



Press release

February 24th, 2025

Cft: "Increase in income is necessary"

Philipsburg – Sint Maarten must prioritize increasing income. In recent conversations with the Sint Maarten government, the Board of financial supervision of Curacao and Sint Maarten (Cft) urged the country to do so. Without reforms, over the coming years, the country will face a lack of resources for important public expenses and investments.

For some time now, the Cft has been expressing its concern about the fact that Sint Maarten's income is lower than expected. The collective tax burden amounts to 27 percent, which compared to Aruba, Curacao and the Netherlands – with an average tax burden of 40 percent – is low. Sint Maarten's tax system is outdated, and the Tax Authorities are hindered by implementation issues, which leads to the country missing out on substantial amounts of income. Furthermore, the International Monetary Fund anticipates deficits for the Uitvoeringsorgaan Sociale en Ziektekosten Verzekeringen (SZV) in 2027 if policies remain unchanged. Without reforms, the Cft anticipates structural deficits in Sint Maarten's budget.

Reforms

A restructuring process for the Tax Authorities was recently initiated. This is a step in the right direction. In this context, when it comes to implementation, it is important that the Tax Authorities operate in a more integrated manner. Sint Maarten also has other options to increase income, such as the introduction of a tourist tax, focus on the collection of lodging tax and the introduction of a universal health insurance. Collection of taxes and premiums by only one institution will result in a more efficient collections process and more income. The Tax Authorities can perform more audits by collaborating with the Audit Team Sint Maarten. The Cft stresses the importance of rapid implementation of the plans in order to generate more income and realize surpluses on the budget. In doing so, Sint Maarten can improve its liquidity position and make important public expenses and investments.

Budget for 2025 and 2026

Despite the timely submission of the draft budget for 2025, Sint Maarten again did not manage to finish the budgetary process before the start of the year. For the 2025–2028 period, the country anticipates surpluses. In this context, it is assumed that a tourist tax will be introduced in 2026. This measure may lead to additional income, however, the corresponding legislative process has not yet been concluded. Therefore, the Cft considers the anticipated surpluses to be uncertain. The persistent deficits with the healthcare funds also are a risk factor to the country's budget.

Sint Maarten is currently working on the budget for 2026. The Cft urges the country to make the utmost effort to adopt the budget before the start of the new year, for the first time since 2010. In doing so, the country can take an important step towards improvement of its government finance.

[End of press release]

Picture:
Nathan Roosberg

Photo caption:



Sint Maarten is missing out on substantial amounts of income.

Note for the editor – not for publication

Cft contact:

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

Press inquiries:

Jefka Alberto
Phone +5999 512-6861