

St. Eustatius, 14 November 2018.

Dear chairman and members of the Finance Committee of the Lower House,

Yesterday evening there was an information from the Dutch Central Bank on our island (St. Eustatius) about the deposit guarantee scheme for individuals and companies living and banking in the Dutch Caribbean. Although the information was clear, it seemed to me that this scheme is one of the many plasters on a festering wound. And to stay in this metaphor, I wondered whether the proverbially soft surgeon really heals the stinking wound, or whether in due course something additional or corrective should come up here as well.

In my opinion the real pain point is of course the fact that here (at least on St. Eustatius) they work with US dollars instead of euros and there is no other bank available (for residents and local companies) than the monopolist (!) Windward Islands Bank. This bank in turn is a subsidiary of the Maduro Curiel Bank (which in turn is not directly under the supervision of De Nederlandsche Bank, because located on Sint Maarten and Curacao). Related to this is the flaw that the inhabitants of the Dutch Caribbean do not necessarily have a citizen service number (BSN).

On several fronts it hurts. Some examples:

- It is impossible to apply for a digid because it is necessary to have the BSN (moreover, there is no digid desk in the area to make such an application).
- You can't open a bank account at a NL-bank because you need to have a BSN for this as well. Moreover, there is no branch of a NL-bank where this account can be opened.
- The initiative taken some years ago to give all Dutch people an insight into their accrued pension via the website 'mijnpensioenoverzicht.nl' is of no value here. After all, before logging on to this site, a digid must be available again and moreover, the pension accrued with Pensioenfonds Caribisch Nederland (PCN) is not available via this website because - as appears from inquiries with PCN - the pension accruing members at PCN are not registered with a BSN.
- Students who want to continue studying in the European Netherlands from St. Eustatius can register at Studielink through a specially set up 'channel' (again such a palliative or 'plaster') for this group and in order to be eligible for study financing (via DUO) a NL-bank account must be available.

And these are just the things that I (or my immediate surroundings) encounter. Last night's information revealed that the deposit guarantee scheme for the Dutch Caribbean does not fit in well with the needs of the local entrepreneurs. Perhaps the list of 'examples' is much larger than I listed here.

It therefore seems to me that the suggestion...

- to provide all Dutch Caribbean citizens with a BSN,
- to turn the Dutch Caribbean into a 'euro area' and
- NL banks to stimulate the opening of a branch on the islands in the Caribbean Netherlands,

would be a major improvement.

The fact that the anti-Dutch sentiments that live here would be an opposing force is an argument that, in my view, does not hold water. After all, these sentiments are mainly aimed at autonomy. This degree of self-government can be regulated in legislation that is related to the status of the islands as 'Public Entity'. The discussion concerning this legislation seems to me to be one that can be seen separately from the financial infrastructure in the Dutch Caribbean.

Then there is the question (which seems especially relevant for the NL banks): "shall I open a branch on the islands in the Caribbean Netherlands". It seems to me that this is almost a condition for making the Dutch Caribbean a euro area, because the infrastructure of all NL banks is based on the euro as the currency. Furthermore, if we only consider whether such an establishment will be profitable, then the answer is clear. The scale is so small that this will most likely not result in a positive business case (although I estimate that the negative aspect of this business case will also remain limited).

Of course, the management of a NL bank will estimate the risk of reputational damage if the bank is involved in money laundering and - admittedly - in today's world, the Caribbean region will not have the cleanest reputation in this area. On the other hand, the question I put in this letter concerns the availability of simple banking services such as payment accounts and savings, whereby the intended branches are and will of course remain subject to the 'Prevention of Money Laundering and Terrorist Financing Act', as is the case in the European Netherlands.

In addition to the previous two paragraphs, I would like to remind you that - and this is well known - several NL banks survived the crisis of 2008 et seq. with the help of public money. Is it too much to ask for a public service to be 'returned' to the taxpayer? In particular, I am referring, of course, to the availability of a one-stop shop for simple banking services for the Caribbean Dutch resident or entrepreneur, who may not necessarily be profitable.

I would therefore like to suggest that you consider the above suggestion. If your consultation is positive in this respect, I would then like to ask you to lead it there that the implementing bodies willingly execute this request so that soon 1) everyone in the Dutch Caribbean has a BSN and 2) everyone in the Dutch Caribbean can purchase simple banking services from a NL bank.

Many thanks in advance for putting this request on the agenda.

With kind regards,

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Note: May I ask you to confirm the receipt of this e-mail as well as to respond to it by e-mail instead of the 'regular' letter? The lead time between sending and receiving 'regular' mail from the European Netherlands to the Caribbean Netherlands (and vice versa) is several weeks, if not months.

In copy to (as appears from the address of this email):

- *Committee on Kingdom Relations of the Lower House of Parliament*
- *The Dutch Central Bank*