



KINGDOM OF THE NETHERLANDS— CURAÇAO AND SINT MAARTEN

CENTRAL BANK TRANSPARENCY CODE REVIEW

March 2026

This paper on Curaçao and Sint Maarten was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time of the mission and it was completed on November 7, 2025.

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March 9, 2026

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DETAILED REVIEW REPORT

Prepared By

**Monetary and Capital
Markets Department,
Finance Department,
and Legal Department**

This Detailed Review Report was prepared based on the work of an IMF mission to Curaçao and Sint Maarten in October and November 2025. The IMF team for the Central Bank Transparency Code (CBT) Review mission was led by Alex Smith (Mission Chief, MCM), and comprised Dmytro Solohub and Lukman Yusuf (MCM), Mosidi Vilakazi (LEG), Elias Kazarian, Mohammed Sultan Janahi and Rudy Wytenburg (IMF External Experts), and jointly overseen by the Monetary and Capital Markets, Finance and Legal Departments, IMF.¹ Production assistance was provided by Alexandra Jones.

The team extends its warm appreciation to the Board, senior management, and staff of the CBCS, who provided excellent cooperation, and to outside stakeholders and interested public for their valuable views and insights.

¹ The mission was backstopped from HQ by Luisa Malcherek (LEG).

CONTENTS

GLOSSARY	3
EXECUTIVE SUMMARY	5
KEY RECOMMENDATIONS	10
SCOPE AND OBJECTIVE	11
APPROACH AND METHODOLOGY	11
BACKGROUND	12
MAIN FINDINGS	15
A. Pillar I. Transparency in Governance	15
B. Pillars II, III, and IV. Transparency in Policies, Operations, and Outcome	19
C. Pillar V. Transparency in Official Relations	22
AUTHORITIES'S RESPONSE TO DETAILED REVIEW	24
A. Centrale Bank van Curacao en Sint Maarten—Proposed Action Plan	27
BOXES	
1. Communicating the Transition to a New Currency	14
2. Key Findings from the IMF's Survey of CBCS Stakeholders	19
3. Quantitative Insights for Transparency Practices	23
FIGURE	
1. How Well Informed Do You Feel About the Following Topics?	15
TABLE	
1. Curaçao and Sint Maarten: Central Bank Transparency Overview for CBCS	7
ANNEXES	
I. CBCS: Central Bank Transparency Code—Detailed Review	32
II. Findings of the IMF's Stakeholder Survey	140
III. Quantitative Analysis of the CBCS's Communications	145
IV. List of CBCS Units and External Stakeholders	149

Glossary

AC	Audit Committee
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
BCBS	Basel Committee on Banking Supervision
CBA	Central Bank of Aruba
CBCS	Centrale Bank van Curaçao en Sint Maarten
CBT	Central Bank Transparency
CCCC	Curaçao Climate Change Platform
CCyB	Countercyclical Capital Buffer
CD	Certificate Deposit
CFP	Countering the Financing Proliferation
COC	Code of Conduct
CPMI	Committee on Payments and Market Infrastructures
DGS	Deposit Guarantee Scheme
DRR	Detailed Review Report
ELA	Emergency Liquidity Assistance
EME	Emerging Market Economy
FATF	Financial Action Task Force
FAQ	Frequently Asked Questions
FIU	Financial Intelligence Unit
FMI	Financial Market Infrastructures
FSR	Financial Stability Report
FX	Foreign Exchange
GCCS	Governance, Compliance, and Conduct Supervision Department
GDP	Gross Domestic Product
GIAS	Global Internal Audit Standards
IAD	Internal Audit Department
IC	Investment Committee
IIA	Institute of Internal Auditors
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IOC	Investment Oversight Committee
IP	Investment Policy
IPPF	International Professional Practices Framework
LBP	<i>Landsverordening bescherming persoonsgegevens</i>
LOLR	Lender of the Last Resort
MoU	Memorandum of Understanding
MPC	Monetary Policy Committee
MPR	Monetary Policy Report

MU	Monetary Union
NGFS	Network for Greening the Financial System
NOIS	National Ordinance on Identification of Clients Before Rendering Services
NORUT	National Ordinance on the Reporting of Unusual Transactions
NPC	National Payment Council
PEP	Politically Exposed Person
POC	Preventing Overextension of Credit
RAMP	Reserve Advisory & Management Program
SARA	Systemic AML/CFT/CFP Risk Assessment
SB	Supervisory Board
TD	Time Deposit
TWG	Technical Working Group
USD	US Dollar
XCG	Caribbean Guilder
XCGA	Curaçao Gaming Authority
ZBO	Autonomous Administrative Authority (<i>Zelfstandig Bestuursorgaan</i>)

EXECUTIVE SUMMARY

The Centrale Bank van Curaçao en Sint Maarten (CBCS) is undergoing modernization, in which improving transparency is a core component. The fallout from the failures—in the 2010s—of two large institutions under the CBCS’s supervision dented public trust in the central bank. Alongside improved internal governance and regulatory reforms, enhanced transparency is being used as a key tool to strengthen the CBCS’s reputation and institutional credibility. As the central bank for two nations within a monetary union (MU), CBCS faces demands for strong communication and engagement with stakeholders across both jurisdictions.

The CBCS’s transparency practices are at an advanced level across several important areas. The CBCS provides a relatively high degree of transparency to the public across key areas of its monetary policy, foreign exchange (FX) reserve management, and lender of last resort (LOLR) functions. External stakeholders—particularly those in the private sector—have also reported significant improvements in the quality and quantity of CBCS’s communications in recent years. The launch of the new currency in 2025 has been cited as an example of a well-designed communication campaign, with clear messaging which reached the broader population.

The institutional communications framework could be strengthened to enable more proactive and targeted communications. Although the CBCS has become more active in communicating with its stakeholders across various channels, there remain challenges regarding the accessibility and perceived reach of its communications across the MU. Completing and publishing the planned institutional communications strategy could help to address these challenges, while facilitating more proactive and accessible communications. Improving the website is an additional step that could be taken to promote the effectiveness of communications.

There is room for enhanced transparency in interactions with the public sector. There is very little information disclosed regarding CBCS’s formal interactions with other public sector bodies. Disclosing agreements governing these interactions, and the outcomes thereof, would make it easier for the public to understand the boundaries of the CBCS’s remit and its role vis-a-vis other agencies. Furthermore, CBCS’s direct engagements with the Parliaments of Curaçao and Sint Maarten occur on an ad hoc, infrequent basis. While not a statutory requirement, the CBCS could consider arranging a regular presentation of its key activities before both Parliaments, at least annually, to promote transparency and accountability.

There is scope for additional transparency regarding the Bank’s governance arrangements and legal framework. The CBCS discloses its legal framework, and the website identifies its key decision-making bodies. However, the legal basis for some functions could be made clearer. Accountability for key functions could also be clarified by disclosing the allocation of responsibilities, composition, and operational procedures for the CBCS’s main committees, as well as the main reporting lines within the organization.

Stakeholders would welcome more information about the CBCS’s FX administration policy decisions and their outcomes. While the objectives of cross-border financial flows and FX administration are relatively well defined, more transparency is warranted regarding the strategy for achieving these objectives. For example, the CBCS could disclose, in layman’s terms, the rationale for maintaining the licensing mechanism, and for the setting of the transaction value threshold, above which a FX license is required.

The CBCS could consider increased transparency of its internal controls and supervisory processes in respect of anti-money laundering and combating the financing of terrorism (AML/CFT). The CBCS’s internal AML/CFT control framework is not disclosed to the public. And, while an overview of its AML/CFT supervisory policies is provided on the website, additional information could be provided on the resources allocated to this function and the outcomes of its supervision, including remedial follow-up.

Table 1. Curaçao and Sint Maarten: Central Bank Transparency Overview for CBCS

Pillar	Principle	Sub-principle	Practices			
			Core	Expanded	Comprehensive	
I. Governance	1.1.	Legal Structure				
	1.2.	Mandate				
	1.3.	Autonomy	1.3.1.	Institutional/Operational		
			1.3.2.	Functional		
			1.3.3.	Personal		
			1.3.4.	Financial		
	1.4.	Decision-Making				
	1.5.	Risk Management	1.5.1.	Risk Exposure		
			1.5.2.	Risk Framework		
	1.6.	Accountability Framework	1.6.1.	Arrangements		
			1.6.2.	Tools		
			1.6.3.	Anti-Corruption/COC		
			1.6.4.	Human Capital Management		
1.7.	Communication	1.7.1.	Arrangements			
		1.7.2.	Strategy/Tools			
1.8.	Confidentiality					
II. Policies	2.1.	Monetary Policy	2.1.1.	Objectives/Framework		
			2.1.2.	Policy Decisions		
			2.1.3.	Supporting Analysis		
	2.2.	FX Administration	2.2.1.	Objectives/Framework		
			2.2.2.	Policy Decisions		
			2.2.3.	Supporting Analysis		
	2.3.	FX Management	2.3.1.	Objectives/Framework		
			2.3.2.	Policy Decisions		
			2.3.3.	Supporting Analysis		
	2.4.	FX Reserve Management	2.4.1.	Objectives/Framework		
			2.4.2.	Policy Decisions		
			2.4.3.	Supporting Analysis		
	2.5.	Macroprudential	2.5.1.	Objectives/Framework		
			2.5.2.	Policy Decisions		
			2.5.3.	Supporting Analysis		
	2.6.	Microprudential Supervision				
	2.7.	Emergency Liquidity Assistance	2.7.1.	Market-wide Liquidity Support		
2.7.2.			Bilateral Liquidity Support			
2.8.	Resolution					

Table 1. Curaçao and Sint Maarten: Central Bank Transparency Overview for CBCS (continued)

Pillar	Principle		Sub-principle		Practices		
					Core	Expanded	Comprehensive
	2.9.	FMI					
	2.10.	Financial Integrity	2.10.1	AML/CFT Supervision			
			2.10.2	Internal AML/CFT Controls			
	2.11.	Consumer Protection					
III. Operations	3.1.	Monetary Policy	3.1.1.	Instruments			
			3.1.2.	Coverage			
			3.1.3.	Access			
	3.2.	FX Administration	3.2.1.	Instruments			
			3.2.2.	Coverage			
	3.3.	FX Management	3.3.1.	Instruments			
3.3.2.			Coverage				
	3.4.	FX Reserve Management	3.4.1.	Instruments			
			3.4.2.	Coverage			
			3.4.3.	Assessment			
	3.5.	Stress Testing	3.5.1.	FS Assessments			
			3.5.2.	ST Methods			
			3.5.3.	ST Coverage			
			3.5.4.	Use of ST Results			
	3.6.	Macroprudential	3.6.1.	Instruments			
			3.6.2.	Enforcement			
	3.7.	Microprudential Supervision					
	3.8.	Emergency Liquidity Assistance	3.8.1	Market-wide Liquidity Support			
			3.8.2	Bilateral Liquidity Support			
3.9.	Resolution						
3.10.	FMI						
3.11.	Financial Integrity	3.11.1	AML/CFT Supervision				
		3.11.2	Internal AML/CFT Controls				
3.12	Consumer Protection						
IV. Outcome	4.1.	Monetary Policy	4.1.1.	Governance Actions			
			4.1.2.	Policies			
			4.1.3.	Operations			
	4.2.	FX Administration	4.2.1.	Governance Actions			
			4.2.2.	Policies			
			4.2.3.	Implementation			
	4.3.	FX Management	4.3.1.	Governance Actions			

Table 1. Curaçao and Sint Maarten: Central Bank Transparency Overview for CBCS (concluded)

Pillar	Principle	Sub-principle	Practices		
			Core	Expanded	Comprehensive
		4.3.2. Policies			
		4.3.3. Operations			
	4.4. FX Reserve Management	4.4.1. Governance Actions			
		4.4.2. Reporting on Imp.			
		4.4.3. Financial Results			
	4.5. Macroprudential	4.5.1. Governance Actions			
		4.5.2. Policies			
	4.6. Microprudential Supervision				
	4.7. Emergency Liquidity Assistance	4.7.1. Market-wide Liquidity Support			
		4.7.2. Bilateral Liquidity Support			
	4.8. Resolution				
	4.9. FMI				
	4.10. Financial Integrity	4.10.1. AML/CFT Supervision			
		4.10.2. Internal AML/CFT Controls			
	4.11. Consumer Protection				
V. Official Relations	5.1. Government	5.1.1. Institutional			
		5.1.2. Financial			
		5.1.3. Instruments			
		5.1.4. Outcome			
	5.2. Domestic Agencies	5.2.1. Institutional			
		5.2.2. Instruments			
		5.2.3. Macroprudential			
		5.2.4. Financial Stability			
	5.3. Foreign Agencies				
	5.4. Other Relations				
	Denotes "Not Applicable"		Denotes "Not Implemented"	--- Denotes "No Category Assigned" as per the principle in the CBT; detailed descriptions included in the DRR.	

KEY RECOMMENDATIONS²

1. **Enhance the transparency of the CBCS's legal structure by** clarifying the hierarchy between its objectives, the legal basis for all of its functions and powers, through an explanation of the hierarchy of laws to which the CBCS is subject, and by specifying in simple terms the degree of autonomy the CBCS enjoys in the execution of its various functions.
2. **Improve internal governance and human capital related disclosures,** by publishing a comprehensive organizational chart, executive biographies, and aggregated workforce data; as well as an overview of CBCS' decision-making bodies, including the composition, authority, and scope of each.
3. **Strengthen risk reporting and oversight disclosures by** publishing the principal financial and non-financial risks and high-level mitigation strategies; and by disclosing the Audit Committee and Internal Audit mandates, reporting lines, and key oversight outcomes.
4. **Increase transparency regarding the CBCS's interactions with each nation's government and their agencies,** by presenting key reports, such as the Annual Report, directly to both parliaments; and by disclosing cooperation arrangements with other public sector bodies on the CBCS website.
5. **Enhance the communication framework to improve the accessibility of messaging,** through the formalization and disclosure of the CBCS's planned communication strategy—in which the communication objectives, principles and target audiences can be outlined—and by improving the accessibility of the website.
6. **Clarify how the CBCS identifies confidential information,** by describing the institutional approach to information sharing/disclosure and the types of information subject to confidentiality (e.g. through the publication of a confidentiality policy). As part of its LOLR function, the CBCS could consider specifying when, and under what circumstances, bilateral liquidity assistance can be publicly disclosed.
7. **Take further steps to improve the transparency of the monetary policy framework by** clarifying the mandate of the Monetary Policy Committee (MPC), publishing its minutes, organizing press conferences to present its decisions, and publishing an analysis of the outcomes achieved.
8. **Offer more clarity regarding FX management policies by** publishing information on licensed entities, disclosing the assessment of the impact of the licensing regime in achieving the policy of cross-border financial flows, and disclosing the impact of the monetary policy operations in achieving the objectives of FX management.

² Please refer to the Detailed Review Table in Annex I for a complete overview of principle wise transparency recommendations.

9. Proactively disclose the macroprudential policy toolkit, decisions and governance arrangements, once the policy framework is finalized.

10. Strengthen CBCS’s AML/CFT related disclosures by publishing an enhanced overview of its risk-based supervisory approach, including key principles, staffing data, and enforcement outcome; and by disclosing a description of CBCS’s internal AML/CFT control framework including governance arrangements, risk-mitigation measures, and assurance activities.

SCOPE AND OBJECTIVE

11. In response to a request from the CBCS, the mission conducted a Central Bank Transparency (CBT) review. The scope of the review covers all CBT principles. Given the existence of established international standards, microprudential supervision, resolution and the supervision and operation of financial market infrastructures (FMI) fall outside of the scope of the CBT review.

12. This review is intended to support the CBCS in evaluating its transparency practices, with a focus on identifying both the strengths and areas for improvement. The review compares the CBCS’ transparency choices to the range of best practices detailed in the CBT, which cover transparency in: (i) governance; (ii) policies; (iii) operations; (iv) outcomes; and (v) official relations. The review aims to help the CBCS to strengthen its engagement with stakeholders and to find the proper balance between independence and accountability. While it is important to note that the CBT review is not an assessment of central bank policies, it is likely to benefit the CBCS’ efforts to advance policy effectiveness. The CBT’s range of practices is not intended to be a tool for ranking the transparency of central banks, as noted in the [IMF Policy Paper Central Bank Transparency Code](#).

APPROACH AND METHODOLOGY

13. The mission’s approach consisted of a desk review as well as in-depth interactions with the CBCS and its key stakeholders. The mission team conducted a preliminary desk review based on both publicly available information and the Self-Review Questionnaire responses provided by the CBCS prior to the mission.³ A written stakeholder survey was also conducted ahead of the mission, targeting a broad range of the CBCS’s expert stakeholders.⁴ The desk review and survey formed the basis for discussions with the CBCS’ management and staff—and for in-person meetings with key

³ The mission concluded on November 7, 2025. Initiatives implemented after the mission conclusion date have not been considered.

