



Tax measures in connection with the outbreak of the COVID-19 in Sint Maarten

Introduction

Due to the outbreak of COVID-19 in Sint Maarten, the Tax Authorities and the Social & Health Insurances (hereinafter: SZV) have taken measures in order to facilitate taxpayers with their tax obligations.

In the following we will set out the tax measures taken so far. Furthermore, we will also outline the other measures taken, that can be relevant to taxpayers. We have also added the measures taken by the Central Bank of Curaçao and Sint Maarten (CBCS) to this newsflash.

Tax measures taken by the Tax Authorities and Social & Health Insurances (SZV), in light of the COVID-19 outbreak.

Tax measures taken by the Tax Authorities:

Postponement

- The deadline for the filing and payment of the provisional profit tax return 2019, will automatically be extended until June 30, 2020.
- The deadline for filing the income tax, which is normally due on May 31, 2020, will be automatically extended until August 31, 2020.

Payment of taxes and premiums

- Payments should preferably be made online through one of the bank account numbers of the Tax Administration. Please find below an overview hereof.

Bank account number:

The Windward Islands Bank

324800-03 NAF

324800-05 US\$

RBC Royal Bank

5425048 NAF

403930461 US\$

However, it remains possible to make payments at the cashier at the Government Administration building and the Public Service Center (PSC) in Simpsonbay.

For Inquiries pertaining cashiers (e.g. payment arrangements), please contact receiverscashiers@sintmaartengov.org.

Services

- Counter services of the office in the Vineyard building, are limited to the submission of documents (e.g. declarations and appeals).
- Documents that are to be picked up will be emailed. For those who do not have access to their e-mail, pick up is only allowed between 2pm and 3pm.
- Other services and information are exclusively provided by telephone or e-mail (taxinfo@sintmaartengov.org).

Tax measures taken by the SZV:

Payment of cessantia, health and social premiums

- Payments should preferably be made online through one of the following bank account numbers:

The Windward Islands Bank

Cessantia	87227202	NAF
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FZOG Premiums	22021410	NAF
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ZV/OV Premiums	87227300	NAF
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AOV/AWW Premiums	21206606	NAF
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All Premiums	81947500	USD
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RBC Royal Bank

ZV/OV Premiums	8200000403926278	
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AOV/AWW Premiums	8200000403926437	
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For inquiries related to payment, please contact fingroup@szv.sx.

Employee Mutation Form

- Employee Mutation forms can be submitted in the Drop-Off box located outside of Building 3, Level 1.

Company's registration

- Request or inquiries for company registration can be sent via e-mail to fingroup@szv.sx.

Declaration and objection

- Declarations and objections can be submitted in the drop-off box located at Building 1, Level 1 (Cashier section) or scanned copies can be sent via e-mail to fingroup@szv.sx.

Payment agreements

- Requests or inquiries regarding payment agreements can be sent via email to fingroup@szv.sx.

Payment deadlines

- The deadline for Social and Health Insurance premium payment is the 15th of each month and for the Cessantia payment it is June 30th, 2020.

Measures taken by the CBCS*

The CBCS decided to enable the financial system to finance the economy, in order to keep the economy running smoothly in these extremely difficult times. In this context the CBCS has taken the following measures:

Monetary measures

- To reduce the pledging rate by 150 basis points. The pledging rate is the rate at which the commercial banks can borrow at the Bank. Furthermore, the surcharge on the pledging rate of 200 basis points on loans exceeding NAf. 20.0 million will be suspended. Besides this measure, the Bank's overdraft facility for commercial banks will be reintroduced. Through this measure, the Bank aims at guaranteeing the commercial banks' access to liquidity in case this may be required while maintaining the cost of financing low. Thereby, the financing of the economy can be ensured.
- To lower the interest rates on Certificates of Deposit. Through this step the Bank will, within certain limits, temporarily ease the money market by absorbing less liquidity.
- To suspend with immediate effect, the extension of foreign exchange licenses for transfers abroad. This also applies for submitted applications that have not yet been granted a license. Transfers which have not been executed yet based on a granted licenses can be carried out normally. The extension of foreign exchange licenses will be resumed at a date to be determined by the Bank.

The limitation of the provision of foreign exchange licenses applies in principle to the following capital transactions when the amount is NAf. 150,000 or more:

1. Provision of a loan to a non-resident.
2. Transfers to own bank account abroad by legal entities.
3. Transfers to current account with foreign parent, subsidiary or sister company by legal entities.
4. Transfers to your own bank account abroad by natural persons.

5. Investments abroad.
6. Participation of a resident in a foreign company.
7. Distribution of dividend or profit to non-residents.
8. Early repayment of previously received loan.

For all other transfers for which a foreign exchange license is required, the foreign exchange licenses will in principle continue to be issued. Transfers abroad which do not require a foreign exchange license can be carried out as usual.

Prudential measures

CBCS will implement more flexibility to the certain supervision rules:

- Commercial banks and credit institutions will be allowed to provide a 3 to 6-month payment moratorium on interest and principles of all outstanding loans, without having to make an adequate provision. This flexibilization will take effect immediately. The CBCS will closely monitor this provision.
- Commercial banks may exceed the debt service ratio, which is currently set at 37%, to a maximum of 50%. This flexibilization will take effect immediately. The CBCS will closely monitor this provision.
- Life insurance companies and pension funds will be allowed to provide clients a 3 to 6-month payment moratorium on policy premiums without having to make an adequate provision. This flexibilization will take effect immediately. The CBCS will closely monitor this provision.
- *Please see the official announcement published by the CBCS on March 20th, 2020.

Please contact our office at the email addresses mentioned in this newsflash if you have any questions and/or need additional information. We would be pleased to assist you.

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