Ten Reasons to Invest in ST. MAARTEN

- TAX FREE LIVING: There are no property taxes, capital gains taxes, goods and services taxes, sales taxes or harmonized sales taxes. On the Dutch side, there is a onetime Transfer Tax of approximately 4% plus Civil Law notary fee (total fees are approximately 6%).

- REAL ESTATE INVESTMENTS HOLD THEIR VALUE: St. Maarten is a naturally striking place for Real Estate. With a steady increase of market value over time. Mostly immune to the U.S. and European real estate bubble bursts.

- WORLD-CLASS TELECOMUNICATIONS: St. Maarten has broadband Internet connections available everywhere from different providers through the installation of our Fiber Optic Cable. 3G networks has been introduced where one can watch movies, download music, send pictures, have live video conferences, contribute to YouTube, do social networking, remotely manage their offices – all on the go. St. Maarten also boasts of an Internet Exchange Point for large and medium transactions.

- EXCELLENT BUSINESS CLIMATE: St. Maarten allows foreign investors to operate without mandatory local partners (as in many other Caribbean countries).

- CUSTOMS DUTIES ARE ZERO ON IMPORTED ITEMS: There are no import taxes nor bureaucratic red tape. You can bring your car, furniture, boat and wine cellar.

- LEGAL RESIDENCY: This is possible with your investment towards St. Maarten.

- OFFSHORE INVESTMENT AND BANKING: Excellent investment opportunities are available with several offshore banking centers.

- MODERN INFRASTRUCTURE: The Princess Juliana International Airport (PJIA) caters to an average of 1.6 million passengers annually and 170 aircraft movements a day from the Caribbean, Europe, North, Central and South America. PJIA also offers first class services to private aircrafts from around the globe (USA, Russia and Europe) yearly. Similarly, St. Maarten boasts of world-class marinas including Yacht Club Isle de Sol, Porto Cupecoy, and Princess Port de Plaisance which draw the international jet-set. The Port of St. Maarten has also hosted 1.78 million cruise passengers in 2013. With the expansion and optimization of the Port, St. Maarten is now targeting to host the 1.8th million passenger for 2014. St. Maarten proudly serves as a trans-shipment hub for the Northeastern Caribbean and this is due to the island’s strategic location and ultra-modern cargo facilities and the provision of efficient reliable services to stakeholders and customers.

- INVESTMENT FRIENDLY CLIMATE: St. Maarten has a liberal and open investment climate with various incentives for international investors.

- SEA, SAND, SURF AND FUN: Aside from the previously mentioned reasons, St. Maarten offers warm weather, the gorgeous Caribbean Sea, sailing and boating options, exciting recreational opportunities, access to regional and international travel, gourmet dining and a unique charm.
Often referred to as the crossroads of the Caribbean, St. Maarten is located at the northern end of the Lesser Antilles, approximately 150 miles southeast of Puerto Rico with easy access from North America, Europe and Latin America. The island is just hours from New York City and two hours forty-five minutes from Miami. St. Maarten (Dutch) is 16 square miles and populated by approximately 40,000+ people; while St. Martin (French) is 21 square miles with approximately 35,000+ inhabitants.

History

The 37-square-mile island of St. Maarten was first settled by the Arawaks and was discovered by Christopher Columbus on behalf of Spain in 1493. Columbus sighted the island on November 11th, the Holy Day of St. Martin of Tours, and so named the island after him. For the next 150 years the island was passed between Netherlands, England, France and Spain. The old stone forts that guard many of the island’s inlets are proof of the island's past. In 1648 St. Maarten was peacefully divided between The Netherlands and France by The Treaty of Concordia, which was signed on March 23rd 1648.

Today, St. Maarten (Dutch)/St. Martin (French) is the smallest landmass in the world to be shared peacefully by two sovereign nations spanning over 365 years. The capital of St. Maarten is Philipsburg. While the capital of St. Martin is Marigot.
Language
The official languages of St. Maarten are both Dutch and English. The official language of St. Martin is French. English is widely spoken throughout the island. The island has over 100 nationalities, which includes Spanish, Italian, German, Russian, Indian and Chinese.

Currency
The official currency of St. Maarten (Dutch) is the Netherlands Antilles Florin (NAF); the official exchange rate is NAF 1.79 for each US Dollar (US 1.00). The official currency of St. Martin (French) is the EURO. The United States dollar is widely used and accepted throughout the island for doing business and for financial transactions.

Duty Free
St. Maarten is unique among the Caribbean islands as it enjoys a Duty Free status. There are no import or export taxes.