⁴ See Box 2 and Annex II for further details on the findings and design of the survey.

stakeholders (from the public and private sector) during the mission.⁵ The meetings enabled the mission to collect views on, and to better understand, experiences of the CBCS's transparency practices. The meetings with key stakeholders were planned in coordination with the CBCS, though the CBCS' staff did not attend those meetings. The team greatly appreciated the very high quality of cooperation, including the provision of responses to the Self-Review Questionnaire, documentation, and technical support, as well as the CBCS' facilitation of the mission meeting schedule.

14. The review was conducted principle-by-principle, taking into consideration the relevant dimensions of transparency. The review maps the CBCS's transparency practices across a range of best practices and was conducted in the context of the CBCS's legal mandate and policy context, as well as the prevailing general legal framework. The review distinguishes between three categories of transparency practices; "Core," "Expanded," and "Comprehensive;" indicating the level of transparency in the specific area. The review considered several important dimensions of transparency, including: (i) timeliness; (ii) periodicity; and (iii) quality of disclosure. The latter covers both accessibility and ease of understanding, especially by the general public. A rigorous in-house artificial intelligence tool was used to verify that the transparency practice levels assigned by the mission team are consistent with the CBT code.

15. In addition, the mission employed quantitative methods to assess various facets of the CBCS's communications. The transparency of central bank publications goes beyond the information provided; it hinges on the accessibility and intelligibility of this information. Annex III and Box 3 assess the readability, sentence structure complexity and thematic content of key CBCS publications to assess these dimensions of transparency.

BACKGROUND

16. Since 2010, the CBCS has been the central bank for the MU of the countries of Curaçao and Sint Maarten. Following the dissolution of the Netherlands Antilles in 2010, Curaçao and Sint Maarten became autonomous nations and formed a MU. As part of this process the Bank of the Netherlands Antilles became the CBCS.

17. As the Central Bank of a two-country MU within the Kingdom of the Netherlands, the CBCS operates in a complex environment. The unique governance arrangements mean that the CBCS is required to communicate on its decisions, operations and institutional arrangements to stakeholders from both countries in the MU. This, in turn, calls for a communication approach which is tailored to the different priorities, context and languages spoken across each nation.

⁵ See Annex II for a list of the CBCS staff and external stakeholders with whom meetings were held as part of the mission.

18. The financial system within the MU is large and broadly stable. The assets of domestically domiciled financial institutions amounted to over 300 percent of GDP in 2024,⁶ with banks accounting for the largest share of assets, though pension funds and insurers are also significant in size. The resilience of the banking sector is supported by high levels of capitalization and liquidity. The outlook for financial stability has improved following the resolution of two large financial institutions in recent years. The resolution of the largest life insurer in the MU occurred in 2024, and that of one of the largest banks on Curaçao in 2020. The resolution processes for both institutions were complex and protracted. The failures of these institutions had significant social costs and, at the time of failure, placed strain on the reputation of the CBCS as the supervisory authority. The CBCS has enhanced its public engagement in recent years and has implemented key regulatory reforms, which have contributed to the rebuilding of public trust and a strengthening of the crisis management framework.

19. The CBCS has a broad mandate including monetary stability and the efficient functioning of the financial system. The monetary policy of the CBCS is oriented towards maintaining a stable value of the Caribbean Guilder (XCG) with respect to the US Dollar (USD). To promote a well-functioning financial system, the CBCS is responsible for financial supervision and regulation of banks and various non-bank financial institutions, as well as payment system safety, resolution, financial stability, and consumer protection across the MU.

20. The CBCS has recently completed the successful issuance of a new currency, the Caribbean Guilder. The XCG was introduced in March 2025 and replaces the Netherlands Antillean Guilder. The XCG will continue to be pegged at the same rate as its predecessor (1.79 to the USD). The key driver of the change in currencies was the dissolution of the Netherlands Antilles. However, the introduction of a new currency also provided an opportunity to update the security features of the currency. The CBCS undertook an extensive media campaign to inform the public of the rationale for the introduction of the new currency, and the process of replacing the outgoing currency (see Box 1).

21. The CBCS has limited direct engagement with the Parliaments of each country in the MU. Under the MU's unique legal framework, no regular formal engagements between the CBCS and the two Parliaments are required. The Parliaments also have no direct power to call the CBCS to their meetings, other than through a subpoena. As a result, in practice the two beneficial owners of the CBCS—the Ministries of Finance of Curaçao and Sint Maarten—are called to account to their respective Parliaments for the regular activities of the CBCS. The CBCS does request interactions with both Parliaments from time to time on an ad hoc basis, typically to discuss a topical issue, such as the issuance of the new currency. While the CBCS provides both Parliaments with copies of its Annual Report each year, the lack of direct parliamentary engagement on the topics covered in the Annual Report can make the CBCS appear less accountable to the public and may lead to confusion

⁶ See: CBCS 2025 [Financial Stability Report](#)

regarding its mandate vis-à-vis that of the Ministries of Finance who represent the CBCS to the Parliaments.⁷

22. The CBCS' 2023–2025 Strategic Plan includes the goal of open and transparent communication with outside partners. CBCS aims to achieve this by listening to its stakeholders and being responsive to inquiries and requests, as well as by strengthening its dialogue with external stakeholders on key topics. The CBCS strategic plan explicitly notes that the confidentiality “required in handling information concerning institutions and individuals does not stand in the way of retrospectively explaining its policy choices.” This philosophy is in line with the approach promoted by the CBT. The findings and recommendations of this CBT review can support the CBCS to further enhance transparency in line with its strategy.

Box 1. Communicating the Transition to a New Currency

The Caribbean Guilder was introduced as legal tender in Curaçao and Sint Maarten on March 31, 2025.

In mid-2023 the CBCS developed a stand-alone communication plan specifically for the XCG. The plan set key phases for XCG communications in the lead up to launch and outlined three objectives: that the community: (i) be well informed about the new currency; (ii) accept XCG with confidence at launch, (iii) know how to identify and authenticate XCG banknotes and coins.

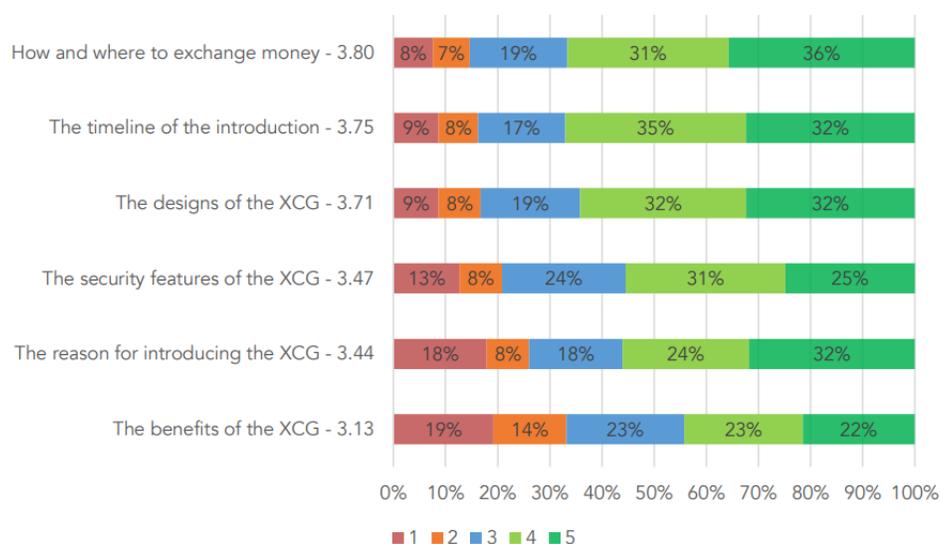
The CBCS had to overcome several communication challenges associated with the XCG. A key challenge was to address the skepticism of stakeholders, which ranged from concerns that the new currency could lead to higher inflation, to questions around whether it was even necessary to replace the existing currency. A second challenge was to ensure the key messages were being disseminated across a wide range of stakeholders in both nations and in multiple languages. The XCG communication plan identified a tailored set of messages for different groups of stakeholders, which focused on the identity and overarching interest of both countries as well as the objectives outlined above.

A multi-channel tiered communication approach allowed for broad dissemination of information about the XCG. The CBCS leveraged various communication channels including its website and social media pages, advertisements, traditional media, in-person information sessions and school presentations. Tools such as videos, banners, fliers and interviews allowed for a relatively broad reach, with message tiering for different types of audiences (encompassing many audiences including visually impaired members of the public, civil servants, banks, and the media, among others). An approach of this nature is crucial given the broad range of stakeholders involved in a currency transition.

These communications were relatively well received by stakeholders. More than two-thirds of stakeholders surveyed felt well or fully informed about where to exchange money and on the timeline of the XCG introduction. However, a significant minority of stakeholders did report receiving insufficient information regarding the reasons for introducing the currency and the expected benefits thereof (see Figure 1). The learnings from this campaign should be carefully analyzed and used to inform future CBCS outreach activities.

⁷ The CBCS has indicated its willingness to present its Annual Report to the Parliaments of both countries if an invitation is extended by each Parliament through the respective Minister of Finance.

Figure 1. How Well Informed Do You Feel About the Following Topics?
(Scale from 1 to 5, where 1=Too Little Information and 5=Fully Informed)



Source: CBCS.

MAIN FINDINGS

A. Pillar I. Transparency in Governance

Legal Structure, Mandate, and Decision-making

23. Information on the overall legal structure of CBCS is publicly available but additional supporting information could be provided. During discussions with CBCS staff, it became apparent that not all legislation that applies to the Bank is available on the website. For example, the Constitutions of Curaçao and Sint Maarten are not published in full, resulting in important articles, such as the articles describing the hierarchy of law, not being disclosed. This makes it difficult to confirm whether the inventory of legislation on the website covers all laws applicable to the CBCS's main activities and makes it challenging for stakeholders to determine whether CBCS is fully transparent in this regard. In the spirit of transparency, CBCS could also consider providing an overview of key laws and publishing a plain language explanation of the hierarchy of laws in English, Papiamentu and Dutch.

24. The CBCS's objectives are publicly disclosed but the clarity of its mandate could be improved. Though the objectives to promote the stability of the value of the currency, the health of the financial system and safe and efficient payment transactions are disclosed in the Statute and on the website, there is no clear hierarchy between these objectives and there is no explanation of the differing levels of autonomy with respect to the CBCS's different objectives. The CBCS is in the

process of considering changes to its legal framework and may clarify these issues to strengthen the transparency of the framework. The website describes the CBCS's functions but lacks clarity on the legal foundation that undergirds those functions. For example, the Statute confers on the CBCS a broad supervisory mandate, while the CBCS's resolution and consumer protection mandate is established in the National Ordinance on Credit Institutions. Further, the scope of the CBCS's powers could be made clearer, as it does not disclose an overview of its powers or how they are linked to its functions.

25. To enhance transparency and public understanding, the CBCS could consider explaining the extent of its independence in relation to its interactions with the respective Ministers of Finance. While the CBCS manages daily operations and core functions, it consults with the Ministers of Finance from both countries on financial and economic policy matters. The Statute limits ministerial powers to prevent undue influence, however publicly disclosing the boundaries of CBCS' autonomy in plain language could help to clarify the extent of the central bank's independence and could contribute to building trust with the public.

26. The CBCS may consider disclosing additional details regarding the autonomy of members of both the Executive and Supervisory Boards. Specifically, it could clarify the degree of independence its decision-making bodies maintain from third-party influence by clearly outlining the grounds, procedures, and authorities involved in the suspension or removal of board members. Transparency of decision-making could be increased by providing information on the rules of procedure concerning the governance of the CBCS. This would include more detailed information on the allocation of responsibilities across key committees, such as the monetary policy committee. In addition, the CBCS could consider providing information about these committees' function(s) and composition.

Risk Management and Accountability Framework

27. While the CBCS has strengthened internal HR policies and maintains a compliance manual outlining ethical standards, public disclosure on workforce management remains extremely limited. Current reporting provides only basic governance details, an infographic of leadership positions without reporting lines, and minimal insight into demographics, training and development, succession, recruitment, retention, or diversity practices. A proper hierarchical organization chart, accompanied by biographies highlighting executive competencies and collective suitability, would clarify governance structures. Publishing qualitative descriptions of HR policies, medium- to long-term human capital strategies, and aggregated data on staffing, turnover, and inclusion would position the CBCS as an 'employer of choice', reinforce credibility, and highlight workforce management practices.

28. The CBCS could consider clearly defining and publishing its risk governance structure to strengthen transparency and accountability. The CBCS could present a governance structure detailing all risk oversight bodies—Audit Committee, Risk Committee, Supervisory Committee, Executive Management (including the Governor), Internal Audit, Risk Management Unit, Compliance, and External Audit—along with their functional and administrative reporting lines. Associated

biographies would outline incumbents' qualifications, competencies, and capabilities, ensuring oversight coverage of critical functions of the CBCS. This would clarify roles, illustrate the depth of expertise supporting overall risk management, and align with international good practices, thereby enhancing stakeholder confidence in the CBCS's governance framework.

29. The CBCS's risk management disclosures could be enhanced by integrating and disclosing principal risks, applicable standards, methodologies, and mitigation strategies in core public reports. The CBCS does publish its risk management policy and manual; however, the non-financial risk management processes have yet to be implemented. The CBCS should consolidate and publish key financial and non-financial risks, including quantified exposures such as interest rate, credit, environmental, and cyber risks. Where followed, the disclosures should reference applicable international standards, explain risk assessment methodologies, and outline mitigation and management strategies. Integrating this information into the Annual Report and Strategic Plan would demonstrate proactive risk management, reinforce accountability, and assure stakeholders that the CBCS is systematically safeguarding its mandate and operational resilience.

30. The CBCS could consider defining and disclosing the Audit Committee's (AC) and Internal Audit Department's (IAD) charters, reporting structures, and adherence to international standards, while also strengthening financial reporting policies and transparency. The CBCS does publish the IAD's approved Charter, though not the AC's charter. Disclosure would benefit from clearly indicating the IAD's functional reporting to the Audit Committee, and administrative reporting to the Governor, alongside confirmation of its conformance with the Institute of Internal Auditors' Global Internal Audit Standards (post confirmation through an External Quality Assessment). This could be complemented by disclosure of IAD staffing qualifications, training, and compliance with codes of conduct and ethics to reinforce objectivity and stakeholder trust.

31. The CBCS could enhance transparency and stakeholder trust by presenting key publications, such as the Annual Report, directly to the parliaments of Curaçao and Sint Maarten. While not a statutory requirement, such engagement would demonstrate a strong commitment to openness, accountability, and inclusive dialogue, while fostering stronger relationships with parliamentarians, regulators, associations, and government agencies—ultimately reinforcing the CBCS's credibility and the trust of a diverse set of audiences.

Communications and Confidentiality

32. The CBCS is leveraging a variety of channels and tools to engage with many key stakeholders, but its website could be more user-friendly. The central bank has significantly strengthened its communications in recent years through a range of practices, including the introduction of new reports (such as the financial stability report (FSR)), the introduction of newsletters, by consulting regularly with the banking and insurance associations and by ensuring that press releases are produced in three different languages. This progress has been recognized by stakeholders. However, the CBCS's key channel of communication—the website—can be challenging to navigate and international users have reported some difficulties in accessing it. To ensure that key

information can be easily obtained by stakeholders across the globe, the CBCS could consider improving the website's accessibility and ease of use.

33. The CBCS is planning to develop a communication strategy, to ensure its messaging reaches all relevant stakeholder groups. While the CBCS has been increasingly active in communications with some stakeholder groups, others continue to feel underserved. The latter group includes several stakeholders in Sint Maarten, who note that, with over 95 percent of CBCS staff based in Curaçao, physical proximity can sometimes be a challenge for engagement. Key public sector entities across both jurisdictions also reported a desire for increased interaction with CBCS. The CBCS should leverage its forthcoming institutional communication strategy to tailor key messages to target audiences and to develop approaches to address key communication challenges, such as this impression of asymmetric engagement across nations and between the public and private sector stakeholders. The CBCS should consider publishing this strategy and disclosing its key communication processes to make its approach to communications more transparent.

