

An aerial photograph of a tropical beach. The top half of the image shows clear, turquoise water with a person swimming in the upper right. The middle section shows white waves washing onto a wide, white sandy beach. The bottom half of the image shows the texture of the sand, with some driftwood visible in the lower left corner.

# INVESTMENTGUIDE

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SINT MAARTEN

INVESTING IN TOMORROW

MINISTRY OF TOURISM, ECONOMIC AFFAIRS, TRAFFIC AND TELECOMMUNICATION

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GOVERNMENT OF SINT MAARTEN

# WELCOME TO SINT MAARTEN



# FOREWORD

We welcome you to our Gem in the Caribbean, commonly referred to as the Friendly Island. St. Maarten will be your gateway to the Caribbean and all its lustrous opportunities. A modern, open economy that welcomes new investments that will spark innovation and growth. Our world renowned Princess Juliana International Airport (PJIA) will be your entry way and our award winning Port St. Maarten will furnish you with over 1.5 million potential clients while seamlessly managing your business needs. With continuous year-over-year economic growth, St. Maarten is a stable economy for investment across multiple industries.

Our diverse, educated multilingual population is ready to welcome new investors from near and far. Our proximity to North and Latin America as well as our relationship with Europe, as a constituent country within the Kingdom of the Netherlands, makes St. Maarten an attractive access point to the world.

With daily flights from the North American, European, Caribbean and Latin American regions which brings visitors from all over the world to our shores, St. Maarten has earned a reputation as one of the best tourist destinations in the world. St. Maarten provides you with an ideal location for investments in niche tourism and regional commerce.

We promise a Caribbean life with a modern twist; as we continuously improve our telecommunication infrastructure, which unlocks other avenues for opportunities of investments. Moreover, as St. Maarten galvanizes its commitment to a cleaner environment, we welcome new investments in renewable resources and encourage you to make St. Maarten your location for piloting renewable technologies.

St. Maarten's stable economy, dynamic population and growing tourism industry coupled with the unique blend of Caribbean cosmopolitan lifestyle and vast renowned gastronomy makes the island the best location for new investments and quality living.

I encourage you to peruse our Investment Guide as I am certain that it will entice, inform and motivate you to make your next investment on St. Maarten and possibly become your new Home in the Caribbean.

Miguel de Weever, MA

Secretary General, Ministry of Tourism,  
Economic Affairs, Traffic and Telecommunication

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# ABOUT ST. MAARTEN

St. Maarten is an autonomous country within the Kingdom of the Netherlands, with full autonomy of its internal affairs. The role to the Kingdom is limited to Defense and Foreign Relations and Supreme Court Appeals in the Hague. As the smallest landmass peacefully shared between two states, St. Maarten borders St. Martin, a French Collectivity. The peaceful coexistence between the two sides and open borders creates an additional market for investors. Why service only one market when you can service two?

## HISTORY

The 37-square-mile island of St. Maarten was first settled by the Arawaks prior to the arrival of Christopher Columbus in 1493. Upon sighting the island on November 11th, the holy day of St. Martin of Tours, Columbus claimed the island for the Spanish crown, naming it St. Martin in honor of the holy day. For the next 150 years, the island was fought over by the Spanish, English, Dutch and French until the island was peacefully divided between the Netherlands and France on March 23rd 1648 by the Treaty of Concordia. To this day, Fort Amsterdam guards the island's inlets and serves as a reminder of the St. Martin's past.

350 years since the signing of the Treaty of Concordia, St. Maarten/St. Martin is the smallest landmass in the world to be shared peacefully by two sovereign nations. Neatly positioned in the Northeast Caribbean, St. Maarten can be considered the crossroads of the Caribbean. Investing on St. Maarten is an investment in one of the most historical and unique countries in the world.

## LEGAL STRUCTURE

St. Maarten is a constituent country within the Kingdom of the Netherlands, a constitutional monarchy represented locally by the Governor. Executive powers lie within the Government, led by the Prime Minister. The Legislative powers lie within the Parliament of St. Maarten which the Judiciary is independent of both the Executive and Legislative Branches.