Medical Facilities
St. Maarten Medical Center (SMMC) manages and carries out the hospital functions of St. Maarten (Dutch). The staff is a mix of European and American trained doctors, nurses and allied medical administrative personnel. The hospital is located just five minutes away from Philipsburg, and with light traffic ten minutes from Simpson Bay/the airport and fifteen minutes from Marigot.

Calling St. Maarten
St. Maarten (Dutch) is part of the North American number plan which makes calling the island very easy. Telephone calls to St. Maarten (Dutch) from the U.S. are international calls and require the following country codes: +1 721 and the number. Telephone calls to St. Martin (French) from the U.S. are international calls and require the following country codes: +1-590-590 and the number.
TOURISM
Tourism is the primary economic pillar of St. Maarten, with multiple spin off industries that thrive. Tourism has contributed significantly to the steady rate of economic progress which the island has achieved over the last 50 years. The island boast 37 beaches, 14 casinos, hotel accommodations range from luxurious multi-story modern hotels to quaint, often personalized guesthouses. In the aftermath of Hurricane Luis (1995), investors continued to invest in St. Maarten’s tourism infrastructure through developments such as the Westin, The Caravanserai, Dunes Casino and Indigo Bay.

The overall performance of the tourism industry on St. Maarten has been maintained with continuous marketing strategies, improvements to our arrival portals (airport and harbor) and our unique gastronomy and ethnicity. During the year 2013 there was a total of over 2.2 million tourists that visited St. Maarten.
Nightlife and Entertainment

Bars come in all shapes and sizes, from rickety rum shops to neon streaked nightclubs. Gamble and dance around the clock in Simpson Bay. In downtown Philipsburg, salsa dancers spill out of clubs and bars. Free entertainment and zouk (Creole for partying) abounds. Most restaurants and beach bars host beachside barbecues with steel bands, native music and folk dancing. Afterwards, hit the slots or the big game tables at the island 14 casinos.

Restaurants and Dining

St. Maarten the Gourmet Capital of the Caribbean has a strong concentration of top-notch restaurants. Ignite your palate with such island specialties as crabe farci (stuffed crab) or accras (cod fritters).

Wash them down with local juices: mango, guava, papaya or less familiar flavors such as tangy tamarind. Mix with the locals for a hearty and delicious helpings of barbecued ribs, lobster, chicken or fish grilled on split metal drums to summon up the gastronomy of the Caribbean.

Shopping

Browse duty-free shops in Philipsburg for cameras, watches and St. Maarten Guavaberry rum. On Front Street there is a wide array of high-end stores from Tiffany’s and Cartier to Long Champ and Michael Kors. Day-trippers head to Marigot from the Dutch side to browse the French Riviera-inspired boutiques with their striped awnings and wrought-iron balconies. Harbor side, a lively morning market buzzes with vendors selling spices, fruit and handicrafts. Wander the curved staircases in Le West Indies Mall to browse brand name boutiques, from Escada to Lacoste.
From a tiny U.S. military airstrip in 1942, in the thick of World War II, to an ultra-modern international airport in 70 years; The Princess Juliana International Airport (PJIA) has developed by leaps and bounds one of the busiest airport in the region. With an average of 1.6 million passengers passing through yearly, and 170 aircraft movements a day from the Caribbean, Europe, North, Central and South America.
Princess Juliana International Airport (PJIA) is the airport of St. Maarten, and is known to the world for its unique aircraft landings. The PJIA's position is at Longitude 63.1W and Latitude 18.3 N. PJIA is the second busiest airport in the northeastern Caribbean and serves as a hub for the islands of Anguilla, St. Barths, Saba, St. Eustatius and other destinations in the northeastern Caribbean.

From its inception, PJIA has spurred growth, leading St. Maarten being one of the top destinations in tourism.

- In 2006, a new modern state of the art terminal was completed, with upgrades to the airport which included Air Traffic Control, Radar System upgrades and improvements to the taxi ways and apron.

- In 2008, the PJIA completed the airport runway and safety area project, rerouted the road in front of the airport terminal and expanded the parking lot.

PJIA's four-level, ultra-modern facility is fully air-conditioned, featuring twelve (12) boarding gates, four (4) passenger loading bridges, Common Use Terminal Equipment at every check-in counter, and twelve (12) Common Use Self-Service Check-in kiosks.

