.

#### **Healthcare and social funds**

The deficits in the healthcare and social funds are increasing. For the period of 2024 until 2030, the prognosis of the Executive Organization for Social and Healthcare Insurances (*Uitvoeringsorgaan Sociale en Ziektekosten Verzekeringen - SZV*) shows ANG 174 million in additional deficits in the healthcare funds. Until now, Sint Maarten has not yet implemented sufficient reforms to structurally reduce these deficits. If the country does not take measures, the Cft expects that in the long run, this shall have major consequences for Sint Maarten's national budget.

[End of press release]

**Photo:**  
Cft



**Caption:**

The Cft considers that modernizations of Sint Maarten's tax system and the Tax Authorities are of great importance.

**Note for the editor – not for publication**

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