With a legal system based on Dutch Civil Law, St. Maarten's main body of civil law is the Civil Code. Most laws and regulations related to doing business can be found in the Civil Code. In contractual agreements, the principles of reasonableness and fairness are vital factors in civil relations between parties. Contracts can be enforced in writing or by verbal agreement. The Civil Code offers protection mechanisms for relatively vulnerable parties in contractual relations, such as employees in labour law and consumers when buying goods or acquiring services from professional providers.

Contractual disputes can be taken to the Court of First Instance. Appeals can be taken to the Joint Court of Justice of Aruba, Curacao, Sint Maarten and of Bonaire, Saint Eustatius and Saba. Appeals to decisions by the Joint Court of Justice can be taken to the Supreme Court of the Netherlands, the highest court within the Kingdom of the Netherlands.



# WHY TO INVEST IN ST. MAARTEN?



# TOP 10 REASONS

- 1 Tax Beneficial: St. Maarten does not impose property taxes, capital gains taxes, goods or services taxes.
- 2 With an open economy, St. Maarten allows investors to establish businesses without mandatory local partners.
- 3 An investment in St. Maarten may allow you legal residency on the island.
- 4 St. Maarten imposes zero customs duties on imported goods, so you can easily bring your car, boat or wine cellar.
- 5 St. Maarten's investor friendly climate offers various incentives for investors
- 6 Buying and selling of real estate only incurs a 4% Transfer Tax along civil notary fees.
- 7 Real estate investments on St. Maarten retain their value and increase overtime compared to investments in U.S. and European markets.
- 8 St. Maarten's world-class telecommunication infrastructure, with fiber optic backbone, will keep you connected to the world at all times.
- 9 Outstanding offshore banking centers provide all facilities for offshore investment and banking.
- 10 Daily flights to North America, South America and Europe via award winning SXM Airport. SXM Airport offers first class service to commercial and private aircrafts entering St. Maarten.

Aside from the previously mentioned reasons, St. Maarten is a naturally striking place for real estate investment. 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. St. Maarten is a very attractive place to invest in real estate for many of the obvious reasons mentioned above: the weather, gorgeous Caribbean Sea, sailing/boating, great airport, recreational opportunities, regional and European travel possibilities, gourmet dining, interesting character of the bifurcated nation.



# INNOVATION WELCOMED

## SECTORS FOR INVESTMENT

The Government of St. Maarten has identified a number of priority sectors for investment. The sectors have been identified based on assessments in the following areas:

- Estimated Return on Investment
- Domestic resource availability
- Human resource availability
- Training facilities

# IF YOU HAVE AN IDEA, WE CAN FACILITATE.

## RENEWABLE ENERGY

Year round sunshine, wind and access to water make St. Maarten a prime location for investments in renewable energy.

## ICT

With continuous investments in fiber-to-the-home and fiber-to-the-business projects, St. Maarten's telecommunication infrastructure is ready to the ideal location for new tech initiatives.

## LIGHT MANUFACTURING / AGRO PROCESSING

With half a million stay-over visitors and 1.9 cruise passengers annually, and a host of restaurants and businesses there is market for locally produced products. From exotic lotions to local food, all sourced from the island or surrounding islands, there is a market.

**Education**

Agro Processing  
Business Process Outsourcing  
Agro Processing  
Data Processing  
Niche Tourism  
**ICT**  
Renewable Energy