34. To improve public understanding of the CBCS's mandate and activities, it could make greater use of clear language summaries and modern communication tools. While the CBCS publishes a range of information on its website, this can be complex and difficult for important stakeholders to understand (see Box 3 for evidence of rising complexity in CBCS communications). The stakeholder engagements, and the survey conducted by the IMF Mission Team, identified gaps in the understanding of the CBCS's mandate and activities, even among the CBCS's more informed stakeholders (see Box 2). Transparency could be improved by providing short, clear summaries of key documents, and by making greater use of videos and infographics.

35. The CBCS discloses relevant laws and regulations that limit its confidentiality but could disclose its approach to confidentiality for its non-supervisory functions. The CBCS discloses its approach to confidentiality and secrecy, in relation to financial institution supervision, on its website. However, CBCS could explain how it upholds the law in a manner which balances the need for confidentiality and transparency, in relation to its other (non-supervisory) functions. For example, it could publish a confidentiality policy that clarifies the reasons behind its decisions to withhold information on the grounds of confidentiality or secrecy. The CBCS could consider establishing internal procedures on confidentiality, including classifying information into categories. This will allow it to be more transparent with information not classified as confidential. The CBCS could also consider giving anonymized feedback on complaints filed with the Bank.

Box 2. Key Findings from the IMF’s Survey of CBCS Stakeholders

To complement the mission team’s qualitative analysis and its in-person meetings, a survey was conducted to elicit the views of a broad range of CBCS stakeholders. The survey was sent to key stakeholders including financial institutions, industry associations, regulators and academic experts across both Curaçao and Sint Maarten—72 responses were received.

More than three-quarters of respondents feel that the CBCS’s transparency has improved in recent years. Stakeholders indicated that this reflects incremental progress through increased clarity of communication and a greater frequency and number of publications. Measured on a scale of 1–5, stakeholders rated CBCS transparency at a level of 3.7, on average.

The website, mailing lists and newsletters are the primary sources of information for stakeholders. More than 70 percent of stakeholders indicated that the CBCS website provides relevant information in a timely and reliable manner. However, some users suggested that the website could be made more user friendly, as it can sometimes be challenging to find information on it.

Despite stakeholders reporting being relatively satisfied with CBCS disclosures, some key information is not well understood. In a multiple-choice question, only 35 percent of those surveyed could correctly identify that maintaining a currency peg against the USD is the primary goal of CBCS monetary policy. A greater proportion thought that the CBCS’s monetary policy aims to keep inflation within a target range. Given the expert nature of the respondents, this outcome reflects a shortcoming in the degree to which CBCS communication is reaching its key audiences.

Several areas for improvement were proposed by stakeholders. Common themes included that reaction times on information requests could be improved, that stakeholders would welcome more proactive, forward-looking communication from the CBCS (especially in relation to new regulations) and that the rationale underpinning key decisions could be more clearly explained. Some stakeholders called for deeper engagement through channels including seminars, dialogue sessions and regular newsletters.

The full set of survey findings is discussed in Annex II of this report.

B. Pillars II, III, and IV. Transparency in Policies, Operations, and Outcome

Monetary Policy

36. The CBCS is highly transparent regarding its monetary policy framework. The monetary policy framework, including the policy instruments, objectives, and strategy, is well disclosed on the CBCS’ website. The relevant regulations on the monetary policy objectives and monetary policy authority of the CBCS are also publicly available. The monetary policy of the CBCS has been geared toward promoting a stable value of the XCG) with respect to the USD. The official rationale for the peg is the high percentage of international trade that occurs in USD.

37. The transparency of the decision-making process and underlying analysis could be enhanced. The relationship between the MPC and the Board of Directors could be more clearly defined, as the ratification process by the Executive Board makes it unclear whether the MPC is a decision-making or advisory body. The CBCS may also consider publishing the minutes of the MPC meetings, including its deliberations. Furthermore, to enhance its transparency, the CBCS may disclose information on how it measures progress in achieving its monetary policy objectives. The CBCS may also carry out analytical studies such as working paper and technical notes, to further explain its thinking in this policy area.

38. The CBCS has been suitably transparent about its FX policy strategy and disclosure of its operational framework. The FX policy is vested with the governments of the countries, while the CBCS is charged with executing the government policy, by developing and implementing regulations. The policy objective is to safeguard the external stability of the common currency by maintaining orderly FX flows and preserving adequate FX reserves. The CBCS provides publicly available information on the tools and instruments it uses to implement the government policy.

39. The disclosure of the FX policy implementation and outcomes warrants further enhancement. While the objectives of cross-border financial flows and FX administration are well defined in various documentation and regulations, there is no dedicated analysis regarding its operational mechanisms and the transmission of FX intervention policy. To remedy this shortcoming, the CBCS may consider publishing in plain language on its website an abstract describing the policy objectives, legal and institutional frameworks, and the strategy for achieving the policy objectives. Furthermore, to be better understood by external stakeholders, the CBCS may enhance the disclosure of whether its interventions in the market are driven by FX management policy or to influence its monetary policy stance, while acknowledging that both are aimed at serving the same objective of maintaining the external stability of the common currency. Moreover, the CBCS may consider disclosing the underlying analysis which justifies the licensing mechanism and the current level of capital transfer that requires a license.

FX Reserve Management

40. The CBCS's transparency practices for FX reserve management are well defined but could benefit from further improvement. The CBCS provides clear and easily accessible information on managing FX reserves, including investment objectives, operative models, the allocation of oversight responsibility, and the institutional framework of its policy decisions. Furthermore, the FX reserve report provides helpful charts, a breakdown of the portfolio, and descriptions of the objectives and the framework. Improvements could be achieved by publishing the CBCS' investment committee (IC)'s discussions (with a certain lag and sanitizing sensitive information), and disclosing rules and procedures related to markets, counterparties, custodians, service providers, and risk exposures in an aggregated and timely manner.

Financial Stability and Macroprudential Policies

41. The CBCS has developed a relatively sophisticated approach to identifying and communicating financial stability risks. The main channel through which these risks are communicated is the annual FSR, published since 2022. In the latest edition, the CBCS discloses stress test results for the banking sector, a detailed financial system risk map, and a range of other useful indicators. The CBCS also engages with the financial sector prior to publication of the FSR to elicit their views on the risks to financial stability. The FSR is well communicated, including through a press briefing at launch. The CBCS also produces financial stability notes on topical issues as a complement to the analysis in the FSR.

42. However, linking risks to mitigating actions is not yet possible as the macroprudential policy framework is still under development. The planned introduction of this framework in 2026 will allow the CBCS to clearly identify and explain the policy implications of its systemic risk analysis. This is a crucial step in guiding the expectations of market participants and building public understanding and support for the macroprudential policy function. The CBCS is encouraged to disclose the governance arrangements, toolkit, and expected transmission of its macroprudential policy instruments. This could be done by including these issues in the macroprudential framework and publishing this document when it is finalized. The CBCS should also consider arrangements to facilitate the timely announcement and clear communication of its macroprudential policy decisions.

43. The CBCS discloses key information on the design of its stress tests but could be more transparent regarding supporting information and policy and supervisory implications. The FSR discusses the core assumption that underpins each stress test and discloses the results, at a high level, in its FSR. To further enhance transparency, the CBCS could provide additional information on how it identified the stress scenarios, the plausibility of each one, and what additional assumptions were required to be made as part of the stress tests. The CBCS could also consider disclosing whether, and how, aggregate bank stress test results affect its policy decisions and its interactions with the institutions under its supervision.

Emergency Liquidity Assistance

44. The CBCS has a comprehensive LOLR policy, but transparency could be enhanced through the inclusion of an information disclosure provision. The transparency of the LOLR framework was greatly improved with the publication of the 2022 LOLR policy guidelines, which clearly spell out the eligibility criteria, conditionality, financial parameters, and CBCS decision making processes associated with bilateral liquidity assistance. The policy guidelines are very extensive and provide a high degree of clarity to stakeholders. However, they could be further enhanced by including a provision on when, and under what circumstances, bilateral liquidity assistance can be publicly disclosed.

Financial Integrity

45. The CBCS's legal and institutional arrangements for AML/CFT supervision are formally well-defined but unevenly communicated to the public. The CBCS publishes the main legal instruments governing its supervisory mandate—including the Statute, NOIS, and NORUT—in both Dutch and English and identifies the Governance, Compliance, and Conduct Supervision Department (GCCS) as responsible for AML/CFT oversight across Curaçao and Sint Maarten. However, the practical operation of these uniform laws in both jurisdictions is not clearly explained online, several supervisory ordinances remain available only in Dutch, and some published on the website for Sint Maarten are outdated, limiting accessibility and cross-jurisdictional transparency.

46. The CBCS applies a risk-based supervisory approach aligned with its Strategic Plan 2025 and its declared “New Style of Supervision” policy, supported by an internal Handbook of Policy and Procedures on Risk-Based Supervision. While this demonstrates a structured

supervisory methodology, the handbook is confidential, and no public summary of its risk-assessment principles, prioritization criteria, or consultation processes is available. Disclosure on supervisory implementation remains largely high-level, with annual reports and occasional newsletters providing only aggregated information on on-site examinations, thematic reviews, and common deficiencies, and without granular data on coverage, staffing, or enforcement actions. Although one fine for failure to report a suspicious transaction has been disclosed, neither the sanctioned entity nor associated remedial measures were published.

47. Internal AML/CFT control arrangements exist but remain largely undisclosed. CBCS applies an internal AML/CFT framework to its operational functions—supported by the Legal, Governance and Compliance Department and periodic reviews by the IAD—yet the structure, risk-mitigation measures, and follow-up processes are not publicly described. Monthly and quarterly internal compliance reports are submitted to senior management, but no information is published on internal resources, AML/CFT reviews, suspicious transaction reports filed, or remediation of audit findings. Making high-level summaries of internal controls and anonymized internal AML/CFT data publicly available would strengthen accountability and enhance transparency.

Consumer Protection

48. The CBCS demonstrates a high level of transparency in executing its statutory mandate for consumer protection. It discloses its policies related to consumer protection, including policies related to disclosure measures and transparency of financial institutions. It also publishes provisions and guidelines for information security management, aimed at protecting the privacy of customer information. The CBCS promotes the participation of the public in relation to the execution of consumer protection regulations through its system for receiving and processing public complaints. While the CBCS does not report on sanctions applied to financial institutions, it publishes (at least annually) a report on the complaints received from the consumers; and issues warnings, which are intended to provide a protection mechanism against illegal practices. Finally, the CBCS actively promotes the financial literacy of the consumers of financial services as an important part of its consumer protection activities.

C. Pillar V. Transparency in Official Relations

49. Transparency regarding CBCS’s interactions with the two governments in the MU is limited, with very little disclosed in terms of procedures and cooperation agreements. The CBCS could consider creating a government services landing page under its ‘Functions’ tab to disclose relations and actions associated with the Governments of Curaçao and Sint Maarten. This webpage could outline its operational accountabilities, policies, procedures, and reporting requirements in its role as banker and fiscal agent to the governments. This webpage can also be used to disclose meeting agendas and minutes, press releases, and summaries of cooperative arrangements. In parallel, the CBCS should formalize and publish Memoranda of Understanding (MoU) and procedural documentation with the two governments. These measures will reinforce institutional credibility across a wider audience, and ensure that governance processes are transparent, structured, and easily understood by all stakeholders.

50. While the CBCS has collaborated with many financial and non-financial agencies, the absence of published agreements, meeting records, outcomes, and clear descriptions of cooperation processes limits transparency. The CBCS could consider establishing a dedicated, functional webpage under its 'Functions' tab to transparently disclose the roles, responsibilities, and collaboration mechanisms with domestic and foreign financial agencies. This recommendation aligns with the one above for creating a 'government services' webpage. This domestic and foreign financial agency webpage could be used to disclose formal arrangements and procedural documentation covering the CBCS's engagement with these entities. Accessible, structured online disclosure of institutional roles and agreements strengthens accountability, fosters trust, and enhances coordination among agencies and oversight bodies. By providing high-level meeting summaries and outlining policy instruments, the CBCS may reinforce its credibility as a proactive, accountable central bank.

Box 3. Quantitative Insights for Transparency Practices

The Mission Team quantitatively analyzed CBCS publications to assess communication clarity and accessibility. This analysis focused on how well CBCS disclosures serve different stakeholders by assessing readability, sentence complexity, and thematic clarity. Using lexical, syntactical, and semantical analysis powered by large language models, the team compared CBCS communications with regional peers and emerging markets to provide an objective assessment of CBCS's communication effectiveness.

The length of CBCS's key reports has remained mostly stable but varies by report type. The CBCS annual report is slightly over 30,000 words, significantly shorter than most regional peers and the emerging market median, though it has grown somewhat recently. Its FSR is longer than the emerging market median but similar in length to regional peers Jamaica and Trinidad and Tobago. In contrast, CBCS monetary policy statements are significantly shorter than peers, likely influenced by the pegged exchange rate regime that reduces the complexity of monetary policy communication.

The CBCS's publications are becoming harder to read. There has been a significant decline in the Flesch Reading Ease scores for both the annual report and monetary policy statement, driven by longer sentences and more complex vocabulary. This drop means CBCS documents have become more difficult to read than the equivalent publications from the median emerging market central bank. While depth and breadth of topics have expanded, simplification of language could improve accessibility.

The CBCS's reports strongly emphasize forward-looking content compared to regional and emerging market peers. The CBCS's FSR, monetary policy report, and monetary policy statements score markedly above the emerging market median for forward-lookingness. This forward orientation may contribute to the aforementioned language complexity, as discussing the future involves more nuanced and less straightforward communication.

The topics addressed in key CBCS's reports align broadly with global trends but show some important distinctions. Monetary policy reports focus on typical subjects like inflation and interest rates, while FSRs emphasize systemic risks, and resilience, but also address broader macro topics more than expected, which may reflect the absence of macroprudential policy. There has also been a small, but notable rise in coverage of climate-related topics recently. Since 2023, the CBCS has issued over 40 press releases annually on diverse themes, mostly on the macro-financial outlook and research, regulatory matters, institutional developments, and currency related topics.

The full set of survey findings is discussed in Annex III of this report.

AUTHORITIES' RESPONSE TO DETAILED REVIEW REPORT

The Board of the Centrale Bank van Curaçao en Sint Maarten (CBCS) requested the opportunity to participate in the International Monetary Fund's (IMF) Central Bank Transparency (CBT) Review and expresses its appreciation to the IMF for undertaking this important assessment.

The CBT self-review provided the CBCS with a valuable opportunity for institutional reflection. The process engaged a multidisciplinary team across several divisions of the Bank and enabled a comprehensive assessment of the Bank's transparency practices, including how information is disclosed to the public. In addition, the IMF administered a digital survey and conducted in-person meetings in both Curaçao and Sint Maarten to complement the assessment with input from key stakeholders. Collectively, these elements supported the identification of areas for improvement and targeted enhancements to further strengthen transparency and accountability.

The CBCS is pleased with the acknowledgement for its progress made in strengthening transparency and communication practices across its core mandates. The IMF noted marked improvements in recent years, particularly through enhanced communication channels, expanded and more frequent publications, multilingual outreach, and effective use of the Bank's website, newsletters, and mailing lists—developments that were positively acknowledged by a broad majority of stakeholders. The CBCS received favorable ratings for overall transparency, with stakeholders highlighting clearer and more accessible information.

The IMF further commended the CBCS for its highly transparent monetary policy framework, including the clear disclosure of objectives, instruments, strategy, and the rationale for the currency peg, as well as for suitably transparent foreign exchange policy and well-defined reserve management practices supported by comprehensive and accessible reporting.

In the area of financial stability, the IMF praised the CBCS's relatively sophisticated approach to identifying and communicating risks, underscored by the regular publication and effective communication of the Financial Stability Report and related analyses.

Additional positive acknowledgements were provided for the CBCS's well-defined legal and institutional arrangements for AML/CFT supervision, its structured and risk-based supervisory approach, and its transparent execution of the consumer protection mandate, including public reporting, complaint handling, and active promotion of financial literacy.

Collectively, these observations reflect the IMF's recognition of substantial and broad-based progress in the CBCS's transparency framework.

The CBCS welcomes the IMF’s constructive recommendations and broadly concurs with the findings of the review and reaffirms its view that transparency is a fundamental pillar for safeguarding institutional credibility, policy effectiveness, and public trust.

1. Transparency of the Legal Structure and Autonomy

The CBCS agrees with the recommendation to further enhance the transparency of its legal structure and institutional autonomy. To this end, the CBCS will publish a comprehensive legal framework overview document on its website. This document will clearly explain the hierarchy of laws governing the CBCS, including the central bank charter and the relevant constitutional provisions of Curaçao and Sint Maarten. The overview will also list all statutory functions and powers of the CBCS and provide a simplified explanation of its institutional, operational, and financial autonomy, including any legal constraints. In order to enhance accessibility, the CBCS will also provide a translation of the related frequently asked questions into Papiamentu.

