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Uw nummer (brief):

Uw brief van:

Ons nummer: **683/2021**

Onderwerp: Motie bancaire systeem

Bijlagen: 1

Saba, 24 september 2021

Geachte heer Hoekstra,

Geachte heer Blok,

Hierbij vraagt het Openbaar Lichaam Saba aandacht voor een motie die deze week is aangenomen in de eilandsraadsvergadering van 22 mei j.l. De motie met betrekking tot het bancaire systeem is bijgesloten. Vanuit de griffie is deze ook gestuurd aan leden van de Tweede Kamer commissie voor Koninkrijksrelaties en aan de voorzitter van de Tweede Kamer.

Onze contactpersonen zijn akilah.levenstone@sabagov.nl (griffier) en tim.muller@sabagov.nl (eilandsecretaris).

Met vriendelijke groet,

De Eilandsecretaris

T.J. Muller



De Gezaghebber

J.G.A. Johnson M. Ed.

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Gelieve bij beantwoording datum en nummer te vermelden en in elke brief slechts **EEN** onderwerp te behandelen

MOTION

BANKING on SABA.

The Island Council of The Public Entity of Saba, in its meeting of today, September 22nd, 2021

Considering that,

- There are no banks established on Saba.
- The burden of banking regulations has resulted in banks to discontinue doing business on Saba.
- Saba is served with general banking services by a branch of one bank established in autonomous country St. Maarten.
- Opening a simple bank account by private individuals and businesses has become a lengthy and bureaucratic process which can take sometimes up to 6 months or longer.
- The lengthy and tedious process is discouraging economic development.
- On Saba it is extremely difficult to acquire a mortgage loan.
- All financial institutions by which Sabans can apply for a mortgage or other loans are outside Caribbean Netherlands.
- The conditions to qualify for a mortgage loan are very unfavorable and require considerable own financial input. Financial institutions usually finance to a maximum of the auction value of the property or even less.
- Without substantial own input one cannot obtain a loan even if one's income can easily support monthly loan payments.
- It is impossible to qualify for a mortgage loan when the mortgage giver is over pension age.
- The (non-fixed) interest rates the financial institutions are charging are around 6% and can be increased by the banks discretion at any time.
- Interest rates in the European part of The Netherlands are sometimes as low as 1 ½ % mostly fixed for a longer period of time.
- Since a few years there is a deposit guarantee system introduced in Caribbean Netherlands. A maximum of USD 10,000 is guaranteed per person. In the European part of The Netherlands the amount is EURO 100,000 per account holder.
- The official currency on Saba and the rest of Caribbean Netherlands is the US dollar.
- The use of the US dollar as official currency may be responsible for high banking fees and a deterrent for European Dutch banks to do business in the Caribbean Netherlands.
- The primary authority supervising the bank serving Saba is the Central Bank of Curacao & St. Maarten (CBCC).
- All the above is placing residents of Saba in a disadvantaged position compared to European Dutch counterparts.

Further considering that,

- In the European Netherlands there is a mortgage guarantee system whereby a mortgage up to EURO 325,000 is guaranteed by the state.
- In Bonaire since February 12th a pilot has started whereby home buyers can also make use of a mortgage guarantee up to USD 325,000.
- This guarantee can only be offered by the Maduro & Curiels Bank Bonaire, because this is the only bank on Bonaire and Caribbean Netherlands falling under full supervision of the Dutch Central Bank (DNB).
- The pilot on Bonaire will be for a period of 5 years.
- During this period potential home buyers on Saba are being disadvantaged compared to their counterparts in Bonaire during the next 5 years.
- If the present banking situation remains at status quo, then also after this 5-year period it is doubtful that the loan guarantee system will be introduced in Saba since there are no financial institutions that fall under full supervision of the Dutch Central Bank (DNB).
- Making homeownership more accessible for our people will have an immediate positive effect on our economy, the housing market and as a way of wealth creation will contribute to the eradication of poverty.
- The present banking system has a negative impact on social minimum and spending power of our people.



Resolves

To request the Executive Council to do all in its power to

- Start the dialogue with the national government to create a level playing field between the residents of Saba and their counterparts in the European part of The Netherlands and Bonaire where it comes to banking services.
- Start a dialogue that will ultimately lead to the establishment of a Dutch bank, or any other bank, accessible for residents of Saba, falling under full supervision of the Dutch Central Bank (DNB).
- See to it that residents of Saba will have the same access to low interest loans and other favorable conditions as their counterparts in the European part of The Netherlands.
- Have the mortgage guarantee system also available for residents of Saba as early as possible.
- Initiate an evaluation of the use of the US dollar as the official currency.
- Seek the cooperation of St. Eustatius and Bonaire to achieve these goals.

And goes over to the order of the day.

For

Against