Agro Processing

Education

**Cosmetic Products**

Data Processing

**Niche Tourism**

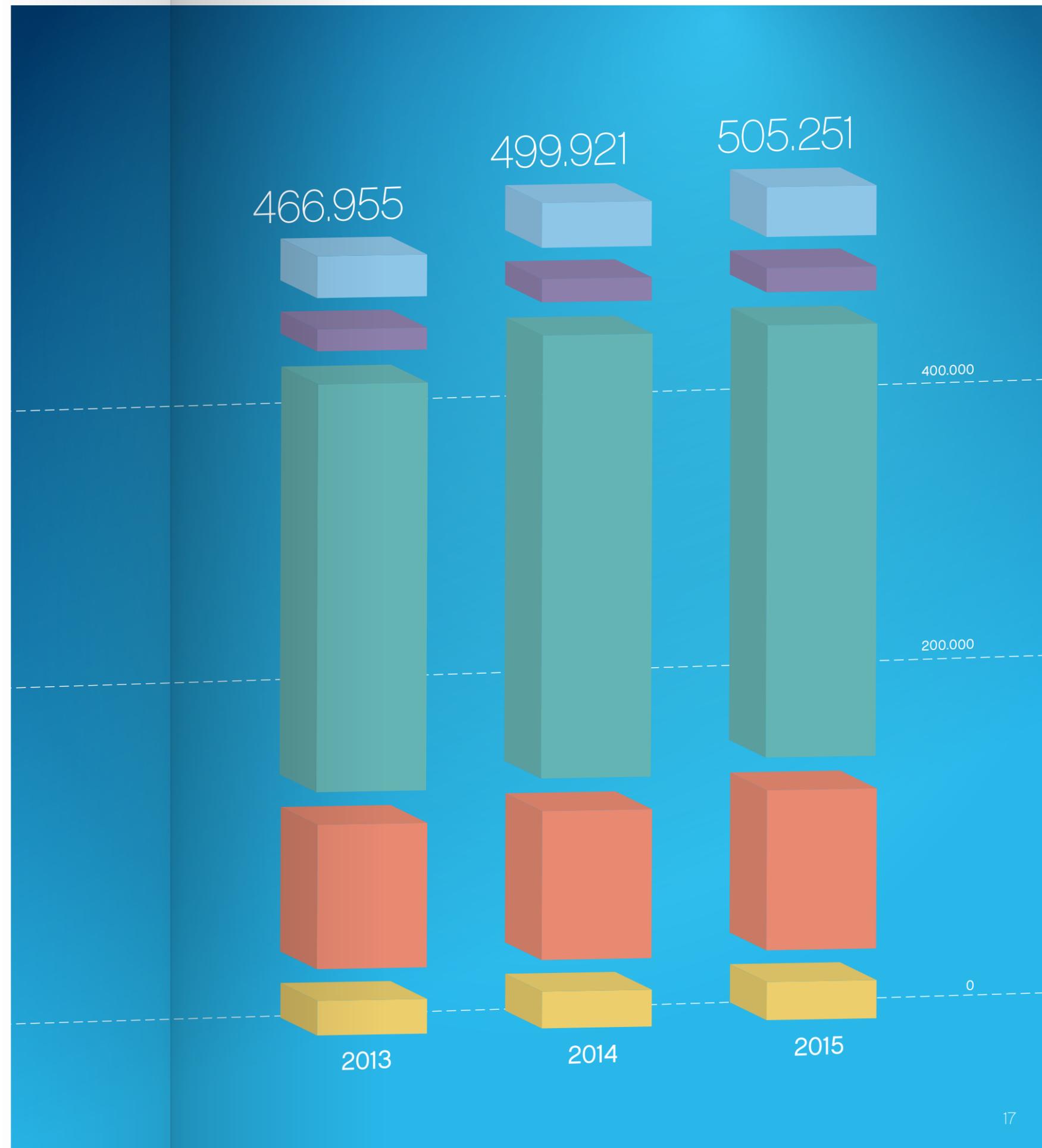
# TOURISM

Tourism is St. Maarten's primary economic pillar, feeding into multiple spin-off industries that thrive. The tourism has significantly contributed to the island's steady economic growth over the past 50 years. Offering visitors dozens of beaches and a plethora of hotel accommodations ranging from luxurious, expansive resorts to quaint personalized guesthouses.



# STAY-OVER-ARRIVALS SINT MAARTEN FROM 2013 TO 2015

The overall performance of St. Maarten's tourism industry is based upon innovative destination marketing strategies, continuous product development, improvements to the ports of entry and a unique multicultural society that creates a gastronomical experience unlike any other.



# PRINCESS JULIANA INTERNATIONAL AIRPORT

From a tiny US military airstrip in 1942, in the thick of World War II, to an ultra-modern international airport in 70 years, SXM Airport has advanced by leaps and bounds. Today, SXM Airport is one of the busiest airports in the Caribbean averaging 1.6 million passengers annually and 170 daily aircraft movements. With its unique aircraft landings, SXM Airport is an airport like no other. Serving as a transit hub for Anguilla, St. Barts, Saba, St. Eustatius and other destinations in the Northeastern Caribbean, SXM Airport is an ideal distribution gateway.