In late 2012, PJIA was granted a Baa2 rating with a stable outlook by Moody’s Investors Service, and is the first Government-owned company to be so rated. This has paved the way for PJIA to issue a US$132 million bond, underwritten by Nomura Securities International. The bond issue would permit the PJIA to diligently pursue its multi-million dollar Capital Improvement Program which includes the:

- Rehabilitation of the runway
  - the old asphalt being removed and fresh asphalt laid on the entire runway 5 cm thick.
  - helicopter and Private Jets parking area enlarged.
  - energy saving (LED) lights being implemented.
  - angle of the bypass adjusted for flights to go back to the hanger if necessary.
  - Fuel farm being relocated and fuel capacity increased. Fuel will also be bunkered at the new location to ensure quick delivery of fuel. (2014)

- Relocation of present aviation service companies to the area that is currently the MET office.
- MET office moving adjacent to the Air Traffic Controllers.
- Building of a new Fire department (2015)
- Renovations to the existing Cargo Building at current location (2014)
- Building of a Police Holding Facility.
- Moving all Car Rental facilities to one central area, which will be determined once land has been reclaimed in the Simpson Bay area.
THE PORT
OF ST. MAARTEN
The Dr. A.C. Wathey Cruise & Cargo Facility on St. Maarten (Dutch), is the North Eastern Caribbean's leading Cruise & container port. St. Maarten's pristine harbor is strategically located, providing a perfect gateway from major cities around the world. The island prides itself on its beautiful Port, its many facilities and amenities, which include transshipment from major international and Caribbean hubs, shopping, ground and water transportation.

St. Maarten has become a premier destination that enjoys high cruise customer satisfaction ratings. To accomplish this, St. Maarten improved its port facilities by the addition of a second cruise pier; which accommodates the largest cruise vessels in the world (Allure of the Seas and Oasis of the Seas).

In the future, the Harbor will be moving forward with the construction of a Dutch village, rearranging of Pier 1 and possibly the expansion of pier 2. Home porting is also one of the avenues St. Maarten wants to explore with the intention of increasing pre/post stay on the island by 20-30%.

**THE HUB FUNCTION**

At the Port of St. Maarten, The Captain David Cargo Quay and Cargo South Quay proudly serves as a trans-shipment hub for the Northeastern Caribbean. Its ultra-modern cargo facilities and the provision of efficient, reliable services to stakeholders and customers enhances its position as a leader in the transshipment industry. Some of the major cargo lines servicing St. Maarten are Bernuth, CAGEMA, CMA-CGM, Crowley Lines, Steam Lines, Seatrade Seaboard Marine Lines and Tropical Shipping.
Heineken Regatta

The St. Maarten Heineken Regatta is a yacht race that is held every year on St. Maarten during the first week of March. The Regatta is both named after its location and sponsor; St. Maarten and Heineken. Its slogan of “Serious Fun” represent the two sides of sailing in the Caribbean. The racing and parties are of course memorable, but the overall atmosphere of the event is very much appealing. In 1980 the St. Maarten Heineken Regatta began with a modest 12 entries and has matured to include over 280 participants in 2013. With over 32 different nationalities present and approximately 3000 sailors gracing our shores, this event has grown to staggering proportions.

St. Maarten Heineken Regatta is internationally known and has reached a milestone, becoming the premier sailing event in the region. In 2014 the Heineken Regatta will celebrate its 34th year. Boats allowed in the race are: Spinnakers, Non-Spinnakers, Bareboat, Multihull, Gun Boat, Open Class.

St. Maarten Carnival

Carnival is an important cultural event on the island of St. Maarten. St. Maarten’s Carnival is about culture, concerts, cuisine, parades and parties. The main attraction remains its parades with spectacular costumes and floats. The cuisines available in Carnival Village caters to your every culinary delight. It is prepared by persons representing every nationality that makes up the melting pot that lives on St. Maarten. From St. Maarten’s own barbecue chicken/ribs, Johnny cakes, conch and dumplings to delicacies from Suriname, Trinidad, Dominica, India and Curacao; if you want it, the Carnival Village has it. St. Maarten’s Carnival truly gives you an experience of your life. No wonder you are being encouraged to “Come, Experience Life!”.
The Causeway Bridge is another major infrastructural project that began December 2012, and was completed December 2013. The Causeway Bridge is intended to relieve traffic congestion in the Simpson Bay area and create a quick link to St. Martin (French). The Causeway Bridge connects from the north of Port de Plaisance Yacht Club to the Princess Juliana International Airport runway. The Causeway Bridge is 28 feet high off the water, with two lane traffic.
TELECOMMUNICATIONS

In 2004, the Government of St. Maarten invested approximately 15 million US Dollars on the purchasing and installation of a Fiber Optic Cable, to enhance telecommunication industry of the St. Maarten. The Fiber Optic Cable has 8 pairs of strands; and one pair can operate 40,000 calls simultaneously.

