

Starting a business on St. Maarten

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Starting a business in St. Maarten/St. Martin

I know how it must feel, you come to this wonderful island in the Caribbean, you fell in love with it, and you would love to find a way to stay here and make a living.

Starting a business in St. Maarten is not easy. The deck seems to be stacked against you and most people go home bitter. St. Maarten is a great place to visit, a paradise. But doing business here is another story unless you have very deep pockets, a great business idea, a good plan and a lot of stamina.

As a foreigner you have need to obtain a business licence that can take very long, and then to live here you need a director's licence, that is you, the business owner, now think about your family or wife, maybe she will help in the business, she needs a director's licence as well. Or maybe she wants to work here for peanuts (unless she goes to sell timeshare (no salary, but can make great commissions) well guess what, you need a work permit. You have to request this paper work in advance before entering St. Maarten. This is just the paper work. Then you have the way things work on St. Maarten. You don't know anybody...not a good thing. The saying "It's who you know" is really valid here. You have to proof yourself and build a reputation. Then you have the businesses that are controlled by powerful families. Don't get involved in the same businessline!

The French side of St. Martin is completely different, here you deal with EU (European standards, and opening a business here is fairly easy. French St. Martin's economy is suffering now though with the low value of the dollar to the Euro, everyone shops on Dutch St. Martin. Dutch St. Maarten Business Forms or formation thereof

A business on St. Maarten can be established in the form of a sole-proprietorship or in the form of a limited liability corp. (N.V) for which a business license is required. Sole-proprietorships are for persons born in the Netherlands Antilles and at least 21 years of age. The most commonly used legal business entity in St. Maarten is the limited liability company (Naamloze Vennootschap or NV). These businesses must have a minimum of two founders. Upon incorporation, at least 20% of the authorized share capital should be issued. With the assistance of a Notary or Trust Company, an N.V. shall be legally incorporated by deed of incorporation. Before the passing of the deed of incorporation, the above mentioned offices will present a draft of the articles of incorporation to Department of Justice on behalf of the incorporators to obtain a declaration of no objection, which will be formalized through notarial deed. The St. Maarten Executive Council will review the business objectives and credentials of the founders and they make a decision based on the advice of the various government departments. Work permits are issued by the Immigration Department with the permission of the Lt. Governor through the Minister of Justice's declaration of No Objection. The residence permit is then simultaneously granted for directors, which is limited to the term of the work permit. However, non-national employees will only be granted work and residence permits if qualified employees can not be found locally. For some types of businesses an additional license is required: an operational license (example restaurant, hotel/guest house, casino, car rental) which covers mostly the safety considerations needed to be operational. Usually both the business and operational licenses are issued simultaneously. If not, one can not operate with a business license and no operational license if the latter is required. The request for this license must also be submitted to the Executive Council. Registration. Once approved, the corporation is required to register the company and its employees with the Inspectorate of Taxes and the Social Security Bank. In addition, the corporation needs to register the company at the Chamber of Commerce. Annual Fees.

Chamber of Commerce: An annual fee ranging from Nafl. 150 to Nafl. 850 has to be paid in order to keep the business registered. This fee is dependent on the total outstanding capital. Business license extension fee is also required and is the same as the cost of the business license of the first year. (see section on registration of new businesses)

A business may be started and conducted in the form of: A) A Sole-Proprietorship B) A Limited Liability Corporation (NV). A) Sole-proprietorship. To start a sole-proprietorship the following steps are necessary. A letter directed to the Executive Council containing:

Location of the business

The person(s) who want to conduct the business

The period the aforementioned person(s) residing on St. Maarten'

The address and telephone Number The letter will be submitted with the following: An application form from the Chamber of Commerce

A copy of the applicant's passport

A copy of the applicant's curriculum vitae, diploma's, certificates etc.

A copy of the police record

Time period:

Under normal circumstance, the process of the license should take no longer than three months. B) Limited Liability Company: Based on the previous information, the request is filed by the Notary or Trust Company and after receiving a Declaration of No Objection by the Department of Justice, a request will be forwarded to the Executive Council by the Notary or Trust Company. A limited liability company is established by a public notary:

The articles of incorporation are prepared and the required Ministerial Decree is requested by the notary;

The notary submits to the Executive Council, on your behalf, the request for a business-and director's license

The acquisition of the director's license does not allow you to work on the island: a request must be submitted to the Immigration Department for residence and work permit; if granted then you are allowed to work. Directors License
Each director has to request for a director's license who are nominated in the deed of incorporation when establishing a limited liability corporation. The Lt. Governor and the Immigration Department handles the request for the director's license. Requirements:

A copy of the applicant's passport

A copy of the applicant's curriculum vitae, diploma's, certificates etc.

A copy of the police record

The request is studied by the Immigration Department and the Lt. Governor is then advised on the request.

Replacement of managing directors.

If after a business license is approved and a managing director needs to be replaced, then a request has to be sent in to register the new managing director. Note: No business is allowed to or managing director may engage in business before having been granted a business license from the Executive Council. Work/Residence Permit:

The person(s) that is requesting a work/residence permit needs to be residing outside the Netherlands Antilles while the application(s) is being processed. The required documents must be accompanied with application when applying for work/residence permit.

1 recent passport picture of holder and family

A copy of passport of the employee (and family)

A birth certificate of the applicant and his/her family (translated in Dutch or English)

A certificate of good conduct pertaining to the applicant, not older than six months (and family)

A medical certificate not older than two months (in Dutch or English)

A copy of the Marriage Certificate/ Marriage Book of the employee if he/she is married or a certificate of bachelorhood / spinsterhood (not older than six months) or an agreement of concubinage made up by an acknowledged notary, if the employee is living together with someone- or a copy of a certificate of divorce. (translated in Dutch or English)

A Fls. 5, 00 stamp on the declaration of Guarantee from the future employer.

A copy of the passport, residence permit and registration form from the Census Office of the employer/ interested party;
Receipt of payment of processing

A copy of business and Director's License obtainable from the Business License Department

A copy of the registration form from the Chamber of Commerce (current year)

Proof of Labour Registration obtainable from the Department of Labour and Social Affairs

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