2. Governance and Organizational Disclosures

The CBCS acknowledges the importance of clear governance-related disclosures. The Bank has already established a dedicated [Governance, Risk & Compliance](#) page on its website, to which the internal authorization matrix will be added. In addition, the CBCS is in the process of publishing its complaint procedure online. Moreover, the CBCS will publish an improved organizational chart that clearly illustrates departments, reporting lines, committees, and risk oversight bodies. Furthermore, the composition and authority of key committees within the Bank—such as the Monetary Policy Committee, and Financial Stability Committee—will be disclosed.

3. Risk Management, Oversight, and Audit Disclosures

The CBCS concurs with the recommendation to strengthen disclosures related to risk management and oversight. As an initial step, the Bank has already published its Risk Manual, Risk Charter and Internal Audit Charter on the Governance, Risk & Compliance page of its website. In addition, the internal Compliance Manual has been made publicly available, including the Code of Conduct, regulations on gifts, ancillary activities, conflicts of interest, whistleblowing, and related integrity safeguards. Looking ahead, the CBCS will consider adding a dedicated Risk Management and Oversight section to its Annual Report and will also consider publishing an annual summary of key oversight outcomes.

4. Transparency of Interactions with Governments and Public Sector Bodies

The CBCS recognizes the value of transparency regarding its interactions with the governments of Curaçao and Sint Maarten. The CBCS will evaluate which cooperation arrangements with public sector bodies are relevant for publication on its website. When relevant and appropriate, the CBCS will also release summaries of high-level meetings with key stakeholders, including government entities.

5. Communication Framework and Accessibility

The CBCS agrees that further formalization of its communication framework would enhance transparency and public understanding. The Bank will update and publish its Communication Strategy, clearly outlining communication objectives, target audiences, communication channels and protocols, and guiding principles. In parallel, the CBCS will review the usability of its website and implement improvements to enhance navigation and accessibility. Efforts will also be made to present publications in a clearer and more accessible manner.

6. Confidentiality and Information Disclosure

The CBCS concurs with the recommendation to clarify its approach to confidentiality and information disclosure. The Bank will draft and publish a Confidentiality Policy describing the categories of confidential information and the criteria used for classifying information. In addition, the CBCS will consider providing further information on its Lender of Last Resort function, including the circumstances under which bilateral liquidity assistance may be publicly disclosed, while safeguarding financial stability considerations.

7. Monetary Policy Framework Transparency

The CBCS notes that the Monetary Policy Committee (MPC) already publishes quarterly press releases on monetary policy decisions and the Monetary Policy Report, in line with the Advance Release Calendar. To further enhance transparency, the CBCS will publish the composition of the MPC, including details regarding its mandate and functioning. The CBCS also intends to publish the results of certificates of deposit (CD) operations starting in 2026.

8. Foreign Exchange Management Policies

The CBCS acknowledges the recommendation to enhance transparency in foreign exchange management. The Bank will consider providing additional information on its website regarding foreign exchange objectives, outcomes, and the impact on cross-border financial flows. Furthermore, the CBCS will provide clearer explanations of how monetary policy operations support foreign exchange management objectives, including the use of simplified data visualizations where feasible.

9. Macroprudential Policy Framework

The CBCS's Financial Stability Division has already published its research calendar for 2025–2028. Once the macroprudential policy framework is finalized, the CBCS will publish the full framework, including policy instruments, decision-making structures, and objectives. The CBCS will also consider publishing macroprudential policy decisions and their rationales on its website.

10. AML/CFT Transparency and Disclosures

The CBCS supports the recommendation to strengthen AML/CFT-related disclosures. The Bank will review existing Provisions and Guidelines and provide clarifying notes where documents are under

revision. The CBCS will consider publishing an enhanced overview of its risk-based supervisory approach, including the methodology for risk scoring, supervisory principles and cycle, staffing and specialization levels, and aggregated enforcement statistics. In addition, a description of the CBCS’s internal AML/CFT control framework—including governance arrangements, risk mitigation measures, and assurance activities—will be published on the Governance, Risk & Compliance page. The CBCS remains committed to improving transparency and awareness regarding AML/CFT guidelines.

In addition to the actions explicitly addressed in our action list (Annex V), all remaining recommendations will be duly considered for potential implementation. This commitment is explicitly embedded in the CBCS Strategic Plan 2026–2028. Through sustained efforts to promote transparency, strong corporate governance, and integrity, the CBCS aims to position itself as a role model for other financial institutions. We believe that transparency enables stakeholders to effectively hold the CBCS accountable, thereby safeguarding and strengthening trust in the institution.

The CBCS is grateful to the IMF Mission Team for their professional and effective guidance during the mission. The Board also extends its sincere appreciation to CBCS staff for their dedicated support throughout the review process, as well as to external stakeholders for their constructive engagement and willingness to collaborate.

A. Centrale Bank van Curaçao en Sint Maarten—Proposed Action Plan

Recommendation	Immediate Implementation (Q2 2026)	Implementation in Short-term Period (Q4 2026)
<p>Enhance the transparency of the CBCS’s legal structure by clarifying the hierarchy between its objectives, the legal basis for all of its functions and powers, through an explanation of the hierarchy of laws to which the CBCS is subject, and by specifying in simple terms the degree of autonomy the CBCS enjoys in the execution of its various functions.</p>		<p>The CBCS will publish a legal framework overview document on the CBCS website in a manner that is clear and easily accessible.</p> <p>It will clearly explain the hierarchy of law governing the CBCS according to the central bank charter and relevant articles of the Constitutions of Curaçao and Sint Maarten. It will list all CBCS functions and powers and provide a simplified description of the CBCS’s institutional, operational, and financial autonomy, including any statutory constraints.</p>

		The CBCS will also provide a translation of the FAQ in Papiamentu.
<p>Improve governance related disclosures, by publishing a comprehensive organizational chart, executive biographies, and aggregated workforce data; as well as an overview of CBCS' decision-making bodies, including the composition, authority, and scope of each.</p>	<p>The CBCS has since created a Governance, Risk & Compliance page on its website to which the internal authorization matrix of the CBCS will be added.</p> <p>The CBCS will publish its complaint procedure on its website.</p> <p>The CBCS has in the meantime published the composition of the IC. The CBCS will add the information about Monetary Policy Committee as well as the Financial Stability Committee and a description of their authority.</p>	<p>The CBCS will publish an improved organizational chart, showing departments, reporting lines and committees, including all risk oversight bodies,</p> <p>The CBCS will consider publishing executive biographies of the supervisory and executive board, their roles and duration of their appointment.</p> <p>The CBCS will disclose aggregated workforce data in the Annual Report.</p>
<p>Strengthen risk reporting and oversight disclosures by publishing the principal financial and non-financial risks and high-level mitigation strategies; and by disclosing the Audit Committee and Internal Audit mandates, reporting lines, and key oversight outcomes.</p>	<p>The CBCS has published the Risk Manual, Rick Charter and Internal Audit Charter on the Governance, Risk & Compliance page on its website.</p> <p>The CBCS has also included its internal Compliance Manual, including:</p> <ul style="list-style-type: none"> • Code of Conduct • Regulation on Accepting Gifts and Invitations • Regulation on Ancillary and Secondary Activities • Regulation on Preventing Conflicts of Interest 	<p>The CBCS will consider adding a dedicated Risk Management and Oversight section to the Annual Report and an annual summary of oversight outcomes.</p>

	<ul style="list-style-type: none"> Whistleblower Regulation for Reporting Suspected Misconduct or Irregularities 	
<p>Increase transparency regarding the CBCS’s interactions with each nation’s government and their agencies, by presenting key reports, such as the Annual Report, directly to both parliaments; and by disclosing cooperation arrangements with other public sector bodies on the CBCS website.</p>	<p>The CBCS is willing to present the Annual Report to the Parliaments of both countries. Such a presentation, however, can only take place upon an invitation extended by Parliament to the Minister of Finance.</p>	<p>The CBCS will evaluate which cooperation arrangements are relevant for publishing on its website.</p> <p>The CBCS will, whenever relevant and appropriate, release summaries of high-level meetings with relevant stakeholders, including government bodies.</p>
<p>Enhance the communication framework to improve the accessibility of messaging, through the formalization and disclosure of the CBCS’s planned communication strategy—in which the communication objectives, principles and target audiences can be outlined—and by improving the accessibility of the website.</p>		<p>The CBCS will update and publish its Communication Strategy, outlining:</p> <ul style="list-style-type: none"> Communication objectives Target audiences Communication channels and protocols Principles <p>The CBCS will review the usability of the CBCS website and establish necessary changes to improve navigation.</p> <p>The CBCS will also try to make its publications clearer.</p>
<p>Clarify how the CBCS identifies confidential information, by describing the institutional approach to information sharing/disclosure and the types of information subject to confidentiality (e.g., through the</p>		<p>The CBCS will draft and publish a CBCS Confidentiality Policy describing:</p> <ul style="list-style-type: none"> What categories of information are confidential

<p>publication of a confidentiality policy).</p> <p>As part of its LOLR function, the CBCS could consider specifying when, and under what circumstances, bilateral liquidity assistance can be publicly disclosed.</p>		<ul style="list-style-type: none"> Criteria for classifying information <p>The CBCS has published information regarding the Lender of Last Resort (LOLR) function. The circumstances under which liquidity assistance can be disclosed will be evaluated.</p>
<p>Take further steps to improve the transparency of the monetary policy framework by clarifying the mandate of the Monetary Policy Committee (MPC), publishing its minutes, organizing press conferences to present its decisions, and publishing an analysis of the outcomes achieved.</p>	<p>The MPC publishes a press release on the Monetary Policy decision and Monetary Policy Report every quarter as scheduled on its annual Advance Release Calendar.</p>	<p>The CBCS will publish the composition of the Monetary Policy Committee including details about its mandate/functioning.</p> <p>The CBCS will consider publishing the results of the CDs as per 2026.</p>
<p>Offer more clarity regarding FX management policies by publishing information on licensed entities, disclosing the assessment of the impact of the licensing regime in achieving the policy of cross-border financial flows, and disclosing the impact of the monetary policy operations in achieving the objectives of foreign exchange management.</p>		<p>The CBCS will consider providing more information on its website on its foreign exchange objectives, outcomes and impact on cross-border financial flows.</p> <p>The CBCS will provide additional explanation of how monetary policy operations support FX management objectives, with simple data visualizations where possible.</p>
<p>Proactively disclose the macroprudential policy toolkit, decisions and governance</p>	<p>The CBCS' Financial Stability Division has published its research calendar for 2025–2028.</p>	<p>The CBCS will publish the full macroprudential policy framework when finalized, including:</p>

<p>arrangements, once the policy framework is finalized.</p>		<ul style="list-style-type: none"> • Policy instruments • Decision-making structure • Objectives <p>The CBCS will consider publishing macroprudential decisions and rationales on the website.</p>
<p>Strengthen CBCS’s AML/CFT related disclosures by publishing an enhanced overview of its risk-based supervisory approach, including key principles, staffing data, and enforcement outcome; and by disclosing a description of CBCS’s internal AML/CFT control framework including governance arrangements, risk-mitigation measures, and assurance activities.</p>	<p>The CBCS will also review the publications of the Provisions & Guidelines and provide notes if the current documents are under review.</p>	<p>The CBCS will consider publishing an enhanced overview of the risk-based supervisory framework, including:</p> <ul style="list-style-type: none"> • Methodology for risk scoring • Supervisory cycle and principles • Staffing and specialization levels • Aggregate enforcement statistics (e.g., inspections, penalties, directives) <p>The CBCS will publish a description of the CBCS internal AML/CFT framework on the AML page on its website.</p> <p>The CBCS is committed to providing more information and awareness about the AML guidelines.</p>

ANNEX I. CBCS: CENTRAL BANK TRANSPARENCY CODE—DETAILED REVIEW

Central Bank of Curaçao and Sint Maarten	
Pillar I—Central Bank Governance	
Principle 1.1.	Legal Structure: The central bank discloses its legal framework to the public in a manner that is clear and easily accessible.
Description	<p>Legal Framework:</p> <p>The Central Bank of Curaçao and Sint Maarten (CBCS) discloses its legal framework on its website, which provides an overview in Dutch stating that the page presents a collection of all rules and regulations applicable to the CBCS. It further states that because the CBCS is the central bank for two autonomous countries with their own laws, its work is based on a dual legal framework, although both countries are required by statute to keep relevant laws uniform and aligned. The page describes that the collection includes not only national ordinances but also implementing decrees and policy rules, with only the provisions directly relevant to the CBCS's functions included. The CBCS website acknowledges that laws and regulations are frequently amended based on new developments and that the CBCS makes an effort to update its website regularly to reflect these changes.</p> <p>The Legal framework of the CBCS comprises of:</p> <ul style="list-style-type: none"> • The Article 38 of the Constitution of the Netherlands; • The Central Bank Statute; • The Constitutions Curaçao and Sint Maarten (Staatsregelingen); and • other core legislation providing for the key areas related to the CBCS' functions, including the legal framework which the CBCS adopts with respect to the supervision of financial institutions, monetary affairs, foreign exchange (FX) and other legislation. <p>An explanatory memorandum to the Statute explains the purpose, background and legal basis of the CBCS (“Explanatory Memorandum”). The Explanatory Memorandum describes that Statute arose from the final agreement of 2 November 2006 in which the islands of Curaçao and Sint Maarten agreed to establish a common central bank when autonomy was obtained within the Kingdom of the Netherlands. Article 88 of the Constitution of Curaçao and Article 100 of the Constitution of Sint Maarten require the establishment of a central</p>

bank. The structure, tasks, and powers of this joint bank are set out in a mutual arrangement under Article 38(1) of the Kingdom Charter. Such an arrangement binds only the participating countries and takes legal effect within each country only after being approved by a National Ordinance.

Once approved, the arrangement becomes law in both countries, giving it automatic effect within their legal systems, and making the Bank subject to national legal requirements.

Other key areas—such as the monetary system, exchange regime, and exchange rate policy, the CBCS'S supervisory role, are also regulated through mutual arrangements approved by National Ordinance.

In summary, the creation of the CBCS was done in terms of the Constitution of the Netherlands and therefore forms part of the Kingdom Constitutional law framework. Thus, the Statute is not an international treaty because it is not an agreement under international law. The Statute ranks above the Constitutions of Curaçao and Sint Maarten and the CBCS clarified that the ultimate legal recourse for disputes in respect of the Statute would be to the Netherlands Supreme Court. Article 2 of the Constitution of Curaçao and Article 81 of the Constitution of Sint Maarten dictate the hierarchy of laws. Article 2 of the Constitution of Curaçao provides that the hierarchy is as follows:

- The Charter for the Kingdom of the Netherlands;
- Agreements with other powers and with international organizations, insofar as they have been ratified for Curaçao;
- Kingdom Acts and general administrative measures of the Kingdom that are binding on Curaçao under the provisions of the Charter;
- The Cooperation Agreement on Uniform Procedural Law for Aruba, Curaçao, and Sint Maarten, being an inter-country arrangement within the meaning of Article 38, first paragraph, of the Charter;
- This Constitution (Staatsregeling);
- Other national ordinances (landsverordeningen), including uniform national ordinances;
- National decrees containing general measures (landsbesluiten, houdende algemene maatregelen);
- Ministerial regulations of general application;

