



# Parliament of Sint Maarten

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## Staten van Sint Maarten

To the Hon. Minister of Finance  
Mr. R. Gibson  
p/a Council of Ministers  
**Philipsburg**

UV/312/2015-2016

Philipsburg, August 30, 2016

Re: Questions from MP L.M. Marlin-Romeo regarding financial situation country and CBCS

Hon. Minister Gibson,

Herewith I submit to you questions posed by Member of Parliament, Mrs. Leona M. Marlin-Romeo pursuant to article 62 of the Constitution and article 69 of the Rules of Order of the Parliament of Sint Maarten.

The letter is self-explanatory.

Yours truly,

S. A. Wescot-Williams  
President of Parliament



# Parliament of Sint Maarten

## Staten van Sint Maarten

August 29th 2016

To the Chair of Parliament,  
MP Sarah Wescott-Williams

STATEN VAN SINT MAARTEN	
Ingek.	29 AUG 2016
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It is unfortunate that today's meeting was cancelled, as I had several questions for the Minister of Finance for the second round pertaining to the financial situation of the country and the state of affairs of the Central Bank. When the meeting will be reconvened is unknown so I am therefore sending my queries in writing. Madame Chair, it is this minister that called the budget of 2016 a shotgun budget and it seems that not even this shotgun budget can be kept. This is a reason for concern given the fact that there are also concerns on the development of our economy.

We have seen the first quarter results which indicated that there were realization delays to the budget, some of which may have been timing issues. We have now also seen the second quarter results which seem to indicate that there are even further delays in realization to the point that meeting the requirements of the directives from the Kingdom Council of Ministers and our ability to borrow funds for capital expenditure are now in jeopardy.

This is a serious situation and I wanted to ask questions in relation to that based on the budget as approved, the first quarter realization and the second quarter realization.

Secondly I wanted to ask some questions regarding the affairs at Central Bank Curacao Sint Maarten (CBCS). From what I read in the press I can only conclude that the CBCS is in crisis if the integrity of its highest executive is being questioned not only in the press but now also in a criminal investigation. In case of a crisis immediate action is required but there seems to be a hostage situation that needs to be resolved without further delay. The minister has indicated today that progress is being made with the appointments, this excellent news as the 3 supervisory directors did not seem to agree on the way forward or even to meet to resolve matters around these serious questions about the integrity of Mr. Tromp.

Whilst I realize that this is a sensitive topic it is our direct concern in view of the discussions that need to be had at the highest level of CBCS executives and the finance ministers with amongst others the US treasury to avoid that our banks will lose correspondent banking relations. CBCS in my view is a crisis beyond description for an open economy with a large dependency on tourism as ours. This crisis reflects badly on the reputation of the countries involved on the capital markets and should be addressed without delay.

These are therefore the questions I have for the minister:



1. Does the current financial situation impact at all on the ability of the country to refinance the 26 mil debt that becomes due in September of this year which according to the budget would be refinanced?
2. Can the minister please indicate what has been done to safeguard that the country will be able to timely meet the repayment and will not default on the debt?
3. Is there any risk that the refinancing cannot take place as result of the realization delays of the budget?
4. The minister has reported earlier in the year that loans will be taken up to execute certain capital expenditures. Can the minister please advise whether this is still the case, as based on the current situation the budget that was adequate to meet the directives cannot be achieved?
5. There were still funds available from the 2014 loan which had not yet been expended. Can the minister please indicate to what extent there are still funds available from this loan?
6. Can the minister please provide an overview of which capital expenditures have been undertaken in the course of this year and how these were funded? Where the funds earmarked and approved as capital expenditure by Cft?
7. Can the minister confirm that the Ontvanger is actively pursuing the casinos fees and that they are cooperating with the swift collection? Will the budgeted number be collected in this year?
8. Congratulations on the boedelscheiding agreement. Can the minister indicate what exactly the amount is that is allocated to Sint Maarten and within which timeframe this can be expected?
9. We have been informed that a resolution was taken to issue a dividend from the Central Bank and we congratulate the minister with this achievement. Can the minister give any indication when these funds can be expected?
10. The minister had requested the VDSM to do an integrity check on the CBCS president due to the allegations which were raised by the Dutch press De Telegraaf. What is the status of this integrity investigation or has it been halted due to recent developments?
11. Why was the Landsrecherche not asked to conduct this investigation instead of VDSM?
12. Can the minister explain the lack of proactivity of the supervisory board members?
13. Can the minister please indicate what the current status is of meeting the reduction of the arrears with APS and SZV?
14. What is the status of the transfer of the government building and to the extent the notarial deed transferring the ownership has not taken place, what is holding this up and when can the people of Sint Maarten expect that this first step in debt reduction is finally executed?
18. Can the minister please indicate how much of the funds that were earmarked in the 2014 loan for the upgrade of the building will remain available and how much of the funds will be spent for furnishing?
19. Can the minister confirm that the contracts granted for the work to complete the government building, financed by SZV, are awarded following proper procurement steps and meet required governance to make sure that the funds are spent in the right way. At the right level? I obviously ask this question as it impacts the funds meant for old age pensions and health insurance.
20. Can the minister share his views on the allegations made by the former president of the board of SZM Dr. Petit and to what extent the SZV funds are at risk?

21. Can the minister advise his views on whether the decision to acquire the government building and potentially finance the new hospital present an overexposure of SZV funds to investment in government related projects with a risk for the social security funds?
22. Can the minister please indicate whether any progress has been made with meeting the requirements of the remaining kingdom directives, which have to be met by the end of the year? I refer in particular to the changes to the old age pension and the health insurance? What is the current state of this progress and who is responsible to timely deliver what is needed?
23. As these changes include legislative changes which will have to pass through parliament can the minister indicate when these amendments of laws will be submitted for approval by parliament and the relevant high councils of state so that the deadline set by the kingdom directives can be met?
24. If no indication can be given or if the minister believes the deadlines cannot be met, can the minister share with Parliament what has been done to date that can be called progress on these outstanding matters and what the plan B is if the conclusion has to be made that not only the reduction of debts owed to APS and SZV have not been achieved but also the deadlines for meeting the required changes to the old age pension and health insurance have not been met?

In anticipation of a prompt response,

I remain yours truly

MP Leona Marlin Romeo