The TelEm Group is the main telecommunications provider for St. Maarten.

The company and its subsidiaries are responsible for the island’s local fixed network and provides a suitable working telecommunications infrastructure for third party concession holders.

The TelEm Group is a premier digital mobile provider (TelCell) offering a range of mobile voice and data services as well as 2G and 3G roaming with partners in over 150 destinations worldwide. They provide (ISP) Internet Service Provider services and the fastest ADSL internet speeds to customers throughout St. Maarten (Dutch).

The core of their international backbone is provided by Smitcoms N.V. via the company’s fully-owned SMPR-1 fiber optic cable, which facilitates high quality, reliable connectivity between various POP’s in Miami, Puerto Rico, St. Maarten and Curacao. Through this network, TelEm Group offers dedicated capacity, IP based services and also functions as a regional Internet hub and gateway.

St. Maarten can provide you with all the necessary ingredients to help your company expand, increase its returns and improve its market position a perspective that is definitely worth a closer look.

EDUCATION

Education on St. Maarten is compulsory between the ages of 4 and 18, and has a fairly high literacy rate. The system is predominantly comprised of the European System, however there are a number of private schools that have adopted American, British and Canadian Systems. Many students continue their college and University education, in the Netherlands, United States or locally at the University of St. Martin.
ROAD NETWORK AND UTILITIES
NV GEBE, or Gemeenschappelijk Elektriciteitsbedrijf Bovenwindse Eilanden, is the sole utility company producing and distributing electricity and water on St. Maarten, Saba and St. Eustatius. GEBE strives to be the leading utility company in the Caribbean by providing high quality and reliable electricity, water and waste water management services to the Dutch Windward Islands. This is being done in a customer oriented and cost effective manner, with a skilled team of professionals that strives to exceed expectations, taking safety and the environment into account. In the future, St. Maarten hopes to introduce a new energy policy and see electricity being generated by renewal and green energy. Hopefully, 20 to 25 percent of the electricity on St. Maarten will come from alternative sources such as our present landfill.

GEBE is also in the process of dismantling the agreement of producing electricity and water between St. Maarten, St. Eustatius and Saba. As of January 1st 2014, GEBE is solely owned by the Government of St. Maarten.

ROAD NETWORK

St. Maarten has a long term road network plan which is being implemented in phases. The new road networks are structured to alleviate traffic, to keep abreast of new and ongoing developments, population growth, increasing tourist numbers and the port expansion. The proposed Ring Road (see in red) around the Great Salt Pond, is one of the road infrastructure improvements for the greater Philipsburg area.

St. Maarten's infrastructure has gone through significant changes, with beautification work done in the capital Philipsburg and surrounding districts. Drainage was also upgraded in many districts to alleviate water from staying on the roads. Upgrade to St. Maarten's infrastructure has also occurred in the telecommunications sector with the landing of the Fiber Optic cable from Puerto Rico in 2004 and most recently a second cable in 2013.
St. Maarten is an autonomous country within the Kingdom of the Netherlands, with full autonomy for internal affairs. The role of the Kingdom is limited to defense, foreign affairs and the court of appeals in the Hague.
St. Martin (French) was for many years a French commune forming part of Guadeloupe, (which is an overseas region and department of France), and is therefore in the European Union.

In 2003 the population of St Martin (French) voted in favor of secession from Guadeloupe in order to form a separate overseas Collectivité (COM) of France. On 9th February 2007, the French Parliament passed a bill granting COM status to both St. Martin and (separately) the neighboring Saint Barthélemy. The new status took effect once the local assembly was elected on 15th February 2007. St. Martin (French) remains part of the European Union.

LEGAL SYSTEM

The legal system is based on Dutch Civil Law with some English Common Law influence. The main body of Civil Law is the Civil Code. Nearly all laws and regulations are to a large extent based on their equivalent in the Netherlands. The Netherlands supports the judiciary in the Caribbean region of the Kingdom and is helping to maintain the regional Coast Guard and the RST [Recherche Samenwerkingsteam], a team of criminal investigators from the Netherlands, the former Netherlands Antilles and Aruba.

St. Maarten has a Court of First Instance and a Court of Appeal of Aruba, Curacao, St. Maarten, Bonaire, St. Eustatius and Saba that is also established in St. Maarten. The Supreme Court for St. Maarten is the Supreme Court in The Hague (“Hoge Raad”), the Netherlands, which is also the Supreme Court for Aruba, Curacao, the BES islands and the Netherlands itself.