	<ul style="list-style-type: none"> • Regulations of general application issued by public bodies and autonomous administrative authorities as referred to in Articles 110 and 111. <p>Article 81 of the Constitution of Sint Maarten dictates the following hierarchy:</p> <ul style="list-style-type: none"> • the Charter for the Kingdom of the Netherlands; • agreements with other powers and with international organizations, in so far as they have been ratified for Sint Maarten. • Kingdom laws and general measures of the government which, according to the Statute for Sint Maarten are connecting; • this Constitution; • arrangements as referred to in Article 38, paragraph 1 of the Staff Regulations, for the insofar as it has been granted legal force by a competent body of Sint Maarten; • arrangements as referred to in Article 38, paragraph 2 of the Staff Regulations; • National Ordinances, including the uniform National Ordinances; • National Decrees, containing general measures; • ministerial regulations; • of public bodies, as referred to in Article 97, paragraph 2, and independent administrative bodies, as referred to in Article 98, paragraph 2. <p>These provisions of the Constitutions cannot be accessed on the CBCS website and, a clear, plain language explanation clarifying which law prevails in case of conflict is lacking.</p> <p>The CBCS discloses when it plans to review its legal framework. However, the CBCS does not follow a clearly defined process for pre-publication consultation. The CBCS clarified that it consults with industry associations and affected stakeholders before publishing regulations, and official consultation processes take place after publication of draft laws. The regulatory consultation process is not always applied in the same manner, resulting in some regulations being passed without consultation.</p> <p>Articles 42 and 43 of the Statute clearly define transitional arrangements.</p>
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	<p>Notably, the Legislation page of CBCS's website is partly in English and partly in Dutch. The inconsistent use of language, without a clear rationale for the transitions, reduces the clarity and comprehensibility of the content.</p> <p>Legal Nature:</p> <p>The CBCS website dictates that the CBCS is an independent public legal entity (<i>zelfstandig bestuursorgaan met rechtspersoonlijkheid</i>) established by the Statute. This is stated in Article 2 which establishes the institution and confers on it legal personality, however, the Statute does not explicitly grant the CBCS the power to enter into contracts or to institute legal proceedings and be subject to such proceedings. Article 21 states that the Governing Council of the CBCS manages the Bank's property and may dispose of it, unless restricted by regulations. The CBCS does not disclose its by-laws or rules of procedure governing its decision-making bodies.</p> <p>Article 37 discloses that CBCS was jointly established by the "Entitled Asset Holders", who are the Ministers of Curaçao and Sint Maarten.</p> <p>Legal Protection:</p> <p>Articles 14, 15, and 16 of the Statute grant the CBCS and its officials legal immunity and indemnification for good-faith actions in the performance of official duties, and they protect the Bank's property and premises from unauthorized judicial or administrative interference.</p> <p>The CBCS website describes the procedures for objections and appeals against CBCS in clear, plain language.</p>
Review	<p><i>Core</i></p> <p>Legal Framework:</p> <p>CBCS discloses: (i) an updated and consolidated Statute; and (ii) a broad description of: (a) its legal framework; and (b) its objectives, functions, and powers. However, the source of its objectives, functions, and powers is not clearly stated in all cases, for example, in relation to CBCS' role as resolution authority. CBCS also discloses its transitional arrangements and supervisory legal framework.</p> <p>The provisions of the Constitution of Curaçao and Sint Maarten that dictate the hierarchy of laws cannot be accessed on the CBCS website and, a clear, plain</p>

	<p>language explanation clarifying which law prevails in case of conflict is lacking. Clarity on the hierarchy of laws is a core transparency practice.</p> <p>Legal Nature:</p> <p>CBCS discloses that it is an independent public legal entity established by law grants the CBCS general legal personality and capacity to act as the central bank. CBCS also disclosed its ownership and powers to manage and dispose of the Bank's property, commensurate with core transparency practices.</p> <p>Legal Protection:</p> <p>CBCS discloses its legal immunity and indemnification for good-faith actions, as well as protection of the Bank's property and premises. CBCS also discloses procedures for objections and appeals.</p>
Comments	<p>The central bank discloses its legal framework to the public in an accessible manner. However, the framework is complex and can be made more understandable, by clarifying amongst other things, that: (i) the CBCS was established under the Netherlands Constitution and is part of the Kingdom's constitutional law; (ii) the Statute is not an international treaty but holds higher authority than the Constitutions of Curaçao and Sint Maarten; (iii) the extent of judicial review over CBCS actions and that disputes under the Statute are ultimately resolved by the Netherlands Supreme Court.</p> <p>The CBCS can also enhance transparency in its legal framework by:</p> <ul style="list-style-type: none"> • clarifying the hierarchy between its objectives; • providing a clear plain language explanation of the hierarchy of laws to which the CBCS is subject and provide access to the Constitutions of Curaçao and Sint Maarten; • disclosing the source of all its functions and powers; • documenting a regulatory consultation process and applying consistently to all new regulations and regulatory reforms; • adding website functionality for overviews of legal frameworks to be displayed in English or Dutch, as both are main business languages in Curaçao and Sint Maarten, with English more common in Sint Maarten; • providing a clear explanation of its approach to equal jurisdiction in Curaçao and Sint Maarten, detailing how it ensures adherence to

	<p>harmonized and compatible laws and regulations. Where constraints exist that may prevent the CBCS from achieving full harmonization, the CBCS should articulate these challenges transparently.</p>
Principle 1.2.	<p>Mandate: The central bank discloses its mandate—including its objectives, functions, and legally defined powers—in a manner that is clear and easily accessible to the public.</p>
Description	<p>Legal Mandate and Objectives:</p> <p>The CBCS discloses its mandate and its mission statement.</p> <p>The legal basis of CBCS’s mandate is articulated in Articles 3 and 4 of the Statute. Article 3(1) provides that “<i>The Bank’s objectives shall be: a. To promote the stability of the value of the currencies of the Countries. b. Promoting the health of the financial system of the Countries. c. To promote safe and efficient payment transactions in the Countries</i>”. Article 4 (1) provides that “<i>The Bank shall determine and implement the monetary policy of the Countries</i>”. Therefore, CBCS’s main mandate is monetary stability, promoting a healthy financial system, and payment system safety.</p> <p>Functions:</p> <p>The CBCS Statute does not have an article which briefly provides an overview of all its functions and their legal foundation.</p> <p>CBCS discloses on its website that it carries out several functions including monetary operations (Article 4(1)), management of FX and reserves (Article 9(1)), regulation of international transfer payments, issuance of currency (Article 6(1)), oversight of payment systems, supervision of financial institutions (Article 8(1)), and acting as Treasurer for the governments of Curaçao and Sint Maarten (Article 11(1)). According to the website, its functions are monetary policy; financial stability; supervision (which, according to the website, is aimed at promoting financial soundness and the proper handling of customers); resolution; market operation and payments; banknotes and coins; and research.</p> <p>CBCS performs certain tasks which are not clearly specified in the law, such as its role as resolution authority, which derives its legal basis from Article 18 of the National Ordinance for Banks and Credit Institutions which provides that CBCS’s supervisory role is performed “<i>in the interest of the liquidity, solvency and integrity of</i></p>

the credit institutions", and the regime for problem banks set out in Article 20. The legal basis based on which CBCS performs this function should be disclosed.

While CBCS's supervisory function generally supports its consumer protection role, the source of this function could be clarified. Article 8(1) of the [Statute](#) grants the CBCS the power to "*supervise persons, undertakings and institutions active in or operating from*" Curaçao and Sint Maarten. This includes the banking & credit system, company pension funds, the insurance sector & insurance brokers, stock exchanges, investment institutions and administrators, providers of management services, and money transaction offices. Article 8(2) provides that the CBCS can pass uniform national laws called National Ordinances to exercise such supervision. Article 43 stipulates the transitional provisions for the National Ordinances applicable for the supervision of each type of financial institution. The preamble to the [Statute](#) states in the 2nd paragraph that "*That in the final agreement on November 2, 2006 it was agreed that there will be one central bank for Curaçao and Sint Maarten with one set of legislation and one supervisor for monetary supervision, financial supervision and integrity supervision*".

Article 6A(1) of the [National Ordinance for Banks and Credit Institutions](#) provides that "*The Bank shall establish generally binding regulations for the benefit of the credit institutions under its supervision pursuant to this national ordinance, with respect to:*

- a. expertise and integrity;*
- b. financial safeguards;*
- c. business operations, including measures aimed at promoting and maintaining sound and ethical business practices and the administrative organization of the credit institution, including financial administration and internal control; and*
- d. the provision of information to the Bank and to the public."*

National Ordinances are acts of law passed by parliament.

Powers:

The powers of the CBCS are disclosed in the [Statute](#), although not in a single article which provides an overview of all its powers and their connection to its objectives and functions. This is done mainly in Article 10 which mentions a list of powers, and in other Articles among others: the power to promulgate and enforce rules and regulations related to its supervisory role (Article 8(2)); the power to collect statistical information (Article 17(1)) In addition, Article 15 contains an open-ended provision regarding residual powers of the Board of Governors and the power to manage the Bank's property is addressed in Article 21. By conferring legal personality, Article 2 implicitly grants the Bank general powers to act in its private-law capacity."

	<p>CBCS Mission:</p> <p>The CBCS website states that its mission is <i>“To promote and monitor the stability and integrity of the monetary and financial system, and the safety and accessibility of payment transactions, so as to enable sustainable economic development in Curaçao and Sint Maarten.”</i></p> <p>This mission statement broadens the CBCS’s role from simply promoting to promoting and monitoring monetary stability, financial system health, and payment system safety, and further extends its role to supporting sustainable economic development in Curaçao and Sint Maarten.</p> <p>While mission statements are intended to disclose the values and goals of the CBCS, it is important that such disclosures remain consistent with the law. A lack of clear definition and consistency in how the CBCS’s mission is communicated may lead to confusion regarding its actual legal mandate and could create uncertainty about whether legally enforceable commitments are being made.</p>
Review	<p><i>Core</i></p> <p>Objectives</p> <p>CBCS discloses specific additional information on the legal provisions regarding its mandate in the explanatory memorandum to the law. However, there is no disclosure on the mechanism for determining which objective prevails in relation to CBCS’ multiple objectives. There is also a lack of clarity of the main objectives of the bank versus its other functions and legal powers behind each central bank objective. This is recommended for “expanded” transparency practices. There is also no disclosure on the mechanism for determining which objective prevails in relation to its multiple objectives. Although the CBCS communicates its mission statement, the mission statement is not fully aligned with the law which may lead to confusion regarding its statutorily prescribed mandate.</p> <p>Functions:</p> <p>The Statute and website provide for a number of functions but CBCS does not clearly disclose the legal foundation for some of its functions, for example, in relation to its role as resolution authority. It also does not specify in all cases how its functions are consistent with its objectives.</p> <p>Powers:</p> <p>The public and private powers of CBCS are disclosed, however the full extent of these powers is unclear as no overview explains the specific information powers.</p>

	Furthermore, there is no explanation of how these powers help CBCS carry out its functions to achieve its objectives.
Comments	<p>A new draft central bank statute is being developed. It aims to, amongst other things, clarify the hierarchy between CBCS's multiple objectives, and clarify the legal basis of the functions and powers of the CBCS.</p> <p>The mission statement should be based as closely as possible to CBCS's statutorily prescribed mandate to maintain consistency and clarity. The mission statement could also be used to clarify the hierarchy between objectives from CBCS's perspective.</p>
Principle 1.3.	Autonomy: The central bank discloses its autonomy—as defined in relevant legislation or regulations, allowing it to reveal the extent to which it is autonomous or not, in what forms, and under which conditions—in a manner that is clear and easily accessible for the public.
Principle 1.3.1.	Institutional/Operational Autonomy: There is clarity on whether the central bank is prohibited from seeking or taking instructions from any private or public body. The extent to which the central bank's autonomy varies for the various elements of its mandate is clearly disclosed. Where appropriate, a central bank's governing law clarifies whether it has goal or instrument autonomy concerning its various objectives.
Description	<p>Article 18 of the Statute clearly states that neither the Bank nor any member of its decision-making bodies shall seek or take instructions from any public or governmental authorities or any other body. This is further supported by the Frequently Asked Questions (FAQ) page which emphasizes the CBCS' status as an autonomous administrative authority, independent from political interference.</p> <p>CBCS discloses that it is subject to the oversight of state audit bodies in Article 11 of the Statute which provides for accountability to the state audit office, but details of the role and scope of audits are not provided.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses that the central bank is prohibited to seek or take instructions from any private or public body in line with core transparency practices.</p> <p>While the CBCS is described as an autonomous administrative authority, it does not elaborate on what its operational autonomy consists of, how this is</p>

	<p>implemented in practice, or the rationale for this autonomy. The CBCS also does not disclose whether third-party representatives can attend decision-making bodies or are excluded from voting. Additionally, there is no disclosure regarding the role and scope of audits conducted by state audit bodies, commensurate with expanded transparency practices.</p>
Comments	
Principle 1.3.2.	Functional Autonomy: There is clarity on whether the central bank can perform its duties without prior approval from the government.
Description	<p>Article 3 of the Statute stipulates that one of the objectives of CBCS is “to promote the stability of the value of the monetary unit of Curaçao and Sint Maarten”. Article 21 of the Statute confers the power to “conduct the policy and governance of the Bank in the broadest sense of the term” to the Executive Board. This establishes goal and instrument autonomy with respect to the CBCS’s monetary policy objective, giving the Executive Board the power to determine monetary policy and autonomy in exercising such goal.</p> <p>The FAQ page of the CBCS website states that the CBCS “is an autonomous administrative authority (Zelfstandig Bestuursorgaan, ZBO). As a ZBO, the CBCS is authorized to independently perform the tasks prescribed by the Central Bank-statute and has the legal instruments to do so. In essence, CBCS is an independent institution that is not hierarchically subordinate to the governments (Ministers of Finance) of the countries, and functions without political interference in the performance of its legal tasks.”</p>
Review	<p><i>Core</i></p> <p>The Statute and website confirm CBCS’s independence and that it operates without political interference in the performance of its legal tasks, but the Statute does not explicitly prohibit third parties from approving, suspending, annulling, or deferring central bank decisions.</p> <p>CBCS has goal and instrument autonomy with respect to its monetary policy mandate, however the CBCS does not clearly disclose the extent to which its autonomy varies with respect to other elements of its mandate. For example, although Article 24 establishes a consultation requirement between the CBCS and the respective Ministers of Finance on a quarterly basis regarding financial and economic policy, the Statute does not clarify whether these consultations enable</p>

	<p>the Ministers to impose any limitations or constraints on the CBCS’s financial stability mandate. There is no explicit disclosure outlining the scope or boundaries of the Ministers’ influence in this context, leaving the extent of CBCS’s autonomy in matters of financial stability uncertain.</p>
Comments	<p>To enhance transparency and public understanding, it would be beneficial to elaborate on how the CBCS interacts with the respective Ministers of Finance across all areas of its mandate, specifying whether these consultations allow the Ministers of Finance to exert influence or impose constraints on the various functions of the CBCS. This explanation should clearly outline the scope and boundaries of ministerial involvement, including whether the Ministers hold any approval, suspension, annulment, or deferral powers over CBCS decisions, would help clarify the extent of CBCS autonomy. Such disclosure should be presented in plain language, making it accessible and understandable to the general public, so that all limitations on the central bank’s independence are fully transparent.</p>
Principle 1.3.3.	<p>Personal Autonomy: Whether there is security of tenure for the members of the central bank’s decision-making bodies is clear, as is the nature of such security. In this respect, security of tenure encompasses the eligibility and disqualification criteria for the appointment of the members of a central bank’s decision-making bodies, the appointment procedure, the dismissal criteria and procedure, their remuneration, and the duration of their tenure.</p>
Description	<p>Articles 20 (2) and 25 (5) of the Statute of the Central Bank Charter specify the duration of the tenure for the Board of Directors and the Supervisory Board, which are eight years and four years respectively.</p> <p>The Statute also sets out the appointment and dismissal criteria for both the Executive Board and the Supervisory Board. For the Executive Board, Article 20 (1) provides that the President and two directors are appointed by the countries through national decree, based on a joint nomination by the Ministers and a recommendation from at least five members of the Supervisory Board. The appointment procedures for the Supervisory are set out in Article 25 (3) and (4) which state that the Chairman of the Supervisory Board is appointed and dismissed jointly by both countries through a national decree, following a joint nomination by the Ministers based on a recommendation approved by a five/six majority of the Supervisory Board. Each country proposes three of the six other members, who are nominated by the respective Minister from a list of three candidates recommended by the Supervisory Board. All members are then jointly appointed</p>

	<p>by national decree of both countries. The Statute does not disclose the dismissal grounds for the Supervisory Board.</p> <p>The eligibility requirements for the President are broadly stated, requiring recognized reputation and professional experience in the financial and economic field, while Article 20 (7) requires all members of the Executive Board to be independent and to meet standards of expertise and integrity. Article 20(3) allows for the suspension or dismissal of Executive Board members by the States through a reasoned national decree. Disqualification criteria are not specified. Article 20 (3) states that the members of the Executive Board may be suspended or dismissed in the interim by the States by reasoned national decree.</p> <p>According to the Annual Report, the Countries of Curaçao and Sint Maarten introduced a National Ordinance on the Standardization of Top Incomes at Government-Affiliated Entities (<i>'Landsverordening normering topinkomens Curaçao'</i>), in 2022 (Curaçao: O.G. 2022 no. 133/Sint Maarten AB 2022 no. 64), that requires the Government-Affiliated Entities to disclose the remuneration of the top officials. CBCS has informed the Ministers of Finance of both Countries that, while it does not oppose such standardization, a special procedure must be followed for regulations that deviate from the Statute. Accordingly, the CBCS discloses its total remuneration for its Executive Board and management team, as well as for its Supervisory Board in its Annual Report.</p> <p>The Annual Report also includes a declaration of independence, stating that members of the Supervisory Board have not worked for or been employed by the Bank prior to their appointments, do not maintain any relationship with the Bank that could result in personal benefit, and receive a fixed monthly remuneration independent of the Bank's performance in any given year.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses the duration of the term of office for members of its Executive Board and Supervisory Board, as well as the criteria and procedures for the appointment of such officials, but grounds for dismissal are not stated.</p> <p>The Statute discloses the eligibility criteria for the President but not provided for other Executive Board members, nor are disqualification criteria specified.</p> <p>Executive Board and Supervisory Board remuneration is reported in the Annual Report in aggregated form.</p>

