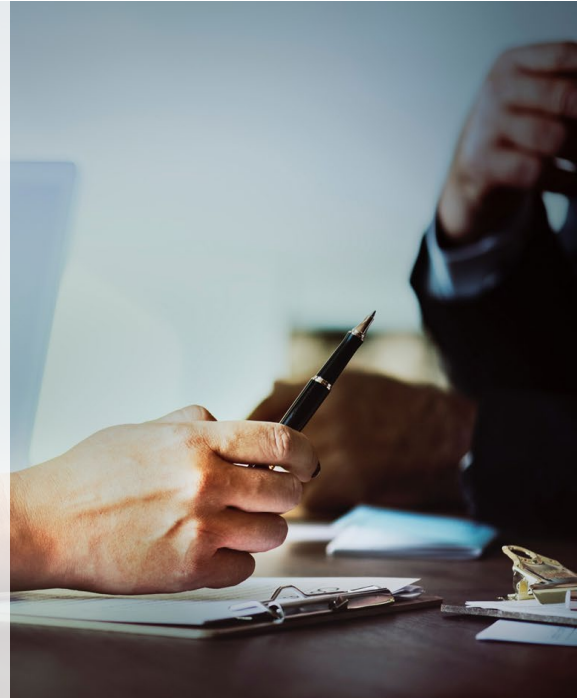


# Tax Instant News

**Sint Maarten:  
SSRP Update**

**Sint Maarten Stimulus  
& Relief Plan**

**New conditions for the  
month June 2020**



The Government of Sint Maarten introduced a stimulus plan to help individuals and businesses cope with the economic and social impact of the worldwide outbreak of the Coronavirus (COVID-19). In our previous TINs we outlined the first and second set of tax relief measures (phase 1 and 2).

In this TIN we will further elaborate on the new conditions that apply with retroactive effect as of June 1, 2020.

Sint Maarten, July 17, 2020

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## What's new?

- For the month June 2020 the employees of the businesses that apply for the Business Payroll Support should also make a contribution of 20% to the payroll support plan.
- The total Business Payroll support amount will be determined based on the actual loss of revenue on a one to one ratio.
- The list of exempted business sectors will no longer be applicable for the month June 2020.
- The names of the businesses that have received Payroll Support will be published on the internet, in the newspapers and the National Gazette.
- Adjustment to the role of the advisory committee. In the previous text of the Temporary Regulation article 8 par 6 made reference to the obligation of SZV to follow any advice given by the advisory committee. In the amended text the advisory role of the advisory committee is rephrased.

## Employees' contribution

For the month June 2020 the employer and the employees should reach a written agreement based on which the employee will also contribute to the

payroll support. This contribution should amount to 20% of the employee's remuneration package and could be obtained by reduction of other benefits besides the (base) salary, such as vacation pay and vacation days. We recommend careful consideration of the applicable labor law stipulations, prior to negotiation of (temporary) changes to the employment agreements.

## Calculation Payroll Support

It is expected that the employer shall carry at least 20% of the wages and receive financial support of max. 80% under the Business Payroll support plan. This contribution of max. 80% will be carried by:

- (i) SZV for max. 60%, and
- (ii) the employees for min. 20%.

For the month June 2020, the total amount of Business Payroll support will be linked to the actual loss of revenue on a one to one ratio. If the business has suffered a loss of revenue of 30%, the total Business Payroll support shall amount to 30% of the wages (as registered at SZV).

If the wages (as registered at SZV) would amount to for example \$100,000 and the business would have suffered a loss of revenue of 30% in the month June 2020 the calculation would be as follows.

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The total Business Payroll support would amount to 80% of the \$30,000, which amounts to \$24,000, and this amount would be divided between SZV and the employees' contribution. The aforementioned example would result in:

- (i) \$18,000 (60% of \$30,000) paid by SZV to the employer and
- (ii) \$6,000 (20% of \$30,000) financed out of the employees' contribution.

## **List of exempted business sectors**

Initially a list of exempted business sectors were published as annex to the Temporary Regulation on the SSRP. The list excluded employers of certain business sectors from participation in the Business Payroll Support program.). Based on the amended Temporary Regulation of the SSRP this list will no longer apply for the month June 2020. No business sectors are excluded from participation in the Business Payroll Support program for the month of June.

## **Publication of business names**

Upon completion of the application form written consent will be required from the employers that apply for the amended Business Payroll Support for the month June 2020.

Based on this unequivocal declaration the employer gives consent to publish its business name on the internet, in newspapers and the National Gazette.

The aforementioned written consent will also apply with retroactive effect for publication of the business name for the previous months in case the business has received Payroll Support for these months.

## **The Advisory Committee**

The previous text of article 8 par 6 of the Temporary Regulation on the SSRP included an obligation for the executive body (SZV) to follow advices given by the Advisory Committee on objection letters and disputes lodged by applicants for SSRP support. The obligation for SZV to mandatory follow advices given by the Advisory Committee is not in accordance with article 70, par 1 of the National Ordinance on Administrative Proceedings (in Dutch: *Landsverordening Administratieve Rechtspraak*). This has now been corrected in the revised version of the Temporary Regulation on the SSRP.

## **In closing**

We trust this information is helpful to you and recommend following [www.ssrp.sx](http://www.ssrp.sx) regularly for updates.

Should you require more information, please do not hesitate to contact us.

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### 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](mailto:lont.quincy@hbnlawtax.com)

Jojanneke Deelstra

[jojanneke.deelstra@hbnlawtax.com](mailto:jojanneke.deelstra@hbnlawtax.com)

Nicole Echobardo

[echobardo.nicole@hbnlawtax.com](mailto:echobardo.nicole@hbnlawtax.com)

Carry-Lynn Martinus

[carrylynn.martinus@hbnlawtax.com](mailto:carrylynn.martinus@hbnlawtax.com)

#### Amsterdam

Concertgebouwplein 7  
1071 LL Amsterdam  
The Netherlands  
T. +31 20 303 3020  
E. [info@hbnlawtax.com](mailto:info@hbnlawtax.com)

#### Aruba

L.G. Smith Boulevard 54  
Oranjestad, Aruba  
T. +297 583 9311  
E. [info@hbnlawtax.com](mailto:info@hbnlawtax.com)

#### Aruba

Beatrixstraat 38  
Oranjestad, Aruba  
T. +297 588 6060  
E. [info@hbnlawtax.com](mailto:info@hbnlawtax.com)

#### Bonaire

Kaya Korona 40  
Kralendijk, Bonaire  
Dutch Caribbean  
T. +599 717 6944  
E. [info@hbnlawtax.com](mailto:info@hbnlawtax.com)

#### Curaçao

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

#### Rotterdam

Weena 505  
3013 AL Rotterdam  
The Netherlands  
T. +31 10 800 5483  
E. [info@hbnlawtax.com](mailto:info@hbnlawtax.com)

#### Sint Maarten

W.G. Buncamper Road 33  
Philipsburg, St. Maarten  
T. +1 721 542 2272  
E. [info@hbnlawtax.com](mailto:info@hbnlawtax.com)

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