Featuring twelve boarding gates, four passenger loading bridges and twelve self-service check-in kiosks, SXM Airport is a leader in commercial aviation. Never complacent, SXM Airport continues to improve its four-level, ultra-modern facility. SXM Airport's future developments include the expansion of its cargo facilities, increased parking area for helicopters and private jets, construction of a parallel taxiway and the relocation of private aviation services companies for expanded private jet service.



# PORT OF ST. MAARTEN

The Port of St. Maarten is the Northeast Caribbean's leading cruise and cargo facility. As the most used cargo port in the Northeast Caribbean, the Port of St. Maarten's Captain David Cargo Quay handles approximately 75,000 TEUs annually, making St. Maarten a feeder port to neighboring islands.

While leading the region in cargo operations, the Port of St. Maarten also leads the cruise industry as one of the few ports able to comfortably accommodate Genesis-class vessels, the world's largest cruise vessels. With multiple booths for passenger screening, Port of St. Maarten facilitates quick disembarkation so that visitors may enjoy all that St. Maarten has to offer.

Port of St. Maarten prides itself on its continuous growth and award winning facilities which include the welcoming sounds of steelbands, various shopping options, ground and water transportation to Philipsburg and a large array of onshore excursions. Further development plans for the Port of St. Maarten include the construction of 'The Dutch Village' which will expand the shopping and dining facilities at the port. Similarly, with the growth of St. Maarten's homeporting, the island will accommodate even more visitors, creating an expanded market for new investments.



# INFRA- STRUCTURE

An aerial photograph of a bridge spanning a body of water. On the left side of the bridge, a white speedboat is moving, leaving a white wake. In the center of the bridge, a light blue car is driving. The bridge has a concrete deck and metal railings on both sides. The water is a deep blue color.

St. Maarten's infrastructure has experienced significant upgrades including large scale beautification to Philipsburg, the Capital and surrounding districts. As a well-developed country, St. Maarten has the infrastructural capacity for new investments in the identified sectors. Investors need not worry about getting to St. Maarten or the shipping of materials needed for construction as SXM Airport and Port of St. Maarten offer modern facilities for the movement of people and goods.

