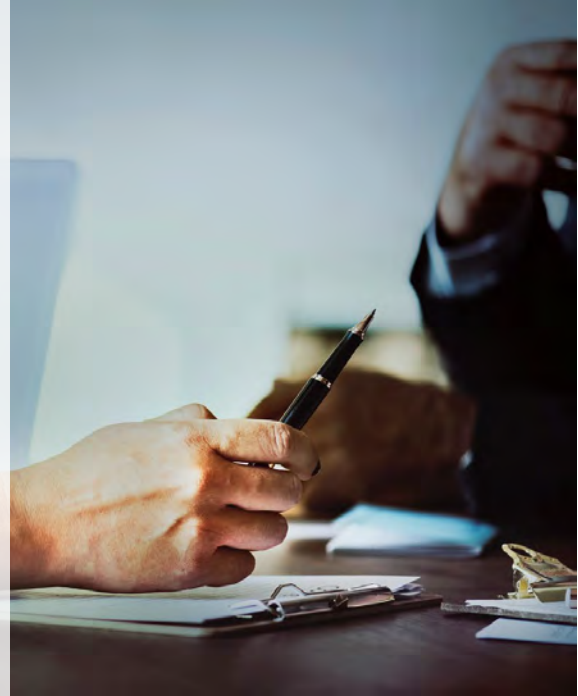


Tax Instant News

**Sint Maarten:
Update –
Sint Maarten Stimulus
& Relief measures
as a response to the
COVID-19 pandemic**

Website launched



The Government of Sint Maarten announced a stimulus plan to help individuals and businesses cope with the economic and social impact of the worldwide outbreak of the Coronavirus. In our previous TINs we outlined the first set of tax relief measures (phase 1) which are in principle effective as of March 30, 2020 including some relevant tax recommendations. In this TIN we will further elaborate on the second set of emergency support package (phase 2) implemented on April 20, 2020.

Sint Maarten, April 21, 2020

Tax Instant News

Recap

In addition to the extension for filing and payment of the Provisional Profit tax return until June 30, 2020 and the extension for filing of the personal Income tax return until August 31, 2020 as announced in phase 1, additional relief measures have been announced on April 8, 2020 by the government of Sint Maarten as part of the Sint Maarten Stimulus & Relief Plan (hereinafter: SSRP) The SSRP, in principle, aims to provide relief and support through payroll support, Income support and Soft loans to eligible businesses and individuals.

Website

On April 20, 2020, the website (www.ssrp.sx) was launched allowing the business community and individuals who got affected by the COVID-19 pandemic to register and apply (online) for financial support based on the previously announced measures of the SSRP.

In the following we will provide you with an overview of the criteria that should be met to qualify for this support as well as an overview of businesses that are in principle excluded from receiving financial support based on the SSRP.

Payroll Support Procedure

The national social and health insurances provider ("SZV") has been

appointed by the Government of Sint Maarten for the execution of the SSRP and as such will process the application forms for (max. 80%) payroll support submitted through the website. If there is any information missing in the application, SZV will contact the employer via email as provided by the employer in the application.

Please note that the Payroll Support Plan consists of two alternative programs, being:

- Business Payroll Support Plan: that offers payroll support for qualifying businesses for a period of 3 months;
- Lockdown Payroll Support Plan: that offers payroll support for qualifying businesses that are exempted from the regular Business Payroll Support Plan, but still have a decline of revenue of more than 20% in the month of April as a result of the lockdown.

Business Payroll Support

To become eligible for payroll support under the Business Payroll Support Plan, the following requirements are to be met:

- Registered with the Sint Maarten Chamber of Commerce and Industry;

- Registered with the Social Health Insurance (SZV);
- Employ one (1) or more persons, meaning that they work for you and receive wages;
- Having a decline of revenue of more than 20%, by providing the monthly tax declaration and payment forms of the months February and March 2019 and 2020;
- Having paid the monthly taxes and social premiums and continue paying its registered employees;
- Having submitted the 'COVID-19 Stimulus Employer/Business Application form' via the SZV website and having modified (online) the employees' information;
- Having provided SZV with a Dutch Sint Maarten bank account in the application form (all payments will be done by SZV in guilders (NAf) to this bank account);
- Having signed a digital declaration confirming that the information provided is accurate prior to release of support;
- Keep all employees in service from the date of the application through the entire period of the Payroll Support Plan (except for expiration of fixed term employment agreements).

- Not being listed as exempted for Lockdown Payroll Support Plan (also referred to as appendix 2);

Payroll Support Deadlines

For each month of the Payroll Support Plan, the deadlines for submitting the Application forms are:

- **For April: April 24, 2020**
- **For May: May 22, 2020**
- **For June: June 19, 2020**

Payroll Support Calculation

The contribution percentage of the Payroll Support Plan is determined based on the revenue percentage decline due to the Covid-19 pandemic. Three impact categories are identified:

- medium impact;
- medium/high impact; and
- high impact.

The Payroll Support Plan contribution percentage is respectively **60%**, **70%** and **80%** of the registered ZV/OV wages.

Maximum Payroll Support

Please note that the maximum Payroll Support that can be received for employees will be 80% multiplied the registered ZV/OV wage limit (NAf 5,651.36 per month).