As is the case in the Netherlands, the principles of “reasonableness and fairness” (redelijkheid en billijkheid) are an important factor in the civil relations between parties. Contracts can be enforced, either when they are merely oral or when put in writing. The Civil Code offers important protection to relatively vulnerable parties in contractual relations, such as employees in labour law and consumers when buying goods or acquiring services from professional providers.

Executive branch
The monarch is hereditary; Chief of state is Willem - Alexander Claus George Ferdinand of the Netherlands, represented by a Governor General appointed by the monarch for a term of six-years.

Legislative branch
The Government type is that of a parliamentary system. Unicameral parliament or Staten (15 seats; members elected by popular vote for four-year term).

Judicial branch
The highest court(s): Joint Court of Justice of Aruba, Curacao, St. Maarten, and of Bonaire, St. Eustatius and Saba or "Joint Court of Justice" (consists of the presiding judge, other members, and their substitutes); final appeals are heard by the Supreme Court, in The Hague, The Netherlands.
The economy of St. Maarten is expected to show positive growth in the coming years. Several large investments are planned in the private sector. Also a number of public sector companies, such as the Port of St. Maarten, GEBE the island’s utility company, the PJIA airport as well as the Government of St. Maarten are planning significant infrastructural projects. These new investments send out a strong message towards investors about an increased confidence in the economy of St. Maarten. There are several investments opportunities on the island. Below, we list some potential areas. These investment opportunities have been identified based on research and meetings with entrepreneurs and public sector officials on the island.
Medical Services
Consumption of health services in high income countries has been increasing rapidly, with the aging of the population and a trend of privatization in health services. For St. Maarten, there are opportunities for private clinics catering to patients from abroad for specialized treatment. The availability of an existing hospital, a medical school combined with a robust tourism sector with good air connections, create a good and healthy climate with favorable conditions for medical tourism on the island.

Light Manufacturing
St. Maarten is a prime location to establish off-shore manufacturing facilities. Its strategic connections with Europe, and strategic location to the Caribbean, Latin American and United States make it a prime location. As an added advantage the Dr. A. C. Wathey Cruise & Cargo Facility is a modern state-of-the-art cargo and container transshipment terminal which allows for shipment, manufacturing and assembly plants located on the island. The island has several vocational and technical programs, that can supply the demand for skilled labor in the light industries sector.

Electronics Manufacturing
Operating a successful electronics manufacturing facility is a great opportunity on St. Maarten. The island's strategic location, a supply of young workers, modern transportation, no Customs or Import Duties, and Tax Holiday incentives allowing for materials and goods to be imported and exported without paying any taxes.

Training and Education
The establishment of a medical university in St. Maarten shows that it can make economic sense to provide international training and education to non-residents. Such an investment opportunity might be combined with organizing international seminars, congresses and local training opportunities on the island. A focus on medical services would allow for a synergy between investments in training, Education and Medical Tourism.

Boutique Hotels
In the market for stay over tourism, there is a demand for hotels offering luxury facilities in a unique or intimate setting with full services. Such boutique, design or lifestyle hotels cater to upscale tourism. This type of tourism already exists on St. Maarten in some form because of the presence of luxury villas and mega yachts. However, there is still sufficient room within this niche market for further developments. This high-end market seems more resilient against economic fluctuations. Also, tourists on their way to Anguilla or St. Barths could be attracted to stay over on St. Maarten.

Second Homes
The island offers a variety of second home options including luxurious condominiums, villas, and private full service marinas that can host mega yachts. Additionally, there are several international airlines and direct flights, also with the option for private jets which make travel to the island very easy. The proximity of St. Maarten to the United States, and direct flights from Europe, along with a host of entertainment, shopping, island hopping has St. Maarten to be an oasis for persons and families desiring to have a second home. There are no limitations or barrier to purchasing or owning property on the island.

Green Initiatives
St. Maarten is committed to developing and pursing a range of sustainable energy programs. The country is developing an Energy Policy targeted at developing alternative energy sources, expanding business opportunities in the energy sector, increasing energy efficiency and managing our demand on fossil fuel. Combined with no Custom or Import duties, tax incentives, good investment and business climate, there are opportunities for private sector developers who wish to pursue projects.

Other Opportunities
- Information and data processing services
- Jewelry manufacturing
- Small appliance manufacturing
- Shoemaker and garment manufacturing
- Personal care and cosmetic products
- Tool assembly and manufacturing
- Toy assembly
HOW TO START A BUSINESS

The issuance of a Business License is based on the Business Licenses Ordinance "Vestigingsregeling voor Bedrijven".