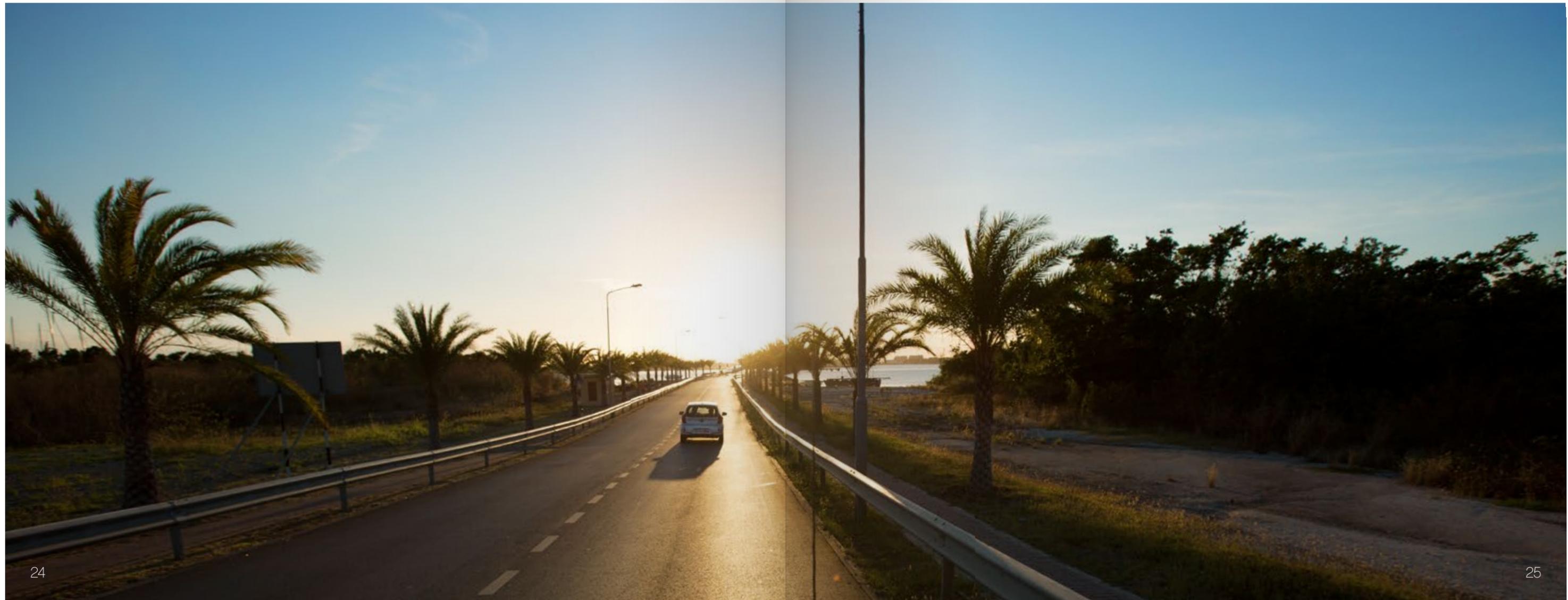
## TELECOMMUNICATIONS

In 2004, St. Maarten invested 15 million US Dollars into the purchasing and installation of a Fiber Optic Cable to enhance the St. Maarten's telecommunication infrastructure. This investment was done via The St. Maarten Telecommunication Holding Company N.V. (TelEm Group), a Government led entity. The Fiber Optic Cable has 8 pairs of strands. With one pair allowing for 40,000 simultaneous calls, the Telem Group, St. Maarten is the ideal location for new ICT ventures. With the cable now in place, bandwidths have increased, internet connections are faster, video conferencing and teleconferencing are now possible. Moreover, a recent loan from the European Investment Bank (EIB) will see the realization of fiber to the home. This project will greatly improve the telecommunication infrastructure.

Via these telecommunication investments 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.

## UTILITIES

NV GEBE, or is the sole utility company producing and distributing electricity and water on St. Maarten. GEBE has a capacity of 76MW with close to 20,000 connections. GEBE strives to be the leading utility company in the Caribbean by providing reliable electricity, water and waste water management services in a cost efficient and customer oriented manner. With Government's introduction of an Energy Policy, St. Maarten is set to produce 25 percent of its energy from renewable sources.



# GET STARTED



# REQUIREMENTS TO OBTAIN A BUSINESS LICENSE

On St. Maarten, the issuing of businesses is based upon the Business Licenses Ordinance. Via the investor friendly Business License Ordinance, there are no restrictions based on nationality. Regardless of your nationality, you can easily establish a sole proprietorship, limited liability company or any other form of business entity stipulated in St. Maarten's Civil Code.

The establishment of a Limited Liability Company is done through a registered Civil Law Notary, who will prepare all forms and ensure all necessary steps are taken, in order to make the process as worry free as possible. The procedural steps are:

- 1 Articles of Incorporation are drafted by the Notary and are then submitted, along with any additional operational license requests, to the Minister of Tourism, Economic Affairs, Traffic and Telecommunication on behalf of the client.
- 2 For investors not living on St. Maarten, the Notary must also request a Director's License and Residency Permit for non-resident Directors who wish to reside on St. Maarten. The request for a Director's License is submitted to the Department of Economic Licenses and the Residency Permit is submitted to the Department of Immigration and Naturalization.
- 3 The Deed of Incorporation, drafted by the Notary, must be submitted to the Chamber of Commerce and Industry, the country's Trade Registry.
- 4 Applicants pay a non-refundable processing fee upon submission of the license application.
- 5 Upon granting of licenses, applicants are required to pay all licensing fees at the Receiver's Office and return with proof of payment to collect the approved licenses.
- 6 License holders are required to pay the monthly or annual fees associated with the licenses. These fees are to be paid to the Receiver's Office.



# LABOR REGULATIONS

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 its employees have been registered at the Department of Labor Affairs. The registration of the company should be updated annually.