	<p>The CBCS does not disclose information on the regulations governing remuneration of the members of the decision-making bodies.</p> <p>As stated under Pillar 1.1, Article 14 of the Statute states that the Supervisory Board, Executive Board, personnel, and authorized third parties are protected from liability, except in cases of intentional misconduct or recklessness. Thus, the CBCS discloses that individuals serving on decision-making bodies, as well as employees, may be held liable for damages resulting from their actions or failures to act. Similarly, there is an absence of publicly available information detailing the extent of personal autonomy for members of the Board, including specific rules, policies or procedures governing the disqualification or dismissal of board members or other safeguards to protect their personal autonomy, and the underlying rationale for granting such autonomy. Providing transparent disclosures in these areas would enhance public understanding of how independence and accountability are balanced within the institution.</p>
Comments	The CBCS may consider disclosing further information on its website on the personal autonomy of the members of the Executive and Supervisory Boards.
Principle 1.3.4.	Financial Autonomy: The central bank’s financial resources available to fulfill its mandate, and the nature of those resources, are clearly disclosed. In this respect, there is clarity regarding the central bank’s capital, the rules governing any recapitalization of the central bank, its budget, reserves, provisions, profit distribution mechanism, monetary financing, and applicable accounting standards.
Description	<p>Articles 37–41 of the Statute, together with the CBCS’s financial reporting principles, provide clear guidance on capital, budget, reserves, provisions, profit distribution, monetary financing, and applicable accounting standards. These principles are detailed in the audited financial statements within the Annual Report.</p> <p>The Statute outlines rules for initial and subsequent capital injections, including recapitalization in the event of sustained losses. It also establishes provisions for reserve funds and appropriated reserves, the latter requiring approval from Entitled Asset Holders and advice from the Board of Supervisory Directors. Appropriated reserves are intended to mitigate potential losses in foreign reserves due to exchange rate volatility.</p> <p>Details on the balances and changes thereof of the CBCS’s equity (comprising capital, reserves, and appropriated reserves) as well as the valuation of the assets and the liabilities and profit determination, profit distribution, rules regarding eventual recapitalization and provisions are determined by the CBCS’s accounting</p>

	<p>principles. CBCS's accounting principles are disclosed in the audited financial statements included in the CBCS's annual report.</p> <p>The Statute also includes stipulations regarding the establishment and approval of the CBCS's budget. Budgetary provisions require submission to the Board of Supervisory Directors by December 1 for approval, followed by presentation to Entitled Asset Holders, Ministers, and Parliaments of Curaçao and Sint Maarten for information. The budget is aligned with the CBCS's strategic plan, ensuring that financial allocations reflect institutional priorities over the planning period.</p> <p>Previous to and including 2019, the CBCS hosted press conferences to present the CBCS's results and annual report. However, this practice has since ceased. The CBCS intends to restart this process in 2026 beginning with the disclosure of the 2025 annual report.</p>
Review	<p><i>Comprehensive</i></p> <p>The CBCS's Charter, audited financial statements, strategic plan provide support for the CBCS's autonomy.</p>
Comments	<p>The CBCS has indicated it intends to begin hosting a press conference annually to present and discuss key information included in its annual report and financial results—it could consider alternating the location of the press conference between Curaçao and Sint Maarten. A similar approach could be used for other key reports as well, fostering a more inclusive communication strategy.</p> <p>The CBCS operates with full autonomy to set its strategic direction, approve its budget, and establish salary scales to attract and retain qualified staff. Its Charter includes a non-discretionary recapitalization clause to restore equity if it falls below a set threshold. The institution's accounting principles provide a sound basis for assessing financial strength and viability. Although they do not explicitly recognize credit loss provisions typical of application of IFRS 9-Financial Instruments, the CBCS retains the authority to establish reserves to cover expected credit losses when required, ensuring prudent financial management and resilience against potential adverse credit events.</p> <p>The CBCS could include a qualitative statement in its annual report specifically outlining its autonomy, why this is important as a central bank and how this is realized given the current legal and operational framework.</p>
Principle 1.4.	Decision-Making Arrangement: The central bank discloses a clear overview of the organizational structure or allocation of responsibilities to its decision-making

	bodies: policy making, day-to-day management, and internal oversight of the central bank.
Description	<p>The CBCS Statute discloses the main decision-making bodies of the CBCS in Chapter IV and V, which provide for a two-tier board structure consisting of an Executive Board, responsible for: (i) for policy formulation and implementation; and (ii) for management and administration of the organization and a Supervisory Board responsible for oversight of the performance of the CBCS.</p> <p>In this regard, Article 27 (2) states that the Executive Board shall require the prior approval of the supervisory board for the following matters:</p> <ul style="list-style-type: none"> (a) establishing and amending the Bank's investment policy (IP); (b) investing in new buildings and infrastructure; (c) the renting and letting of immovable property; (d) establishing and amending the general terms and conditions of employment of the Bank's staff; (e) the introduction, amendment and withdrawal of important organizational measures in the event of reorganizations or otherwise; (f) the performance of legal acts, not including the implementation of the annual budget approved by the Supervisory Board, for transaction exceeding greater than XCG 250,000.00 at once or per year and/or by which the Bank is committed for more than five years; and (g) transactions relating to the share of the Countries in the Bank's own funds. <p>Article 29 of the Statute allows the Supervisory Board to “<i>set up committees from among its members</i>”. The Annual Report discloses on page 40 that the Supervisory Board has four committees: the Appointment and Remuneration Committee, the Risk, Compliance and Supervisory Committee, the Audit Committee, and the Investment Oversight Committee.</p> <p>The IP states that “<i>The Gold and International Reserves Management and Investment Policy document (“the Investment Policy”) is approved by the Supervisory Board (SB) to guide the Investment Committee (IC) in carrying out its reserves management responsibilities. The SB derives its authority based on article 27, paragraph 2a of the Bank Charter (2010).</i>” Although this is stated, the legal basis for the establishment of the IC itself is not clear. Paragraph 3.4 of the Annual Report states that CBCS has established an IC, comprising of representatives of the Board of Executive Directors and the divisions Finance, Market Operations and</p>

	<p>Monetary Policy Economics & Statistics. From this, it is derived that the IC operates as an executive committee. Transparency on how the committee operates (e.g., voting arrangements, frequency of meetings, and how dissent is dealt with) is lacking.</p> <p>The CBCS has advised that the Executive Board is represented in the IC and endorses the recommendations of the IC to the Supervisory Board. The CBCS also advised that the IC does not need the prior approval of the SB to perform legal acts relating to the implementation of the approved IP, as referred to in Article 27, paragraph 2, sub f of the Central Bank Charter (2010).</p> <p>The CBCS also discloses that it has a Monetary Policy Committee which takes decisions on the monetary policy stance and the deployment of monetary policy instruments that are ratified by the Board of Executive Directors of the CBCS. To that end, the committee discusses the economic and monetary developments and the monetary policy stance at least on a quarterly basis. It is also derived from this that the IC operates as an executive decision-making body. Transparency on how the committee operates (e.g., voting arrangements and how dissent is dealt with) is lacking.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses the decision-making bodies responsible for its main functions, however, the allocation of responsibilities across different decision-making bodies is unclear. In particular, the CBCS does not specify which decision-making body is responsible for regulatory decisions. Although the information is not arranged in a single accessible location, CBCS publishes information about all its decision-making bodies, including committees and similar entities. Except for the Executive Board, Supervisory Board and IC, the names of the members who compose each body, and the decision-making authority and scope assigned to each are missing. The terms of reference (or equivalent governing documents) for those bodies are not publicly available, except for the Executive Board and Supervisory Board.</p> <p>Although CBCS publishes its organizational structure with the organization of its functions, the organization chart lacks detailed information on how decisions are made in respect of those functions, as well as additional details on how decision-making bodies operate (e.g., voting arrangements, frequency of meetings, and how dissent is dealt with).</p>

Comments	<p>The CBCS could strengthen its transparency in relation to its decision-making bodies by taking measures such as:</p> <ul style="list-style-type: none"> • publishing a comprehensive overview that clearly allocates responsibilities across all decision-making bodies, specifying which body is responsible for regulatory decisions. • providing information about the composition, authority, and scope of each decision-making body—including committees and similar entities—should be arranged in a single, easily accessible location on the CBCS website. • disclosing the names of the members who compose each decision-making body, along with their respective roles and decision-making authority. • disclosing the terms of reference or equivalent governing documents for all decision-making bodies should be made publicly available, not limited to the Executive Board and Supervisory Board. • enhancing the organizational chart to include detailed information on how decisions are made for each function, as well as additional details on operational procedures such as voting arrangements, frequency of meetings, and how dissent is managed.
Principle 1.5.	Risk Management: The central bank discloses the principal risks that it needs to take to meet its objectives (such as financial, operational, and legal risks), and the framework to manage these risks. This includes information on the risk governance structure and risk strategy.
Principle 1.5.1.	Risk Exposure: The central bank discloses the principal risks that it needs to take to meet its objectives.
Description	<p>The CBCS follows a balanced risk-averse stance and outlines its key risk categories in its Risk Manual, Appendix A. The CBCS discusses risk exposure levels in its Annual Reports. Financial risks, particularly those related to FX reserve management, are detailed in the Annual Report's Financial Statement Note 3.4.4—Financial Risk Management. Non-financial risk exposures are addressed in the report's Chapter 1.3, which outlines general, fraud, and information risk management practices.</p> <p>Forward-looking risk considerations are addressed in the CBCS Strategic Plan 2025, which identifies emerging risks, including environmental risks linked to sustainability, and the growing cyber risks associated with digitization and remote work.</p>

	<p>While the CBCS's analyses and reports provide information on risk exposures to the financial sector, some findings may incidentally highlight risks relevant to the CBCS's own objectives.</p> <p>As a supervisory authority, the CBCS applies focused, intrusive, and risk-based supervision; however it does not publish details on its specific levels of risk as such are considered confidential and may undermine its policy effectiveness. However, as supervisor, it does publish regulatory provisions, supervisory expectations, and guidelines—covering operational risks, financial risks (including guidance on anti-money laundering risks), among others—on its website to promote safe and sound practices among supervised institutions</p>
Review	<p><i>Core</i></p> <p>The CBCS has a detailed risk management framework for identifying, mitigating, and controlling risk exposures, though its operationalization is limited.</p>
Comments	<p>Although the CBCS has an independent Risk Management Unit (RMU), a well-defined risk management policy and manual, it does not disclose the extent to which it has operationalized the process bank-wide. The CBCS's transparency and stakeholder confidence could be strengthened by including quantified key risk exposures—such as interest rate and credit risks—in its financial statements, accompanied by high-level descriptions of the methodologies used and potential impacts on financial viability.</p> <p>Within its strategic plan, rather than only noting the importance of timely risk identification and resolution, the CBCS could explicitly outline the principal risks to both the plan's execution and its broader mandate. This should be paired with a clear description of feasible mitigation strategies, demonstrating that risks are recognized, prioritized, and actively managed. Such disclosure would align with international good practice, reinforce accountability, and assure stakeholders that the CBCS is proactively safeguarding its objectives and operational resilience</p>
Principle 1.5.2.	<p>Risk Framework: The central bank discloses the process for identifying financial and nonfinancial risks, the overall risk strategy, and the accompanying risk governance structure designed to monitor and evaluate risks effectively.</p>
Description	<p>The CBCS risk management framework comprises a structured approach to risk management. The institution's processes address both financial and non-financial risks, supported by a defined governance structure for monitoring and evaluation. The CBCS's risk governance structure includes external audit, internal audit, risk management and compliance; the latter being partially an accountability of the</p>

	<p>Legal Department with the remaining compliance functions being distributed across the organization. The CBCS maintains and publishes a risk management policy, risk management framework, compliance manual designed to identify, mitigate, and control the principal risks it must take to achieve its objectives. The risk management manual outlines the methodology for quantifying risk using an impact-likelihood scale, mapping risks on a five-by-five heat map. A charter for internal audit and the guidelines for managing external auditors are also published.</p> <p>In its 2024 Annual Report, the CBCS provides high-level information on its continued efforts to strengthen its risk governance oversight and its efforts to maintain a high-risk awareness at all levels within the organization. As part of its information risk management, the CBCS discloses its continued efforts to improve the overall information security posture by keeping confidentiality, integrity, and availability aligned with its overall security vision and strategy. The CBCS's audited financial statements form a significant component of the annual report, in which the external auditor's report states that they have "... <i>evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the compliance manual. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.</i>"</p> <p>The CBCS, as the authority responsible for financial stability, publishes an annual Financial Stability Report (FSR). The report is also presented in a press conference every year. This report analyzes key events, indicators, and trends at the monetary union (MU) level, detailing risks, stress testing methodologies and results, policy measures, and thematic areas. Charts and commentary illustrate identified risks, their probability, impact, and interconnections. Additionally, the FSR is published on the CBCS website, as well as financial stability notes, research papers, benchmark reports and factsheets. The CBCS publishes several press releases as well to inform the public in general of its publications and projects. While these reports, guidelines and frameworks focus on risks within the financial sector, propagation of such risks could materially affect the CBCS's reputation and credibility, potentially undermining institutional stability and stakeholder confidence.</p>
Review	<p><i>Core</i></p> <p>The CBCS's risk governance includes a Risk Management Unit, Internal and External Audit, and Compliance. The CBCS discloses its risk management policy and framework.</p>

Comments	<p>The CBCS should publish a hierarchical organization chart of its risk management governance, illustrating all oversight bodies, including the Audit Committee, Risk Committee, Supervisory Committee, Executive Management, Internal Audit, Risk Management Unit, Compliance, and External Audit, with clear functional and administrative reporting lines. Accompanying biographies should highlight incumbents' competencies and qualifications, demonstrating the collective suitability of strengths underpinning CBCS's risk oversight, thereby enhancing transparency, credibility, and stakeholder confidence in its governance framework.</p> <p>The CBCS should consider disclosing in its published risk management policy, manual and annual report references to which, if any, of the applicable international risk management standards that are being followed, whether in full or in part.</p> <p>While the annual report provides a high-level overview of the CBCS's policies and arrangements for times of crisis, it does not disclose information on the CBCS's own Crisis Management, Disaster Recovery and Business Continuity Plans. Disclosing the scope, testing status, and anticipated effectiveness of these plans would demonstrate proactive risk management and preparedness, aligning with best practices in resilience planning and credibility</p>
Principle 1.6.	Accountability Framework: The central bank discloses its accountability framework that provides transparency and reporting mechanisms to internal decision-making bodies, political institutions, and the general public.
Principle 1.6.1.	Arrangements: Accountability arrangements are clearly identified, including: (i) internal and external audit arrangements and compliance; (ii) reporting to an audit committee or Board having an oversight responsibility; and (iii) the external publication of audited financial statements and annual reports.
Description	<p>Per the CBCS's Statute, Chapter VIII, the CBCS prepares its financial statements annually and is included in its Annual Report. Article 38 of the Statute requires that the statements be audited by 'an external expert' certifying that the statements have been prepared in accordance with the CBCS's Financial Reporting Principles in fulfillment of the CBCS's accountability to its Entitled Asset Holders. The audited financial statements are presented to the Board of Supervisory Directors for their approval and subsequently forwarded to the Entitled Asset Holders before July 1 each year. The audited statements include the auditor's report noting any modifications to their opinion that they may have.</p>