1. A business can be established on St. Maarten in the form of a sole proprietorship, a limited liability company (N.V or B.V.) or any other form regulated in the Civil Code. The issuance of Business and Director Licenses is based on the ordinance regulating the Establishment of Businesses ("Vestigingsregeling voor Bedrijven, P.B. 1946, no.43).

2. A Business License is required for:

- Persons of Dutch nationality not born on the former Netherlands Antilles (St. Maarten, Curacao, Aruba, Bonaire, Saba, St. Eustatius etc.);
- Persons of foreign nationality;
- A limited liability company (NV/BV) or other entity;
- A director of foreign nationality/or not born in the former Netherlands Antilles of Dutch nationality;
- A locally established limited liability company or sole proprietorship.

3. The articles of incorporation for a Limited Liability company is established by a Notary at Law.

- The notary submits to the Minister of Tourism Economic Affairs, Transport & Telecommunication, the request for a Business and Directors’ License along with all other required documents on behalf of the client.
- Applicants are required to pay a non-refundable Processing Fee with the application.

- After obtaining a Director’s License, a Residency Permit is required for the foreign director who intends to reside on the island; the request for the Residency Permit must be submitted to the Department of Immigration, Border Protection Services.

- For certain types of businesses an Operational License is required in addition to the Business License.

The request for the operational license must also be submitted to the Minister of Tourism Economic Affairs, Transport & Telecommunication, via the Department of Economic Licenses.

TAX INCENTIVES

The tax system of St. Maarten is regulated under the National Ordinance on General National Taxes and the National Ordinance on Income Tax. The taxes levied in St. Maarten include:

- Corporate Income Tax, also referred to as Profit Tax (winstbelasting)
- Personal Income Tax (inkomstenbelasting)
- Wage Tax (loonbelasting)
- Turnover Tax (belasting op bedrijfsmijzetten)
- Transfer Tax (overdrachtsbelasting)
- EU Savings Tax (spraakvermogensheffing)

Although Land and Occupancy Tax (grondbelasting), Inheritance and Gift Tax (successiebelasting) exist in St. Maarten’s legal tax system, these taxes are not enforced.

St. Maarten does not levy Import Duties, Excise Tax, Net Wealth Tax, Capital Tax nor with-holding taxes on Dividends, Interest and Royalty payments.
Turnover Tax (TOT) is levied on the turnover realized from the sale of goods and the rendering of services at the rate of 5%. The TOT is a cascade tax or cascading tax that is applied at every stage in the supply chain, without any deduction for the tax paid at earlier stages. However, the TOT is 90% deductible for the calculation of the taxable profit for profit tax purposes. The tax is calculated on the total amount charged (including the turnover tax) for the supply of goods or the rendering of services. The tax is levied on entrepreneurs or persons exploiting an asset to obtain income from that asset in St. Maarten. In addition, services carried out by non-resident entrepreneurs for customers resident in St. Maarten are deemed to be performed in St. Maarten.

**Tax Holiday | Application Procedures**

1. Tax Holiday request forms should be addressed to the Governor and should include a ANG 25,- stamp.

2. Detailed business plan of the project (basic business plan requirements are described in the Guidelines).

3. Incomplete forms are not taken into consideration.

4. If required, relevant information; (maps, drawings, etc) may be attached.

5. The requestor may have the opportunity to give an extra presentation.

**Tax Incentives**

The Corporate Income Tax offers various tax facilities and investment incentives, which include:

- **Investment allowance**: when an amount exceeding NAF 5,000 is invested in the acquisition or improvement of capital assets to be used by the taxpayer in St. Maarten. Under the investment allowance, 8% of the invested amount may be deducted from the profit of that year and the following year. This allowance is increased to 12% when the investment is made for the construction of new buildings or the improvement of existing buildings.

If the asset is transferred within 6 years (or 15 years for buildings), the investment allowance is recaptured by adding 8% (12% in the case of new buildings) to the profits of the year in which the asset was sold and the following year, with a maximum of the amount previously deducted as investment allowance.

- **Exempt limited liability company** (“vrijgestelde vennootschap”): A private limited liability company (BV) incorporated in St. Maarten that nearly exclusively invests in debt instruments, securities, deposits or provides licensing activities is exempt from tax, provided certain criteria are met;

- **Special tax regime for shipping and aviation**: Companies engaged in shipping and aviation business, including the letting and freighting of seagoing ships or aircraft, are subject to a favorable tax treatment. Under this special tax regime, 80% of the profit is deemed to be earned outside St. Maarten and is taxed against one tenth of the normal corporate income tax rate, while the remainder of the profit is taxed under the normal tax regime, resulting in an overall effective tax rate of approximately 9%.