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

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

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

The working agreement is an agreement whereby the employee commits him or herself to perform work in the employ of the employer for mutually agreed upon wages during a specific period of time. The wages of employees are protected via Minimum Wages Ordinance which dictates the lowest possible wage that an employee can be paid. Though parties are free to negotiate wages individually or via collective labor agreements, wages may not be less than that stipulated in the Minimum Wages Ordinance.



# TAXATION AND INVESTMENT ON ST. MAARTEN

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

- Corporate Income Tax
- Personal Income Tax
- Wage Tax
- Turnover Tax
- Transfer Tax
- EU Savings Tax

As a duty free port, St. Maarten does not levy import duties (such duties are only levied on petroleum products). Furthermore, St. Maarten does not impose Excise Tax, Net Wealth Tax, Capital Tax or withholding taxes on Dividends, Interests and Royalty payments.

## TAX INCENTIVES

The Government of St. Maarten offers a number of investment incentives, in the following circumstances:

- 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.
- 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;
- Fiscal unity regime which provides for a tax consolidation of companies within a corporate group, allowing for the offsetting of profits and losses among members of the corporate group.
- Special tax regime for shipping and aviation. Companies engaged in shipping and aviation ventures, including the letting and freighting of seagoing ships or aircraft, are subject to a favorable tax treatment. Under this special tax regime, if 80% of the profit is found to be earned outside St. Maarten it 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.



TELL ME MORE

## LUXURIOUS LIVING

The cobblestone streets of Philipsburg offer duty-free access to luxury goods from Patek Philippe, Cartier, Bally and a number of other high-end goods. Easy access to St. Maarten from neighboring islands such as Anguilla, St. Barts, Saba and St. Eustatius adds thousands of new potential consumers to the existing market, offering faster returns on investments. For visitors, St. Maarten offers pristine beaches, magnificent diving and the best nightlife in the Northeastern Caribbean. With bars, lounges and nightclubs, St. Maarten's nightlife includes open air bars, street side salsa dancers and rustic beach bars.

## LANGUAGE

The official languages of St. Maarten are Dutch and English. The official languages of St. Martin is French, though English is widely spoken throughout. With a multicultural population, several languages such as Spanish, Italian, Creole and German can be heard, making St. Maarten one of the most multilingual countries in the region.

## CURRENCY

The official currency of St. Maarten is the Netherlands Antilles florin (NAF). The official exchange rate is NAF 1.79 for each US\$1.00 U.S. dollar. The United States dollar is widely used and accepted throughout the island for doing business and conducting of financial transactions.

## RESTAURANTS AND DINING

As the "Gastronomical Capital of the Caribbean" St. Maarten has a high concentration of top-notch restaurants. Ignite your palate with island specialties as crabe farci (stuffed crab) or accras (cod fritters). Wash them down with local juices such as mango, guava, papaya or less familiar flavors such as tangy tamarind. Mix with the locals for hearty and delicious helpings of barbecued ribs, lobster, chicken or fish grilled on split metal drums to summon up the gastronomy of the Caribbean.

## MEDICAL FACILITIES

St. Maarten Medical Center (SMMC) is a non-profit foundation that manages and carries out the hospital functions of Dutch St. Maarten. The staff is a mix of European and American trained doctors, nurses and allied medical administrative personnel. The hospital is located just five minutes outside of Philipsburg.

## CALLING ST. MAARTEN

Dutch St. Maarten is part of the North American number plan which makes calling the island very easy especially from the United States. Telephone calls to St. Maarten require the country code +1 721.

## ELECTRICITY

St. Maarten's electricity voltage is 110-volt AC, 60 cycles, as is in the United States and Canada. French St. Martin uses 220-volt AC, 60 cycles which requires the use of adapters and transformers from 110-volt.

## DRIVING

Driving on St. Maarten is on the right hand side, as in the United States. As stipulated by law, the legal driving age is 18. Right turns at red lights are prohibited, and traffic conditions may require careful driving. Local laws require drivers and passengers to wear seat belts and motorcyclists to wear helmets. Children under 4 years of age should be in child safety seats and children under 12 should ride in the back seat.

# SEE YOU ON THE FRIENDLY ISLAND



For more information about  
investing on St. Maarten, visit  
[www.investmentguide.sx](http://www.investmentguide.sx)



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**GOVERNMENT OF SINT MAARTEN**