	<p>The external auditors are appointed by the Board of Supervisory Directors. For 2024, the financial statements were audited by BDO B.V., an internationally recognized audit firm.</p> <p>The CBCS’s Internal Audit Department (IAD) reports functionally to the Audit Committee—a sub-committee of the Supervisory Board—and administratively to the Governor. The Audit Committee meets regularly to review audit findings, follow-up on recommendations, and oversee the effectiveness of the CBCS’s internal control framework. The Audit Committee and IAD have charters, the IAD charter being published on the CBCS’s website.</p> <p>The IAD has requested an External Quality Assessment to independently affirmed its conformance with the Institute of Internal Auditors new issued Global Internal Audit Standards—the IAD had conformed with the prior International Professional Practices Framework. The IAD performs independent, objective assurance and advisory services designed to add value and improve operations.</p>
Review	<p><i>Core</i></p> <p>The CBCS Statute contains provisions for the publication of the audited annual financial statements and annual report.</p>
Comments	<p>To further enhance transparency, the Chief Internal Auditor’s reporting relationship functionally to the Audit Committee and administratively to the Governor should be disclosed including the appointment and dismissal and eligibility criteria. The legal provisions of the CBCS should also be explicit on the quality of external auditor and that audits be conducted by an independent audit firm in accordance with international standards.</p> <p>Transparency inherently involves timeliness. The Annual Report contains a significant amount of information useful in the financial sector and public domain. While the CBCS has until July 1 legislatively to publish its Annual Report, to improve transparency and relevance, it should aim to improve upon that deadline by issuing the report before the end of April each year.</p>
Principle 1.6.2.	<p>Tools:</p> <p>Independently Audited Financial Statements: The central bank discloses its auditing and accounting standards and compliance frameworks and gives the public sufficient information to assess and understand the central bank’s financial performance, use of resources, and transactions with the government and other stakeholders.</p>

	<p>Internal Audit: The central bank provides the public with information regarding its internal audit function, discloses its framework and compliance with the framework, and the scope of its responsibilities.</p> <p>Audit Committee: It is clear whether an internal oversight body that reports to the Board exists, and which of the activities are published.</p>
Description	<p>The accounting standards and governance structure of CBCS are disclosed in the Annual Report which is available on the CBCS’s website. The annual report includes the financial statements and the external auditor’s report. The notes to the financial statements disclose the significant accounting policies adopted by the CBCS, while not fully aligned with internationally recognized standards, they are aligned with the accounting policies adopted by the European Central Bank, with some exceptions. The annual report is submitted to the Council of Ministers of Curaçao and Sint Maarten for their information. In accordance with the CBCS Charter. The CBCS also publishes a monthly condensed balance sheet with explanatory notes, which is published in the Government National Gazette of Sint Maarten and the Landscourant of the Government of Curaçao. An infographic with a relevant insight into the condensed balance sheet is published on the social media channels (Facebook, Instagram, LinkedIn) of the CBCS.</p> <p>The CBCS’s IAD has conformed with the Institute of Internal Auditors’ (IIA) International Professional Practices Framework (IPPF) and uses a risk-based approach to planning, execution, and follow-up on audit recommendations. The IAD has an IIA compliant charter which is published on the CBCS’s website. The IAD’s scope covers all CBCS operations, with unrestricted access to information, personnel, and premises. The IAD reports functionally to the Audit Committee (AC) and administratively to the Governor, as is typical of good governance; though there is no organization chart published on the CBCS’s website that indicates this relationship. Beginning January 2025, the IAD needed to begin its transition to the IIA’s new standard, the Global Internal Audit Standards (GIAS)—the IAD expects to conduct an External Quality Assessment in 2026 to confirm its conformance with the new standards. The CBCS discloses the existence and oversight of the IAD and the role of the Audit Committee in the Annual Report. Aside from the annual report and publishing the IAD’s charter, no additional information about the IAD’s competencies nor conformance with the standards are disclosed.</p> <p>The CBCS Supervisory Committee includes an AC to assist the Supervisory Board in discharging its supervisory responsibilities, though only limited details are provided in the Annual Report. Details on the AC’s composition, charter, or minutes of its meetings are not published on the CBCS’s website nor available elsewhere.</p>

Review	<p><i>Not Implemented</i></p> <p>While much of the detailed work undertaken by the IAD and AC would be considered confidential, it would align with good international practice to more clearly disclose details regarding oversight functions.</p>
Comments	<p>CBCS's commitment to strong governance and oversight can be reinforced through transparent disclosure of the AC's existence, membership, charter, and reporting lines (see also comments under 1.5.2 above). Clear articulation of the IAD's mandate, independent reporting structure, and adherence to International Internal Audit (IIA) standards safeguards objectivity and minimizes conflicts of interest. Assurance functions—Internal Audit, External Audit, and Compliance—strengthen accountability and stakeholder trust by ensuring risks, controls, and compliance frameworks are monitored in line with global good practices. Publishing IAD staffing qualifications, training opportunities, and compliance with recognized codes of conduct and ethics demonstrates an ethical governance culture, enhancing credibility, and supporting talent attraction by signaling a professional, well-regarded work environment.</p>
Principle 1.6.3.	<p>Anti-corruption Measures and Internal Code of Conduct: It is clear whether domestic anti-corruption legislation and measures apply to the decision-makers, staff, and agents of the central bank. The central bank discloses its internal Code of Conduct with additional requirements specific to central bank management and staff.</p>
Description	<p>Curaçao's and Sint Maarten's criminal codes criminalize fraud, bribery and abuse of authority applying to judges, ministers and civil servants—which also applies to the CBCS. Bribery is punishable when a person gives or promises a gift or advantage to a public servant to influence their actions.</p> <p>In addition to these legal provisions, CBCS has established and implemented a Compliance Manual which includes a comprehensive set of internal guidelines to ensure ethical practices that all staff must comply with. The compliance manual includes a code of conduct, regulations on conflicts of interest, and whistleblowers regulation, among others. The compliance manual is published on the CBCS' external website on the 'Governance, Risk & Compliance' page and internally to all staff on the CBCS's internal portal. The compliance manual should not be construed as a broader enterprise-wide compliance framework which would cover compliance with all applicable laws and ordinances as well as compliance with internal policies and directives.</p>

	<p>As noted in the CBCS's Annual Report section 1.3.4 <i>Compliance</i>, "CBCS staff is regularly informed of these policies through interactive presentations, awareness posters, motivational quotes, and tutorial videos." However, statistical and other information about the results from applying the guidelines is not yet included.</p> <p>The CBCS's Legal Department includes, in title, accountability for compliance though enterprise-wide, aspects of compliance are distributed across the organization. There is an expectation that the compliance function will be centralized in the future.</p>
Review	<p><i>Core</i></p> <p>The establishment and promulgation of the compliance manual is a commendable step forward. Disclosure of statistical and other data regarding its application may be included in future annual report discussions.</p>
Comments	<p>The preamble on the CBCS's 'Governance, Risk and Compliance' webpage could disclose internal organizational framework and functional authority (e.g., Ethics Officer(s) or Advisors) responsible for addressing complaints received and for ensuring the proper application of the rules. Also, the preamble could clearly state whether the compliance manual applies to all staff and directors at all levels including executive and non-executive board members.</p> <p>Disclosure in its annual report of aggregated information on any proceedings or actions under applicable anti-corruption legislation would add to its transparency.</p> <p>CBCS's 'Governance, Risk and Compliance' webpage and its internal portal page could include links to Curaçao's and St. Maarten's applicable anti-corruption and labor laws to avoid any uncertainty as to their applicability and enforcement including describing any provisions, if any, from which the CBCS is exempt. This would reinforce the importance of complying with these laws and internal regulations and provide transparency as to which laws apply and under what conditions.</p>
Principle 1.6.4.	Human Capital Management: The central bank discloses its policies and practices concerning the governance and management of human capital.
Description	<p>The CBCS discloses limited information about its human resource policies and practices on its website. The website includes a dedicated page where the CBCS posts job openings (staff vacancies) so that interested candidates can provide their applications; though the process for submitting an application is not clear.</p>

	<p>Vacancies are also published in local newspapers and on social media (Facebook, LinkedIn). The website also indicates the timeframe for application for internships.</p> <p>In its 'About the Bank' webpages, the CBCS does provide an infographic providing positions and occupant names—its so-called 'organization chart'—for the CBCS's boards, executive management and department heads though the reporting relationships are not provided. The infographic is not typical of a hierarchical organization chart. Current information about board and executive position incumbents is included in Chapter 1.2.1 <i>Governance</i> of the Annual Report.</p> <p>The CBCS's Statute includes information on the CBCS's governance bodies: Chapter IV Board of Management of the Bank, Chapter V Board of Supervisory Directors of the Bank and Chapter VI Meeting of the Entitled Asset Holders though more detailed terms of reference for each organ are not published.</p> <p>Chapter 1.10 <i>Human Resource Management</i>, a chapter included in the Annual Report includes the activities undertaken by Human Resource Department in the reporting year being reported.</p> <p>The CBCS does disclose its aggregate executive compensation as is typically required by internationally recognized accounting standards</p>
Review	<p><i>Not Implemented</i></p> <p>While internal HR policies have advanced, public disclosure remains very limited.</p>
Comments	<p>The CBCS has strengthened its internal human resource policies and processes in recent years but does not publicly disclose detailed HR information. External reporting is limited to basic governance and senior leadership details.</p> <p>Greater transparency—through qualitative descriptions of policies for attracting, promoting, and retaining staff, and positioning CBCS as an “employer of choice”—would strengthen stakeholder awareness. Further, given the CBCS's growing challenges in recruiting, retaining, and developing qualified staff to meet current and future competency needs, it could consider publishing a medium- to long-term human capital objectives and strategies outlining how it plans to meet the CBCS's staffing needs.</p> <p>Disclosures could include aggregated quantitative data, such as staffing levels, recruitment and turnover rates, and diversity and inclusion metrics, alongside qualitative information on succession planning, professional development, and staff engagement initiatives. Summarizing training programs, scholarships, and</p>

	<p>strategic capacity-building objectives in the annual report would provide insight into workforce development efforts.</p> <p>Publishing general information on compensation structures—such as salary bands by staff category, benefits, and allowances—without revealing individual details would align with good practice in transparency. Including high-level staffing statistics and activities in tabular or graphical formats would enhance clarity and accessibility.</p> <p>Finally, confirming compliance with applicable labor and civil laws, and noting any exceptions, would reinforce public perceptions of CBCS’s commitment to ethical and lawful employment practices, and alignment with international standards on governance, accountability, and workforce management.</p>
Principle 1.7.	Communication: The central bank discloses means and methods of communication and the forms of disclosure of information to its stakeholders.
Principle 1.7.1.	Arrangement: The central bank discloses the organizational structure, responsibilities, and processes relevant for communication.
Description	<p>Organizational Structure: The CBCS publishes its organizational chart—which details the names of the Supervisory Board, Executive Board, Management Team members, and Department Heads (including for Corporate Communications)—on its website. However, this organizational chart does not display the reporting lines for the departments, so it is not clear from reading the website which executive the corporate communications department reports to.</p> <p>Reporting Obligations: The Statute establishes the following reporting requirements:</p> <ul style="list-style-type: none"> • Publication of an abridged monthly balance sheet (Article 39) • Withdrawal of banknotes and coins from circulation (Article 7) • The rules concerning the Supervisory Board’s job profiles and performance of its duties (Article 25) <p>According to Article 11 of the National Ordinance regulating the supervision of banking institutions, the CBCS should keep a Registry of supervised institutions. Each entry in the register must be published on the Bank’s website.</p> <p>According to the Statute, the CBCS is obliged to submit the Annual Report to the Ministers of Finance, the Council of Ministers, Parliament and the General Audit Chambers of both Curaçao and Sint Maarten. Though not mandated, the CBCS also publishes the Annual Report on its website.</p>

	<p>As part of the Annual Report 2024 (the latest edition), the CBCS includes a section on corporate communications, which details key information about its internal and external communications, as well as important campaigns during the year, such as the launch of the new currency.</p> <p>Aside from the statutory reporting requirements, the CBCS also discloses on its website:</p> <ul style="list-style-type: none"> • The statutory bodies and governance framework via the Annual Report. • All relevant legislation, categorized by type of financial institution • The mission, vision and core values of the CBCS. • The 2025 strategic plan of the CBCS. • The various functions that it undertakes, as well as its objectives • The reports, instruments, legislation and other information that support each of these functions.
Review	<p><i>Expanded</i></p> <p>The CBCS is very active in communicating with its external stakeholders and has been enhancing its communications in recent years. It has also clearly identified its key stakeholders and utilizes a range of channels to reach these stakeholders.</p> <p>The CBCS discloses its organizational chart including the name of its head of corporate communications. The CBCS also discloses a range of information on its website and across other channels, which explains how its core activities are being undertaken and demonstrates an integration of communication activities with its other processes.</p>
Comments	<p>We recommend that the CBCS update its organizational chart to clearly reflect the reporting lines for its departments—including for the communication function—to clarify which senior executives are responsible for overseeing each department.</p> <p>The CBCS could also consider providing disclosures to the public regarding its approach to external communications, including the procedures followed. One way to do this would be to publish a sanitized version of its Communication Policy. This could include disclosures on which staff are responsible for communicating on behalf of the CBCS, as well as the key processes for communication and the role of the Corporate Communications department vis-a-vis other departments in preparing, and managing, key communications-related tasks.</p>
Principle 1.7.2.	Strategy/Tools: The central bank discloses the objectives, target audiences, channels, and tools of communication policy.

Description	<p>Strategy: The topic of communications is covered in the CBCS Strategic Plan 2025 (available in Dutch and English) as one of the six goals to be developed, improved, and reinforced by the CBCS. This goal is that cooperation and communication within the CBCS, and with its outside partners, is to be open and transparent. The strategic plan indicates that this is to be achieved through inter alia: strengthening dialogue with external stakeholders and positioning CBCS as an open and accessible organization with a modern image.</p> <p>The CBCS does not have a standalone Corporate Communications Strategy. It does however, have a Communications Policy, which outlines key processes, such as communicating with the media. This Communications Policy is not publicly disclosed.</p> <p>Channels and Tools of Communication:</p> <p>CBCS uses a variety of tools to communicate its policy decisions and key messages. These include the following:</p> <ul style="list-style-type: none"> • Publications on the CBCS website and posts on social media (Facebook, Instagram, LinkedIn, YouTube). • Press releases (in Papiamentu, Dutch and English) both to the media and via a corporate mailing list. • Speeches and Presentations for stakeholder groups about relevant publications and topics. • Interviews with Board members/Division Managers/Department heads in the media. • Participation of Board members/Division Managers/Department heads in seminars, conferences, and round tables • Announcements (In Dutch and/or English) for the general public. • The CBCS issues supervision newsletters regarding developments in the supervision landscape and shares these with all supervised institutions and the corporate mailing list. This newsletter provides information about upcoming regulations, planned surveys, thematic investigations, and high-level supervisory outcomes. • At the beginning of the year, the CBCS publishes the annual Advance Release Calendar for its publications. • The CBCS also publishes its Economic Research agenda related to upcoming economic Research by the Monetary Policy, Economics and Statistics Division. <p>The CBCS website is the main source of information for the public. All the tools discussed above are published on the website. The website itself is only available in</p>
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	<p>English, though certain webpages and documents are published only in Dutch. Some stakeholders reported that the website can be difficult to navigate, and one member of the Mission Team experienced challenges in accessing the Website from abroad, this was a challenge experienced by various others in the country from which access was being sought.</p> <p>Press Conferences:</p> <p>The CBCS hosts separate press conferences for Curaçao (in-person) and Sint Maarten (virtual or hybrid) to present its June and December Economic Bulletin as well as its annual FSR. In 2025, the CBCS began livestreaming the press conferences on its Facebook page. The press conference in Curaçao is held in Dutch whereas the press conference in Sint Maarten is in English. A press release is issued to the media prior to the press conference to prepare for the topic of discussion.</p> <p>Financial Education:</p> <p>The CBCS launches annual online educational campaigns explaining topics related to the role, tasks and achievements of the CBCS. These campaigns include explainer videos. The videos are available on the CBCS YouTube channel.</p> <p>The CBCS also hosts the Best Economic Research Award to stimulate economic research among students in Curaçao and Sint Maarten in high school, and at the bachelors and masters level.</p> <p>Over the course of the year the CBCS provides groups, foundations and schools with presentations aimed at building financial resilience both on-site as well as at the CBCS. The CBCS communicates on these engagements on its social media pages.</p> <p>Stakeholder Survey:</p> <p>Every other year, the CBCS conducts a stakeholder survey to gain insight into the perceptions and experiences of its diverse stakeholder groups. The online survey gathers feedback on the CBCS’s communications, its public image, its performance, the execution of its core tasks, and areas for improvement. The results of the survey are shared on the website. The last edition was published in 2025.</p>
Review	<p><i>Comprehensive</i></p> <p>The CBCS actively discloses the release of key information on its website, including in advance through its annual release calendar, and at the time of the announcement through press releases and announcements for the general public.</p>