Furthermore, shipping companies that exploits sea going vessels may opt for the tonnage-regime. Instead of the actual profit, the tax is calculated based on the gross registered tonnage of ships;

- **Tax Holiday for manufacturing industries, land development corporations, hotels and businesses**: For certain companies that contribute to the broadening of the economic base of St. Maarten, a special tax facility is available. A Tax Holiday can be obtained upon request and will be granted if specific requirements are met.

Companies which have been granted a Tax Holiday enjoy a temporary reduced corporate income tax rate of at least 2%. Furthermore, losses incurred during the first four years of business can be carried-forward indefinitely.
LABOR REGULATIONS

There are several labor agreements that fall under St. Maarten's labor legislation:

1. The agreement of contracted work
2. The agreement for the performance of specific services
3. The working agreement

The working agreement is an agreement whereby one party (the employee) commits him or herself to perform work in the employ of the other party (the employer) for wages during a specific period of time.

It is required by law that all companies established on St. Maarten, register their business and employees. The business receives a Proof of Labor registration, after the business and employees have been registered at the Department of Labor Affairs. The registration of the company should be updated on a yearly basis.

Workers must first have legal residency and permission to work on St. Maarten. Documentation can be sought at the Immigration, Border Protection Services Department (Residency) and at the Labor Affairs Department (Employment Permit). Persons must be 16 years and older to register; persons younger than 18 years will require permission from a parental figure or legal guardian.

There are provisions made in the Minimum Wages Ordinance that regulates and protects the wages of workers. Wages are based on what is customarily paid in the relevant sectors. Parties are free to negotiate wages individually or by Collective Labor Agreements. However, the wage paid may not be less than the stipulated minimum wage.

The minimum wage is expressed in an hourly minimum wage. The minimum weekly wage is calculated by multiplying the number of hours worked per week by the hourly minimum wage, while the monthly minimum wage is calculated by multiplying the weekly minimum wage by 4.33.
**Production & Prices**

Consumer Price Index (% change)

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**Tourism**

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**Exchange Rates**

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**External Accounts (millions NAF)**

<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Balance (Merchant Export- import)</td>
<td>-4.56</td>
<td>170.24</td>
<td>N/A</td>
</tr>
<tr>
<td>Merchandise exports</td>
<td>227.2</td>
<td>234.0</td>
<td>346.0 (e)</td>
</tr>
<tr>
<td>Merchandise imports</td>
<td>1,313.2</td>
<td>1,374.6</td>
<td>1,678.0 (e)</td>
</tr>
<tr>
<td>Tourism exports</td>
<td>1,287.3</td>
<td>1,506.5</td>
<td>1,571.0 (e)</td>
</tr>
<tr>
<td>Tourism imports</td>
<td>158.3</td>
<td>164.4</td>
<td>156.2 (e)</td>
</tr>
<tr>
<td>Net Tourism</td>
<td>1,128.96</td>
<td>1,342.10</td>
<td>1,414.80 (e)</td>
</tr>
</tbody>
</table>

**Bank lending (millions NAF)**

<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>6,196,840</td>
<td>7,191,718</td>
<td>5,644,272 (e)</td>
</tr>
<tr>
<td>Deposits</td>
<td>7,853,065</td>
<td>7,449,489</td>
<td>6,195,619 (e)</td>
</tr>
</tbody>
</table>

**Public Finances (million NAF)**

<table>
<thead>
<tr>
<th>Type</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditures</td>
<td>402.5</td>
<td>450.8</td>
<td>422.0 (e)</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>407.7</td>
<td>434.2</td>
<td>426.9 (e)</td>
</tr>
</tbody>
</table>
### Real Estate

