

INTERVIEW WITH ARDWELL IRION

The Minister of Finance of Sint Maarten

The interview with the Minister of Finance of Sint Maarten, mister Ardwell Irion was held on December 17th, 2021 by tax law student Aderlisa Canhigh from the University of Curaçao. The interview questions were formulated by the third-year tax law students of the University of Curaçao.

In this article, we will give you a concise overview of the interview with the Minister of Finance of Sint Maarten. After reading this article you will know more about the Minister of Finance of Sint Maarten, his point of view on several tax-related issues and developments in Sint Maarten, and his valuable advice to students and professionals in the field of fiscal law.



Interviewer:

- Aderlisa Canhigh

Interview questions:

Third-year tax law students of the University of Curaçao:

- Genesis Maduro
- Saviany Noten
- Nicole Alexander Tejada
- Jeandrelika Valks
- Ilona Chakoetoe
- Riordan Pandt

Editor:

- Nicole Lew-Jen-Tai

Background information

Minister Ardwell Irion's initial background was in ICT and entrepreneurship. He started at the age of thirteen as an autodidact within the field of ICT, building his computers and selling them on the local market. The minister moved to The Netherlands to obtain his Bachelor's degree in International Business Management with a focus on Accounting and Finance in Rotterdam.

"My affinity with taxes itself came from being an entrepreneur"

Minister Irion started his first company at the age of twenty-one and mentioned that when having your own company, you have to deal with various tax issues and you are forced to do your taxes.

Transparency

Minister Irion is actively trying to make the community of Sint Maarten part of the fiscal reformation process. Aderlisa asked the minister what he hopes to achieve with the newly introduced transparency. Minister Irion answered, "When it comes to taxes in general; the easier it is for taxpayers to file their taxes, the more they will fulfill their obligations. When the tax system is more complicated, then taxpayers will experience taxes as intimidating. This means that the chances are lower that individuals will want to file their taxes." The starting point of the minister is how easy can you make the tax system, so it is pleasant for the taxpayers to fulfill their obligations.

"Transparency comes from communication"

The Minister of Finance of Sint Maarten believes that transparency will double or triple in future generations. There is an increase in transparency within the current tax reform. From a hard-

working parliament, public meetings, communicating with the newspapers to stakeholders' meetings. The government of Sint Maarten believes that going digital will lead to more transparency. Minister Irion believes that the field of financial services will evolve with time. He deems that there will be a merger between accounting, finance, fiscal law and technology. The Minister is now studying the language of coding and is very interested in blockchain technology. Sint Maarten is not that far yet in blockchain technology, however there is a pilot program that launched in January 2021. The Ministry of Finance of Sint Maarten has developed an app for example for vehicle tax payments. The goal is to make vehicle number plates a QR-code for the year 2023. The police will use the abovementioned app to scan the QR-code of vehicles to obtain all the relevant information about the vehicle, the owner, and the tax payments. The minister wants to use technology to improve transparency. Using technology will also increase the collection rate of taxes.



SINT MAARTEN

“Technology will put us in the future with regards to transparency. My passion for IT still lives with me as the Minister of Finance of Sint Maarten”

The shift from direct to indirect taxation

This shift is primarily driven by a desire to boost the economic growth and job creation in Sint Maarten. The opinion of Minister Irion on this shift is that it will impact the low-income households, but that does not mean negatively. The Minister continued by stating that there is a unique situation in Sint Maarten, which is sharing a border with the French side of the island. Furthermore, one of the challenges being faced by Sint Maarten is managing to tax undocumented people, who are not equally and fairly contributing to the economy. Shifting to indirect taxes will mean tackling these challenges. People will consume and will pay indirect taxes, which leads to a contribution to the economy of Sint Maarten. Minister Irion believes that the increase of indirect taxes will generate more tax income for the government to allocate in the important social areas, such as education, social housing, etc. The wage tax will be reduced in the current tax reform, which leads to more purchasing power for households in Sint Maarten. The profit tax will also decrease, so even businesses will have more spending power after the tax reform.

General Principles Tax Reform

Moving forward to the next topic of the interview, Aderlisa asked about lower tax rates to attract foreign investors. Minister Irion believes that it is possible to lower the tax rates without qualifying as a tax haven. Taking the global minimum profit tax rate of fifteen percent into account you will prevent your country from qualifying as a tax haven.

The Minister believes that it is important to make the investment climate of Sint Maarten appetitive for big investors, especially after suffering from, for example, a major hurricane or a pandemic. It is important to make ‘doing business’ easier on the island. According to the minister, there are boundaries when it comes to making the investment climate attractive.

“Sint Maarten is a small island so we have to think about sustainability and the future”

Introduction of new taxes

Taxes on alcohol, tobacco, and sugar are very difficult taxes, due to the open border with the French side of the island. One of the disadvantages of increasing the taxes on alcohol and tobacco is that people will go to the French side to buy these products. Minister Irion believes that increasing the abovementioned taxes and introducing the sugar tax have to be done together with the French side of the island. This matter was also recently discussed with The Netherlands. Moreover, because the French side of the island does not fully control the tax department, there has to be a delegation to go to Paris and have these discussions on sight.

Aderlisa asked the Minister if healthy drinks containing sugar would also be subjected to taxation within the context of sugar tax. The minister pointed out that this matter is very important, and that it is important to demote sugary drinks. We have a relatively high amount of diabetes within the Caribbean, which is near fifty percent in the whole region. This matter puts a burden on our health

system, so being healthier would ease the burden on our health system. The Minister does not believe that they will ease this burden with only a sugar tax. Furthermore, the sugar tax income would be allocated to education and free gyms, etc. Thus, the sugar tax would lead to a healthier population. But the minister does not believe in forcing the citizens of Sint Maarten to go against their will.

Advice to students and professionals

The Minister of Finance of Sint Maarten advises students and professionals to always look at their final goals, and how they are positively going to contribute to society.

“Achieve your goals for yourself. On the journey to success remember the people that were there for you and be a good example for them. Always give back to your fellow men and life will give you back in return. I encourage you to read books with regards to emotional intelligence.”

