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Koninkrijksrelaties

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**Ministry of the Interior and  
Kingdom Relations**  
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**Reference  
2020-0000154936**

**Your reference**

Date 19 maart 2020  
Re. Effects corona on Caribbean parts of the Kingdom

As in the European part of the Netherlands there are also considerable concerns about the effects of the coronavirus in the Caribbean parts of the Kingdom. Since last week the new reality of activities coming to a standstill has also applied to Aruba, Curaçao, St. Maarten, Bonaire, St. Eustatius and Saba. In respect of the Caribbean parts of the Kingdom it is, moreover, noted that the almost complete shutdown of air traffic and cruise tourism shall have considerable economic consequences. The consequences for small-scale societies that rely heavily on tourism are considerable. Within the autonomy of the countries of Aruba, Curaçao and St. Maarten, the responsibilities lie differently than for the Caribbean Netherlands. Bonaire, Saba and St. Eustatius are an integral part of the Netherlands, for which there is a direct responsibility. This letter focuses on shaping that responsibility. This does not detract from the fact that the government maintains intensive contacts with the autonomous countries and that we try to assist each other where necessary with advice and assistance.

In the Caribbean Netherlands, every island has its specific areas of attention. For example: many residents of Saba depend on rental income of students of the Medical School of which the opening in May is still highly uncertain. Finally, the issues regarding logistical flows raise more concerns. Due to the increasing border restrictions in the Caribbean part of the Kingdom, as in the US and Europe, securing (commercial) flows of commodities becomes a significant challenge.

Employees, self-employed persons and businesses in the Caribbean Netherlands are (as in the European Netherlands) concerned about money to pay the bills, concerned about continuing the employment of persons or concerned about keeping the business going. In the letter of the government of last March 17, it has therefore already been announced that the Caribbean Netherlands follows, as much as possible, the measures that the government announced to support businesses and employees in the European Netherlands. In this letter these measures are elaborated further for the Caribbean Netherlands.

In this situation, the government deems it to be of utmost importance to the Caribbean Netherlands to preserve jobs and offer support in acute issues that employees, self-employed persons and businesses (shall) experience. The government opts for a comparable massive and broad package with the objective of preserving jobs and limiting the economic consequences. So that people keep their income and are supported in this difficult period. To be able to properly anticipate developments, this emergency package is valid for the coming three months. The government follows the developments closely and is constantly consulting with the Executive Councils of the Public Entities, the Deputy Kingdom Representative and employers' and employees' organisations on the islands.

The measures described in this letter are comparable to the measures that were announced in the European Netherlands. If measures cannot be implemented in the Caribbean Netherlands one-on-one then comparable instruments were sought that can accomplish effects that are practically identical.

## **Emergency package jobs and economy Caribbean Netherlands**

### **1. Loss of salary and income**

When giving substance to a scheme for loss of salary and income, analogous to the scheme in the European Netherlands, harmonisation is sought with the local context of the Caribbean Netherlands, in the course of which the enforceability within a very short period of time should be taken into account. In view hereof a scheme that is, to a high degree, in line with the methodology of the *Wet ziekteverzekering (SV) BES (Healthcare Insurance (BES) Act)*, which is essentially a loss of salary scheme, is selected. The implementation process shall, as much as possible, be set up parallel to that of the ZV, with a corresponding benefit percentage (80% of the maximised daily salary). For the ICT support the same application is used.

Only by joining an existing work process and ICT application can timely and reliable implementation of an urgent scheme – which has the nature of an emergency measure – be guaranteed. Consequence of this (necessary) choice to use the methodology of the ZV is that the benefit percentage differs from the scheme of the European Netherlands. On the other hand, the application process entails fewer administrative requirements. The development of a scheme for the Caribbean Netherlands, of which the outlines are discussed below, is inevitably a matter of 'inching and pinching'. Differentiation compared to the scheme of the European Netherlands is a fact.

Point of departure for the proposed scheme is that there must be question of loss of revenue by the employer. As in the scheme that is being prepared for the European Netherlands, the requirement is used that there is question of less work as a result of a loss of revenue of at least 20%. Having regard to the local circumstances, the requirement of the subsequent submission of an auditor's opinion is waived in the Caribbean Netherlands.

The proposed financial compensation is provided on request where the employer provides the income details of the employee and refers to the working time reduction in the application. The benefit also applies, in accordance with the ZV BES, to employees with a zero hours agreement. As in the European Netherlands, the compensation is (initially) provided for a period of at most 3 months, with an option of extension for another 3 months.

It is necessary to include a provision in the scheme that regards the situation where an employee to whom a loss of salary benefit is granted in pursuance of the present measure, falls sick during the period of entitlement to this scheme. Concurrence of a loss of salary benefit pursuant to this scheme and that of the ZV BES is excluded. Moreover, the employer shall be bound by the requirement of continued payment of the salary and as long as the employer relies on the scheme, the employer is not allowed to dismiss an employee on account of commercial reasons. In case of evident abuse of the scheme, a measure can be imposed.

Within the emergency measures for the Caribbean Netherlands a provision is also provided to meet self-employed persons. For this group a maximum compensation of 80% of the WML ("*Minimum Salary and Minimum Holiday Allowance (BES) Act*") is foreseen. Another potential group that can qualify consists of former employees. As a consequence, a separate scheme via the social relief – which would burden the implementation too much – can be omitted. This does not alter the fact that, as the occasion arises, the social relief can be relied on, e.g. in connection with special circumstances deriving from necessary living expenses from the special social relief.

