



# Translation of: Your reaction to the advice pertaining to the adopted budget 2025

Original title: Uw reactie op het advies bij de vastgestelde begroting 2025

*In case of differences in interpretation between the English translation and the Dutch version of the text, or in legal proceedings or escalation procedures pursuant to applicable regulations, the original Dutch version shall always be leading.*

Dear Ms. Gumbs,

On July 10<sup>th</sup>, 2025, the Board of financial supervision of Curacao and Sint Maarten (Cft) received Sint Maarten's adopted budget for 2025 (hereafter: the budget). On July 24<sup>th</sup>, 2025, pursuant to Article 12 of the Kingdom Act on Financial Supervision Curacao and Sint Maarten (*Rijkswet financieel toezicht Curaçao en Sint Maarten* – Rft) the Cft sent its advice pertaining to this budget.<sup>1</sup> By means of your letter of July 31<sup>st</sup>, 2025, you responded pursuant to Article 12 paragraph 4 of the Rft.<sup>2</sup> You also submitted a written request for a loan for capital investments.<sup>3</sup> You hereby receive the Cft's reaction to both letters.

## Conclusion

The Cft is of the opinion that Sint Maarten gives sufficient substance to the Cft's recommendations, which means the mutual consultation trajectory pursuant to Article 12 of the Rft is concluded. Pursuant to Article 16 of the Rft, Sint Maarten may proceed to take out the intended loans. An important condition in that context is that the modifications you promised are incorporated into a budget amendment (BW) to be adopted prior to the end of the year. The Cft also requests that you share the already requested planning for the BW 2025 and the 2026 budget.

## Explanatory statement

In its advice of July 24<sup>th</sup>, 2025, the Cft observed that it could not be assessed if the budget met the standards set forth in the Rft. The explanation of the income and expenses estimate was deemed insufficient, due to which it could not be determined if the budget was realistic. The Cft considered the introduction of the tourist tax as from January 1<sup>st</sup>, 2026 to be uncertain. Lastly, the Cft concluded that the late adoption of the budget influences the implementation of budget, including the execution of investments. Therefore, the Cft made the following recommendations:

1. Provide sufficient substantiation of the estimate of the income and expenses. Amend the budget if recent realization data give reason to do so.
2. Substantiate the feasibility of the introduction of the tourist tax as from January 1<sup>st</sup>, 2026, or revise the budget.
3. Reconsider the intended investments based on the available implementation capacity and the late adoption of budget for 2025. Provide sufficient explanation of the multiannual capital budget.

## *Estimate income and expenses*

In your response, you state that the preliminary realization of the income in the first half of 2025 amounts to XCG 300 million. You state that therefore, the realization of the income is in line with the budget. You state that at current, you do not see a reason to modify the budget. You are

currently working on a planning for the (draft) budget 2026 and the BW 2025. The Cft requests that you share this planning as soon as possible.

#### *Tourist tax*

Considering the current state of information, you deem the introduction of a tourist tax as from January 1st, 2026 to be feasible. In the mean time, the Social and Economic Council has issued an advice regarding the legislative proposal. You expect to submit the proposal to the Advisory Council within a month. You will incorporate any possible modifications of the planning in the BW 2025 and the budget for 2026. The Cft reiterates that without introduction of the tourist tax, it is uncertain if a balance on the operational budget will be achieved in 2026.

#### *Capital budget*

In your reaction, you state that Sint Maarten will adjust the investment ambition for 2025 downward. You intend to lower the intended loan from the Netherlands from XCG 52 million to XCG 32 million. You also state that you will revise the multiannual investment ambition in the upcoming budget documentation.

#### **Subsequent steps**

The Cft does not recognize the image of a non-constructive attitude, as you express in your letter. Over the past years, in its cooperation with Sint Maarten, the Cft has offered support, guidance and – wherever possible – flexibility. During its visit to Sint Maarten in September, the Cft will gladly engage in further consultation on this topic.

Lastly, the Cft acknowledges Sint Maarten's efforts to further reinforce financial management, and the desire for a uniform assessment of the budget. In March of 2025, a joint first step was taken for the development of a framework for the assessment of financial management. Over the coming period, the Cft would gladly cooperate with you to reach a further elaboration and adoption of such assessment framework.

Trusting to have provided you with sufficient information.

Sincerely,

The Chair of the Board of financial supervision of Curacao and Sint Maarten

[signature]

Ms. L.M.C. Ongerling, MA

A copy of this letter was sent to:

The Prime Minister of Sint Maarten

The Secretary General of the Ministry of Finance of Sint Maarten

Parliament of Sint Maarten

## **Annex 2: Endnotes**

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<sup>1</sup> Cft, reference Cft 202500070, Advice pertaining to the adopted budget 2025, dated July 24<sup>th</sup>, 2025.

<sup>2</sup> Ministry of Finance, DIV n° 5604, Reaction to the CFT Article 12 Budget 2025, dated July 31<sup>st</sup>, 2025.

<sup>3</sup> Ministry of Finance, DIV n° 5605, Loan application for capital investments 2025 XCG 30.3 million, dated July 31<sup>st</sup>, 2025.