



## Press Release

January 18<sup>th</sup>, 2012

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### **Board of financial Supervision visits Sint Maarten**

**Philipsburg-** The Board of financial supervision (College financieel toezicht – Cft) has visited Sint Maarten the last few days. Under presidency of the new president, prof. Age Bakker, the Board conducted meetings with the Finance Minister, the Board of Ministers and the Parliament. Besides a new president, this was also the first official Board visit of the new member of the Board Mr. Richard Gibson upon proposal of Sint Maarten and the new secretary of the Board, Mr. Kees van Nieuwamerongen. Cft hopes to soon have a new member upon proposal of the Netherlands as well. Part of the visit was the signing of a Memorandum of Understanding and the opening of the Sint Maarten office.

The opening of the office and the signing of the Memorandum of Understanding are the result of the further developing cooperation between Sint Maarten and Cft. This cooperation is of great importance in order to continue building up Sint Maarten and the healthy public finances.

At the meetings an array of topics were discussed, such as the budget, the accountability, corporate governance and financial management. It can be concluded that there has been progress on all areas, although at the same time there are still many challenges. Currently Sint Maarten does not have a stipulated budget 2012 yet. Sint Maarten did request Cft to advice on the draft budget, before submitting this to the Parliament. Cft is very pleased that Sint Maarten has chosen to walk this path. This way the Parliament is informed of the Cft point of view on the draft budget, and will be able to take this into consideration when having its deliberations. The expectation is that the draft budget will soon be presented to the Parliament and Cft hopes that the budget will soon be adopted. A fast adoption of the budget 2012 means also that preparations for budget 2013 can be started timely, in order for these to be adopted within the legal terms.

The budget 2012 must be executed under difficult economic conditions. There is a worldwide economic and financial uncertainty. Therefore it is not unthinkable that it will be necessary to adjust the budget during 2012, through a budget amendment through the Parliament. Besides, the Cft has pointed to the risks in the multi-year budget in the context of pensions and social security. Countries all over the world are dealing with strong increasing costs on these areas other than what was expected at the design of the systems. It is therefore good to get a timely insight on the situation on Sint Maarten and to cope with the potential problems in time. Cft has welcomed the fact that St. Maarten is taking steps to significantly improve the tax system. Increases in the receivables are necessary to achieve the desired provision level for the citizens of Sint Maarten, but also to cope with the multi-year risks. Currently most probably not all taxes that could be imposed are collected. The Board has recommended the Board of Ministers to consider drawing up a dividend policy. This also promotes the comprehensive assessment of all public funds; it is ultimately the Parliament that should balance how the government revenues should be allocated.

Sint Maarten is a young country that is working on building its necessary institutions and developing its general financial management. So there is at present a backlog in the setting up and the auditing of the financial statements. In order to determine which direction to choose for the future, it is important to know what has happened in the past. Consequently it is of great importance to create the financial statements. The Cft is pleased to have learned that the financial statement 2010 is set up and presented in order to be audited. In a wider context, the Cft has emphasized the importance of the route in relationship with the Public Expenditure Framework Assessment. This process should lead to a financial management that is on an internationally acceptable level. This means among others that institutions such as the Parliament are able to properly fulfill their role. Cft is interested in, and looks forward to these steps that Sint Maarten is taking in this area. It should be clear that

the construction of a country poses challenges for the government and that action power from its leaders is key.

With the opening of the new office and the good cooperation Cft is confident in the future of Sint Maarten.

[End of the Press Release]

**Note for the editing department**

**Caption:**

Prof. Age Bakker, who has recently been postulated as chairman for both Cft Sint Maarten and Curaçao and Cft BES, together with other Board members: Mr. Richard Gibson upon proposal of Sint Maarten, Mr. Alberto Romero upon proposal of Curaçao and Mr. Max Pandt, upon proposal of Bonaire, Sint Eustatius and Saba.

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