In addition to the above-mentioned measures, extra resources from the total available budget for the emergency measures will be made available to the public entities in order to make a contribution to the island policy.

The start date of the scheme is coordinated with the time when the consequences of the measures in connection with the coronavirus have become considerably noticeable in the Caribbean Netherlands. To this end the date of closure of the airspace of Bonaire is observed. That is why the scheme shall regard loss of revenue from March 13, 2020.

## **2. Emergency counter**

The compensation in the form of a gift for the initial emergency at entrepreneurs who are affected by the official measures to combat the corona crisis mentioned in the letter of last March 17 is presently being elaborated. In line with this the government is examining the development of this kind of scheme for the Caribbean Netherlands.

### **3. Liquidity support**

#### Deferment of payment of taxes

In the European Netherlands special deferment of payment of taxes is possible for entrepreneurs who ended up or shall end up in liquidity issues due to the corona crisis. For the details of this special temporary scheme reference is made to the letter of March 17, 2020 to the House of Representatives regarding the 'emergency package jobs and economy'.

For the Caribbean Netherlands a temporary possibility of special deferment of payment is introduced for entrepreneurs who ended up or shall end up in liquidity issues due to the corona crisis. This possibility is comparable to the possibility that is offered to entrepreneurs in the European Netherlands. Entrepreneurs on Bonaire, St. Eustatius or Saba who ended up or threaten to end up in liquidity issues due to the corona crisis can request for deferment of payment in writing or by telephone with the Tax Office / Caribbean Netherlands (BCN, Belastingdienst CN). BCN shall basically, like in the European Netherlands, immediately honour these applications. BCN shall as soon as possible, on the basis of the individual situation of the entrepreneurs in the Caribbean Netherlands and after consultation with and substantiation by the relevant entrepreneurs, provide a customised solution when determining the scope and the duration of the special deferment of payment. Having regard to the background of this special scheme, BCN shall observe leniency and offer individual customised solutions. During the said special deferment of payment entrepreneurs shall, however, need to continue filing returns as usual. This offers the possibility of also including potential new tax liabilities that arise after the initial allocation of the deferment of payment in the temporary deferment of payment.

#### BMKB and GO scheme

As in the European Netherlands, the temporary facility under the BMKB ("*Government-Guaranteed Scheme SME Loans*") shall be made available in the Caribbean Netherlands for the period of one year. Pursuant to this temporary measure, funding (up to a maximum of \$ 1.5 million) with an increased loan under the government-guaranteed scheme for SME loans from 50% to 70%, is permitted in order to absorb present or expected liquidity issues due to the corona crisis. As a consequence, financiers (in particular banks) can extend credit easier and faster. Because the BMKB is, thus far, used relatively little by banks in the Caribbean Netherlands, additional information about this instrument shall be provided in consultation with the Chambers of Commerce of Bonaire, St. Eustatius and Saba. For that matter, the BMKB is, unlike in the European Netherlands, also available to agricultural entrepreneurs, including the fishing industry and aquaculture.

The GO scheme shall be broadened in the same manner as in the European Netherlands for the period of one year. This scheme is meant for (medium-) large enterprises for loans exceeding \$ 1.5 million, up to a (extended) maximum of \$ 150 million. Additional publicity and information shall also be given to the GO scheme in consultation with the Chambers of Commerce in order that banks and businesses can make optimal use of it.

#### Qredits

In the letter to Parliament of last March 17 about the emergency package jobs and economy for the European Netherlands it was also announced that the government is willing to make a financial contribution available to Qredits of, at most, € 6 million in order that Qredits can support businesses affected by the corona crisis. Qredits also offers the said support in the Caribbean Netherlands. Key of the measure is that entrepreneurs are granted postponement for a period of at most 6 months in respect of the repayment obligation, in the course of which an interest discount is also offered in respect of this period. This broadening only applies to applications related to corona and will run until the end of May 2020.

#### Island taxes

Within their mandate the Public Entities can take measures through the island taxes. Not to hit the liquidity of businesses in the tourism industry any further, the Ministry of BZK shall enter into discussions with the Public Entities about measures that may be taken and the relevant budgetary anchoring. For entrepreneurs this measure can in conjunction with the entire package of measures, result in a financial relief in these difficult times.

#### **Follow-up**

With this emergency package of measures for the Caribbean Netherlands we make a maximum effort to preserve jobs and limit consequences for the economy. The measures that we are taking now are considerable and are expressly for the coming weeks and months. The government constantly monitors the specific situation in the Caribbean Netherlands, for instance with regard to logistical transport flows. The government is fully aware of the difficult period that the residents and businesses of Bonaire, St. Eustatius and Saba are dealing with. Depending on the developments, the government shall not hesitate to take necessary and appropriate follow-up measures, if so required by the situation.

#### **Countries within the Kingdom**

As mentioned, the Caribbean countries of the Kingdom are also confronted with the effects of the corona virus: medical, social, economic and financial. Within the autonomy of the countries, the responsibilities here lie differently. The contacts are intensive, so that the countries can assist and advise each other where needed. In the very exceptional circumstances of the moment, we are looking at whether, on the basis of the possibilities offered by the Statute for the Kingdom and the exceptions in the laws and regulations, we can enable the countries to cope with the crisis as best as possible.

**Ministry of the Interior  
and Kingdom Relations**

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