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coldwell Bankers</td>
<td>Walter J. Nisbeth Road #73</td>
<td>+1 721 542 2636</td>
</tr>
<tr>
<td></td>
<td>Philipsburg St. Maarten</td>
<td></td>
</tr>
<tr>
<td>REMAX</td>
<td>Welfare Road #62</td>
<td>+1 721 544 4580</td>
</tr>
<tr>
<td></td>
<td>Cole Bay St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Tendal Real Estate</td>
<td>Welfare Road #87 B</td>
<td>+1 721 542 2963</td>
</tr>
<tr>
<td></td>
<td>Cole Bay St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Sunshine Properties</td>
<td>Welfare Road #93</td>
<td>+1 721 544 2976</td>
</tr>
<tr>
<td></td>
<td>Cole Bay St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Century 21</td>
<td>Welfare Road #64</td>
<td>+1 721 544 2401</td>
</tr>
<tr>
<td></td>
<td>Cole Bay St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Island Real Estate Team</td>
<td>Welfare Road #91</td>
<td>+1 721 544 4240</td>
</tr>
<tr>
<td></td>
<td>Cole Bay St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Platinum Vacation Properties</td>
<td>Welfare Drive #6</td>
<td>+1 721 544 5140</td>
</tr>
<tr>
<td></td>
<td>Cole Bay St. Maarten</td>
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</tr>
<tr>
<td>Key Real Estate</td>
<td>Welfare Road #40B</td>
<td>+1 721 544 4449</td>
</tr>
<tr>
<td></td>
<td>Cole Bay St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Jennifer Vacation Villas</td>
<td>Plaza Del Lago #14</td>
<td>+1 721 544 3107</td>
</tr>
<tr>
<td></td>
<td>Simpson Bay Yacht Club</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cole Bay, St. Maarten</td>
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</tr>
</tbody>
</table>

### Notaries

<table>
<thead>
<tr>
<th>Notary</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notary SPS</td>
<td>Front Street #5</td>
<td>+1 721 542 2339</td>
</tr>
<tr>
<td></td>
<td>Philipsburg St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Notary Office Boekhoudt</td>
<td>Steeman Professional Office Park Osprey</td>
<td>+1 721 542 9926</td>
</tr>
<tr>
<td></td>
<td>Unit 2B, Philipsburg St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Mingo Civil Law Notary Office</td>
<td>Fouress Building Ste 4D</td>
<td>+1 721- 542- 2684</td>
</tr>
<tr>
<td></td>
<td>Emmapplein, St. Maarten</td>
<td></td>
</tr>
</tbody>
</table>

### Banking

<table>
<thead>
<tr>
<th>Bank</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Caribbean International Bank</td>
<td>Back Street #38</td>
<td>+1 721 542 3511</td>
</tr>
<tr>
<td></td>
<td>Philipsburg, St. Maarten</td>
<td></td>
</tr>
<tr>
<td>RBC Royal Bank</td>
<td>C. A. Cannegieter Street #24</td>
<td>+1 721 546 7288</td>
</tr>
<tr>
<td></td>
<td>Unit 2B, Philipsburg St. Maarten</td>
<td></td>
</tr>
<tr>
<td>Bank of Nova Scotia</td>
<td>Back Street #54</td>
<td>+1 721 542 2262</td>
</tr>
<tr>
<td></td>
<td>Philipsburg St. Maarten</td>
<td></td>
</tr>
</tbody>
</table>
BANKING

The Windward Islands Bank
Clem Labega Square
Philipsburg, St. Maarten
Tel: +1 721 542 2313

Central Bank of Curacao and St. Maarten
Walter J. Nisbeth Road #25
Philipsburg St. Maarten
Tel: +1 721 542 3520

ORCO BANK
Union Plaza F, Union Road #139 . Cole Bay St. Maarten
+1 721 544 4744

OBNA BANK
C.A. Cannegeieter Street #11D
Philipsburg, St. Maarten
+1 721 542 2343

BECM
Union Road #133
Tamarind Plaza, Cole Bay St. Maarten
Tel: +1 721 546 0609

GOVERNMENT
www.sintmaartengov.org

Minister of Tourism, Economic Affairs, Transportation and Telecommunication
Clem Labega Square
Philipsburg St. Maarten
Tel: +1 721 542 4672

St. Maarten Chamber of Commerce & Industry
Cannegieter Street #26
Philipsburg St. Maarten
Tel: +1 721 542 3595

Department of Fiscal Affairs. W.G. Buncamper Road #33.
Philipsburg St. Maarten
+1 721 542 2143
ext 1246/ 1251

Department of Economic License
Zout Steeg #3
Philipsburg St. Maarten
+1 721 542 2986

Labor Affairs & Social Services
Walter J. Nisbeth Road #57
Philipsburg St. Maarten
Tel: +1 721 543 7510

Department of Economic License
Zout Steeg #3
Philipsburg St. Maarten
+1 721 542 2986

Department of VROMI
Sevance Building
Philipsburg St. Maarten
+1 721 542 4289

Ministry of Finance
Clem Labega Square
Philipsburg St. Maarten
Tel: +1 721 542 2026

Department of Labor & Social Development
Cannegieter Street #46
Philipsburg, St. Maarten
+1 721 542 3704

Immigration, Border Protection Services
A. Th. Illidge Road #8
St. Maarten
+1 721 543 0355/0365