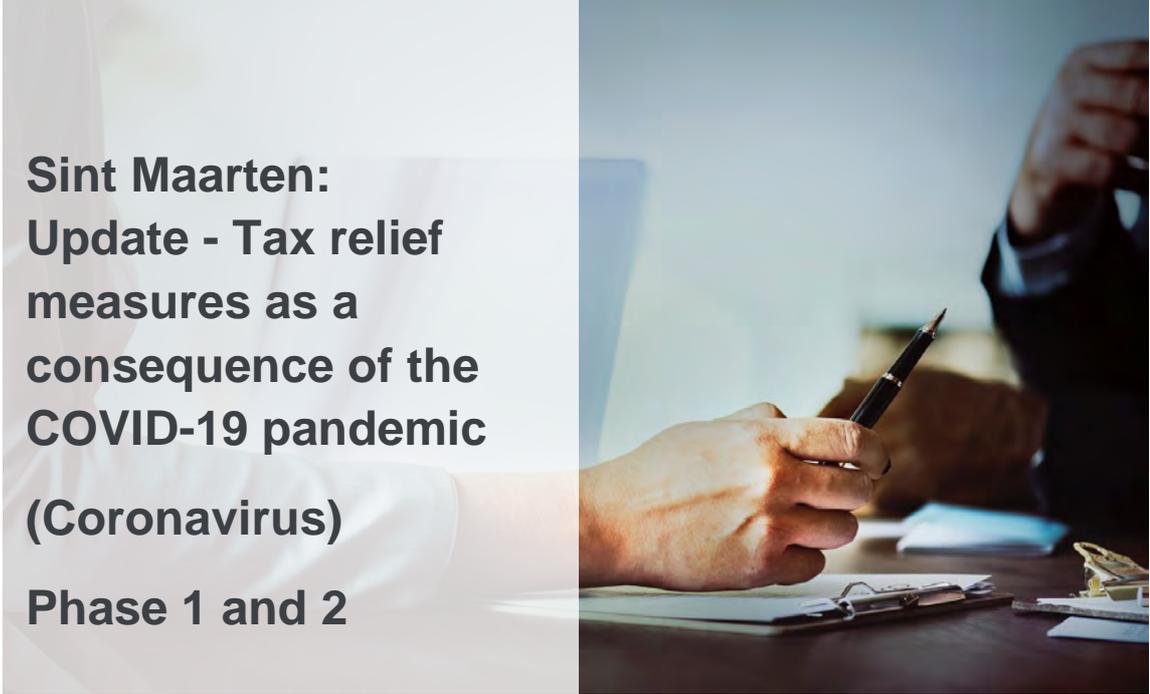


Tax Instant News



**Sint Maarten:
Update - Tax relief
measures as a
consequence of the
COVID-19 pandemic
(Coronavirus)
Phase 1 and 2**

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 TIN, 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) announced on April 8, 2020.

Sint Maarten, April 2020

Tax Instant News

Background and purpose

The government of Sint Maarten has been contemplating on several relief measures in order to mitigate the economic and social impact of the Coronavirus for business and individuals. In this respect the government introduced the so-called Sint Maarten Support Relief Plan (SSRP) with the aim to enable employers to continue paying their staff and to bridge the burden during this stressed market period.

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, the SSRP relief measures have been announced on April 8, 2020 by the government of Sint Maarten. The SSRP, in principle, aims to provide relief and support through Payroll support, Income support and Soft loans to qualifying businesses and individuals.

Payroll Support

In order to maintain as many workplaces as possible, financial support is offered to the affected employers. The government intends to provide a subsidy of 80% of the gross payroll expenses to qualifying employers, with a minimum of ANG 1,150 per employee (minimum wage). Qualified employers are:

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

- Registered with the Social Health Insurance (SZV);
- Proof that the company has an income loss of at least 20%, by providing the monthly tax declaration and payment forms of the months February and March 2019 and 2020.

It should also be noted that SZV will collect and process the information in order to determine the amount of this 80% payroll support that would be paid out to the aforementioned qualified employers. The qualifying employer should add the remaining 20% of the payroll expenses thus allowing the employee to continue receiving the same salary as before the outbreak. Furthermore, the employer shall continue to make the monthly wage tax and social premium contributions.

Income Support

Qualifying 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;
- Proof that it has an income loss by providing the 2018 monthly tax declaration and payment forms and income tax return (if applicable);
- Sign a declaration which states that the information provided is accurate.

Unemployed persons may also apply for the existing unemployment compensation provided by the government.

Soft Loan

It is also planned to provide qualifying companies with less than 550 employees and sole proprietors a loan via local banks under eased conditions in order to meet the operational expenses. Initially, this loan has a maximal maturity of 2 years at 2.5% yearly interest rate of which the first 6 months are redemption free. The principal should be repaid within 18 months at installments of at minimum 3% per month followed by a bullet repayment. Optionally, the loan could be extended for 3-years at a 5% yearly interest rate. To qualify the company or individual must:

- Be registered with the Sint Maarten Chamber of Commerce and Industry;
- Be in compliance with its tax filing obligations (proof of tax payments);
- Have an existing banking relationship;
- Have been in operation prior to the pandemic (March 15, 2020);
- Have employees (this specific requirement only applies for companies/legal entities).

Other considerations

These facilities would apply for the months April, May and June 2020. However, 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 3 months. In other words, at this stage these measures could be only implemented in their present form if financial support

is secured from the Netherlands. The Kingdom Council of Ministers has approved an emergency liquidity support in this respect. Further vetting and approvals of the SSRP are expected shortly.

We will keep you informed as soon as further details and conditions are available.



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.

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