Exempted Business Sectors

Not all employers will qualify for the regular Business Payroll Support. The following businesses are listed as exempted (also referred to as appendix 1)

- Administrative and support service activities;
- Construction;
- Education;
- Electricity, gas, fuel, steam and air conditioning supply;
- Financial and insurance activities;
- Human health and social work activities;
- Information and communication;
- Manufacturing;
- Other service activities;
- Professional, scientific and technical activities;
- Public administration and defense; social security;
- Real estate activities;
- Wholesale and retail trade; repair of motor vehicles and motorcycles;
- Transportation and storage;

Lockdown Payroll Support

In addition to the Payroll Support Plan, the Government of Sint Maarten also introduced the Lockdown Payroll Support Plan. To become eligible for the this Plan, the following requirements are to be met:

- Not qualifying for the Payroll Support Plan;

- Having a decline of revenue of more than 20% in April 2020 (compared with the tax declaration of April 2019) as a result of the lockdown that was enforced by Government as of April 5, 2020;
- Not being listed as exempted for Lockdown Payroll Support Plan (also referred to as appendix 2).

The following businesses are listed as exempted from the Lockdown Payroll Support (also referred to as appendix 2)

- Education;
- Electricity, gas, fuel, steam and air conditioning supply;
- Financial and insurance activities;
- Human health and social work activities;
- Information and communication;
- Manufacturing;
- Other service activities;
- Professional, scientific and technical activities;
- Public administration and defense; social security;
- Real estate activities;
- Wholesale and retail trade; repair of motor vehicles and motorcycles;
- Transportation and storage;

In addition, the same procedural requirements and calculation methods are applicable as under the Business Payroll Support Program.

Qualifying employers will have to submit their application form for the Lockdown Payroll Support Plan via the SZV Employer Portal ultimately by **May 22, 2020**;

Payment of the applicable contribution for Lockdown Payroll Support Plan will be processed by SZV between May 25 and May 30, 2020.

Objection Procedure

In case of a (partial) denial of the application by the SZV, the employer has the right to submit a protest letter to the Review committee and to explain its disagreement with the decision by SZV. The Review committee will review the objections and render a decision on behalf of the Government of Sint Maarten. The Review committee's decision is final.

Please contact HBN Law & Tax if your company is mentioned on the exemption lists 1 or 2 or if further information is required on the possibilities to file for objections and/or take other legal measures as to reduce

payroll costs pending the lockdown period and thereafter.

Non-compliance

Non-compliance with the stipulations of the Payroll Support Plan or the Lockdown Payroll Support Plan can lead to sanctions against the employer which include repayment of (a part) of the contribution for the Business Payroll Support Plan or the Lockdown Payroll Support Plan. Non-compliance includes not paying the monthly taxes and social premiums and/or not paying the registered employees.

SZV, the Inspectorate of Taxes and Audit Team Sint Maarten (ATS) have the right to verify the accuracy of the submitted information of the employer. Future audits and adjustments on the contribution from the Payroll Support Plans based on risk analysis are possible.

Income Support

Eligible sole proprietors, independent bus and taxi drivers, vendors, tour operators and artists, could also benefit from the SSRP. To qualify, the individual must:

- Have a valid permit;
- Be registered with the Sint Maarten Chamber of Commerce and Industry;

Tax Instant News

- Proof that the applicant has an income loss by providing the 2018 personal income tax declaration and payment forms and monthly tax returns (if applicable) ;
- Sign a declaration confirming that the information provided is accurate.

Unemployment Support Plan

Unemployed persons may also apply for financial support under the COVID-19 Unemployment Support Plan. To be eligible for support the applicant must meet the following criteria:

- The applicant must have been working on the Dutch Side of Sint Maarten where he or she became unemployed because of COVID-19;
- The applicant can prove unemployment status as a result of COVID-19;
- The applicant has a valid local bank account number.

Soft Loans

It is also planned to provide eligible companies with a loan under eased conditions in order to meet the operational expenses. Further conditions to the loans have not been finalized, as funding for this part of the SSRP is still pending.

Funding considerations

The aforementioned SSRP measures would in principle apply for the months April, May and June 2020. As

mentioned in our previous TIN, it should be noted that, in principle, the government of Sint Maarten does not have sufficient resources to finance these phase 2 measures for the duration of another 3 months. Currently additional funding is being sought from The Netherlands. Further deliberations on financial support are expected shortly.

We trust to have informed you sufficiently and remain at your service for any assistance required with the subject matter.



Further information

We will update this TIN once more information is available. In case you require further information or guidance, please do not hesitate to contact us.

Quincy Lont

lont.quincy@hbnlawtax.com

Jojanneke Deelstra

jojanneke.deelstra@hbnlawtax.com

Nicole Echobardo

echobardo.nicole@hbnlawtax.com

Amsterdam

Concertgebouwplein 7
1071 LL Amsterdam
The Netherlands
T. +31 20 303 3020
E. info@hbnlawtax.com

Aruba

L.G. Smith Boulevard 54
Oranjestad, Aruba
T. +297 583 9311
E. info@hbnlawtax.com

Aruba

Beatrixstraat 38
Oranjestad, Aruba
T. +297 588 6060
E. info@hbnlawtax.com

Bonaire

Kaya Korona 40
Kralendijk, Bonaire
Dutch Caribbean
T. +599 717 6944
E. info@hbnlawtax.com

Curaçao

L.B. Smithplein 3
Willemstad, Curaçao
T. +5999 4343300 (general)
T. +5999 7325400 (tax)
E. info@hbnlawtax.com

Rotterdam

Weena 505
3013 AL Rotterdam
The Netherlands
T. +31 10 800 5483
E. info@hbnlawtax.com

Sint Maarten

W.G. Buncamper Road 33
Philipsburg, St. Maarten
T. +1721 542 2272
E. info@hbnlawtax.com

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