	<p>Information is also disseminated across other channels such as media briefings, the CBCS’s various social media channels as well as through speeches and in-person presentations. The CBCS also undertakes a biannual stakeholder survey, which is managed by a third-party service provider. This survey provides an opportunity to evaluate its communication practices, and the results of the survey are publicly disclosed.</p>
Comments	<p>To further enhance transparency, the CBCS could consider finalizing, and publishing a sanitized version of, a communications strategy—outlining its key objectives, target audiences, and principles for communicating with external stakeholders. This strategy could be informed by the learnings from recent communication campaigns and the feedback received from its stakeholder surveys. The strategy could also consider key communication challenges faced by the CBCS and the approaches available to address these.</p> <p>The CBCS could also consider improvements to the website to improve user-friendliness and accessibility.</p>
Principle 1.8.	<p>Confidentiality: The central bank discloses its policy on confidentiality or secrecy of central bank information, including the reasons underlying the choices it has made on disclosure or non-disclosure of sensitive information.</p>
Description	<p>According to Article 31 of the Statute, members of the Supervisory Board and the Executive Board take an oath or pledge upon accepting their appointment. CBCS also explained that, as part of its accountability to the Court of Audit in Article 11 of the Statute, it may share relevant information with the Court of Audit if needed for its work. If information is shared with the Court of Audit, the Court is also required to keep it confidential. They may only make information public if it can no longer be traced back to specific individuals.</p> <p>Article 40 (1) of the National Ordinances on Supervision of Credit Institutions requires the CBCS to keep all information received in the course of its supervisory duties confidential, notwithstanding any other law. It can only share that information if permitted by law.</p> <p>The FAQ section on financial institution supervision also states in sub-point 8 that <i>“The Bank is forbidden by law to share information obtained from financial institutions under its supervision with other parties. However, the Bank can use data</i></p>

	<p><i>and information obtained to compile information for publication provided that such information cannot be traced back to an individual financial institution."</i></p> <p>CBCS's complaint procedure provides that "Since the Bank is bound by confidentiality, the Bank cannot give feedback on signals and complaints filed with the Bank." The procedure indicated that "These guidelines are set out in the Regulation on complaints handling for supervised natural and/or legal persons (the 'Regulation'), which can be found on the Bank's website through http://centralbank.cw/conduct[1]supervision-provisions." This link cannot be accessed on the website.</p> <p>The CBCS presents statistics on the financial sector in an aggregated form in the FSR.</p> <p>While the CBCS has strong confidentiality protections under its supervisory mandate, the parameters for confidentiality on monetary policy, FX policy and other key roles is less clear.</p> <p>Website Privacy Statement:</p> <p>The CBCS has published its privacy statement on the website which dictates that the processing of personal data is done in accordance with the <i>Landsverordening bescherming persoonsgegevens</i> (LBP). This law defines "personal data" as all data concerning an identified or identifiable natural person. As a rule, the CBCS does not disclose personal data to third parties.</p>
Review	<p><i>Core</i></p> <p>The CBCS Statute provides for secrecy by the supervisory and executive board. While the CBCS discloses its legal obligation to uphold confidentiality in relation to its supervisory functions, there is a lack of transparency regarding the scope and limitations of confidentiality as it applies to other objectives, such as monetary policy or payment system oversight. This lack of clarity may hinder stakeholders' understanding of when and how information is withheld outside the supervisory context.</p> <p>CBCS discloses most relevant laws and regulations that limit its confidentiality or secrecy in relation to its supervisory mandate, but it does not disclose voluntary policies or standards adopted by the CBCS in relation to its other roles.</p>

Comments	<p>CBCS could publish a confidentiality policy that clarifies the reasons behind its policy decisions on confidentiality or secrecy, or which emerge from (compliance with) specific legislation, particularly in the areas that fall outside of its supervisory mandate.</p> <p>In the interests of transparency, CBCS could also consider providing anonymized feedback on complaints filed with the Bank.</p>
Pillar II—Central Bank Policies	
Principle 2.1.	Monetary Policy: The central bank publicly and clearly discloses the objectives, policy framework, and instruments of monetary policy.
Principle 2.1.1.	Objectives and Framework: The central bank discloses its monetary policy framework and strategy for achieving its objectives.
Description	<p>The CBCS monetary policy framework and strategy for achieving its objectives is disclosed on its website. As stipulated in the CBCS Charter, the primary objective of CBCS is to promote the stability of the value of the monetary unit of Curaçao and Sint Marteen (Countries). The CBCS shall determine and implement the monetary policy strategy for achieving its objectives of the Countries.</p> <p>The Supervisory Board plays a vital role in overseeing the actions of the Board of Executive Directors, managing the assets of the CBCS, and protecting the entrusted funds. Additionally, it provides strategic guidance to the Board of Executive Directors, which seeks the Supervisory Board's approval on significant matters, including the budget, annual accounts, foreign reserve, and other key decisions as stipulated in the Bank Charter.</p> <p>The Supervisory Board comprises seven members, including its chairman. The members of the Supervisory Board are appointed by the President of the Joint Court of Justice of the two Countries by national decree.</p> <p>Building on this framework, the CBCS monetary policy seeks to influence domestic base money. Specifically, banks' liquidity in their current account at the CBCS, so that liquidity conditions affect credit growth, spending, imports and ultimately gross official reserves. To this end, the CBCS applies an operational target for official reserves of roughly three months of imports of goods and services and employs three monetary policy instruments, the reserve requirement, open-market operations via certificates of deposit (CDs) and a standing credit facility.</p>

	<p>The CBCS provides information on its website about these objectives as well as special explainers on the monetary policy instruments that are currently in use, as well as those that have been applied in the past.</p> <p>The relevant regulations concerning the monetary policy objectives and monetary policy authority of the CBCS are published on the Bank’s website. These documents are officially available in Dutch, though some also have unofficial English translations.</p> <p>The CBCS provides information on its website about the objectives of its monetary policy. The website also includes special explainers on the monetary policy instruments that are currently in use.</p> <p>Additionally, every quarter the CBCS publishes the Monetary Policy Report (MPR), which describes the developments of each indicator included in its monetary policy framework. This report provides the Monetary Policy Committee (MPC) with up-to-date overview of current macroeconomic and financial market conditions, and an evaluation of the appropriate stance. It opens with an economic outlook that sets the global backdrop and presents projections for real GDP growth and inflation for both countries of the MU, alongside a clear mapping of domestic and external risks and their transmission channels. Given the Caribbean guilder’s peg to the USD, the report closely tracks the Federal Reserve’s policy stance and its implications for domestic money-market conditions and monetary policy. An external-sector outlook, forecasting the balance of payments, the path of gross official reserves, and import coverage. The analysis then reviews year-to-date dynamics in the transmission mechanism (reserves, import coverage, bank liquidity, private credit extension) and describes the deployment of monetary policy instruments (reserve requirement, CDs, standing credit facility). The report concludes with a monetary policy proposal, detailing rationale, alternatives, and the decision.</p> <p>On March 31, 2025, the Netherlands Antillean guilder was replaced by the Caribbean guilder (XCG) as the official currency of the MU of Curaçao and Sint Maarten. The exchange rate between the two currencies is 1:1.</p> <p>The monetary policy of the CBCS has been geared toward promoting a stable value of the XCG with respect to the USD. The official XCG/USD rate of 1.79 is firmly supported by the CBCS. The Bank’s main reason for pegging the XCG to the USD is that over the years more than 60 percent of its international trade relations have been conducted with the United States. To maintain the dollar standard the CBCS must ensure a sufficient supply of FX.</p>
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	<p>In the quarterly flagship publication, the Economic Bulletin, the CBCS features a dedicated section on Monetary Developments. The section discusses in detail the monetary policy objective, the monetary transmission mechanism (i.e., monetary policy framework) and the instruments currently in use. It also explains the developments of each indicator within monetary policy transmission mechanism, from the operation target to the individual instruments. With each quarterly bulletin, the CBCS publishes press releases highlighting the main takeaways, and for the June and December editions, it also holds press conferences to present the economic developments in a more accessible manner and provide an opportunity for the press to ask clarifying questions.</p> <p>The CBCS publishes a condensed balance sheet analysis monthly. The first paragraph of the balance sheet analysis describes the development in the monetary policy instruments as reflected in the Bank’s condensed balance sheet. This publication is also announced with an infographic on the CBCS social media pages (Facebook, Instagram, LinkedIn) with a key highlight from the balance sheet.</p> <p>Finally, the CBCS has posted short educational videos on its social media and YouTube channel on the monetary policy and its objectives and the monetary policy instruments.</p>
Review	<p><i>Comprehensive</i></p> <p>The CBCS discloses important aspects and dimensions of its monetary policy framework, and it articulates its strategy for practical implementation, including in the context of policy decisions.</p>
Comments	The CBCS may consider publishing the documentation governing the monetary policy, including regulations, in English.
Principle 2.1.2.	Policy Decisions: The central bank discloses its monetary policy decisions in a timely manner and indicates how the decisions foster the achievement of its monetary policy objective(s). The central bank discloses the process by which policy decisions are taken, including with respect to the meeting calendar of its monetary policy decision-making bodies and their voting procedures.
Description	The MPC takes decisions on the monetary policy stance and the deployment of monetary policy instruments that need to be ratified by the Board of Executive Directors of the CBCS. To that end, the MPC discusses monetary and economic developments at least on a quarterly basis. The analysis in the MPR is used to support the MPC in its discussions of the most recent developments and monetary policy stance. The MPC comprises the President of the CBCS (chair), Executive

	<p>Director, Manager Monetary Policy, Economics and Statistics (secretary), Manager Market Operations, Manager Financial Stability, Head of the Department Economic Analysis and Research and Economic and Research specialist. As of July 1, 2025, an external member, a distinguished scholar and policymaker who currently serves as professor of Political Economy at the University of Groningen has joined the MPC as an external member. This composition is not disclosed to the public.</p> <p>The announcement dates of the meeting the MPC are published at the start of the calendar year and policy decisions are released following the quarterly meeting of the Monetary Policy Committee. The meeting calendar of the MPC is also published in the Advance Release Calendar on the CBCS' website.</p> <p>The CBCS announces its monetary policy decisions at four fixed dates each year. These decisions are communicated through press releases in the three official languages of the MU i.e., Dutch, English and Papiamentu within 24 hours after the MPC decision.</p> <p>The CBCS explains its monetary policy decision in the context of its objectives through the MPR, which is published two weeks after each decision of the MPC. The MPR serves as the main document used by the MPC as input during its meetings. It provides an analysis of the external environment, the CBCS's economic outlook, developments in the indicators of the monetary policy framework, and the rationale behind the policy decision.</p> <p>In addition to the MPR, the CBCS publishes the Economic Bulletin, which includes a chapter presenting the (detailed) economic outlook used by the MPC in the decision-making process. This publication also contains a chapter on monetary developments that describes the development in the main indicators of the monetary policy framework, including the monetary policy instruments.</p> <p>The CBCS does not disclose the composition of the MPC, or the minutes of the of the MPC meetings, including details on voting procedures.</p> <p>In exceptional circumstances, when the CBCS implements monetary policy actions outside the regular calendar, an announcement is published on the CBCS website alongside a press release. An example of this was the monetary and prudential measures adopted in response to the COVID-19 pandemic.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS discloses its monetary policy decisions in the context of its monetary policy objectives and a comprehensive account of policy deliberations within a reasonable amount of time.</p>

Comments	<p>The role and the mandate of the Monetary Policy Committee is not entirely clear and its deliberations and voting behavior of decision-makers is not disclosed. Furthermore, the CBCS does not provide regular venues (e.g., press conferences) for the media to ask questions and further clarify the rationale for the decisions.</p> <p>From an accountability viewpoint, the transparency of the decision-making process could be enhanced by further clarifying the mandate and role of the MPC, as it is unclear whether it is a decision-making body or advisory body, as the ratification process by the Executive Board creates uncertainty. The CBCS may also consider publishing the composition of MPC, as well as the minutes of the MPC, including its deliberation, i.e. quorum of majority of members in office is required.</p> <p>The CBCS Governor, as the head of the MPC, may consider conveying the decision on monetary policy through a press conference following the meeting of the MPC, supported by a media presentation that highlights the stance of monetary policy, a summary of recent external and domestic economic developments, the assumptions supporting the monetary decision, price dynamics for headline and core inflation, and developments of interest rates and credit growth. Such disclosure would be helpful for external stakeholders to better understand the uncertainty around the economic outlook and the rationale of the decision.</p>
Principle 2.1.3.	Supporting Analysis: The central bank discloses relevant economic information and supporting analysis that informs its monetary policy decisions.
Description	<p>The CBCS publishes a wide range of relevant data and analyses underlying its policy decisions. This is primarily done in its quarterly publications: the Economic Bulletin and the MPR.</p> <p>Published on a quarterly basis, the Economic Bulletin serves as a key communication tool for the CBCS' economic analyses and forecasts. It presents a comprehensive overview of global economic developments and their impact on the MU. In addition, it includes analyses of real, public, external and monetary sector developments within the MU, as well as forecasts of key economic variables. Twice a year, in June and December, the Economic Bulletin presents a detailed forecast covering a five-year horizon. In March and September, the outlook provides an update of the estimates for the current year and the following year only. With each quarterly Economic Bulletin, the CBCS publishes press releases highlighting the main takeaways, and for the June and December editions. It also organizes press conferences to present the economic developments in a more accessible manner and provide an opportunity for the press to ask clarifying questions.</p>

	<p>The CBCS does not routinely disclose alternative outlook scenarios, generally presenting only the baseline macroeconomic forecast, along with its key assumptions and main risks to the outlook. On occasions, alternative growth forecasts have been published, such as those related to the potential resumption of refinery activities in Curaçao.</p> <p>In addition, the Economic Bulletin includes text boxes and feature articles, addressing topics relevant to the economies of the MU. These articles are also shared separately on the CBCS’s social media pages (Facebook, Instagram, LinkedIn). Alternative scenarios were also published on an ad-hoc basis.</p> <p>The MPR provides, in comparison to the Economic Bulletin, a more condensed, forecast of the real and monetary sectors. It also includes a detailed analysis of the key indicators of the monetary transmission mechanism, as well as external indicators, relevant for monetary policy decisions. The MPR is published on a quarterly basis.</p> <p>The CBCS publishes a broad range of statistical data, particularly monetary and external (balance of payments) statistics. Most monetary statistics are published on a monthly basis, while the external sector statistics are published on a quarterly basis. These include:</p> <ul style="list-style-type: none"> • Balance of Payment statistics • Proceeds from License Fee • International Reserves Statement • Official Legal Interest Rates • Monetary Tables
Review	<p><i>Expanded</i></p> <p>The CBCS discloses macroeconomic forecasts for achieving its policy objectives. However it does not regularly disclose scenario analysis or the models used for forecasts.</p>
Comments	<p>The CBCS may consider to routinely disclose alternative scenarios and details of its macroeconomic model. Such publications could set the stage for greater involvement of relevant stakeholders, such as collaborative projects with academia on matters related to macroeconomic management in general, and monetary policy conduct in particular.</p>
Principle 2.2.	<p>Cross-Border Financial Flows and FX Administration: The central bank is clear about its role in determining and implementing the policy on cross-border financial flows and FX administration. It discloses the objective(s), the legal and</p>

	institutional frameworks it is acting under, its policy decisions, as well as the process by which policy decisions are taken.
Principle 2.2.1.	Objectives and Framework: The central bank discloses the policy’s objective(s), legal and institutional frameworks, and the strategy to achieve the policy objectives. There is clarity whether the central bank can delegate some of its functions to implement policy decisions to other entities and on the modalities of such delegation.
Description	<p>The general FX flows policy is vested with the governments of the countries of Curaçao and Sint Maarten. The CBCS is charged with executing the government policy, operationalized by regulations and implemented by circulars and requirements.</p> <p>The policy objective is to safeguard the external stability of the common currency by maintaining orderly FX flows, preserving adequate reserves, and supporting the peg to the USD. The strategy combines liberalization of current account payments with licensing of specified capital transactions, daily publications of official buying/selling rates, and operational/prudential rules that promote sound liquidity management and high-quality external sector data.</p> <p>The Central Bank Charter of the CBCS, available on the Bank’s website, stipulates in Article 9 that the CBCS is the central FX bank for the countries Curaçao and Sint Maarten. In this capacity, it regulates the payment traffic with foreign countries, in accordance with the mutual arrangement on FX transactions. Under conditions defined by the CBCS, it may authorize other banks to operate as a FX bank.</p> <p>The legal framework consists of the FX Regulation Curaçao and Sint Maarten (2010) and the FX Regulation 2024. The 2010 Regulation defines the features of the FX flows regime. In principle, current transactions are not subject to specific restrictions, while capital transactions require a license. The 2010 Regulation empowers the CBCS to grant licenses and exemptions, defines residents/non-residents, assigns duties to designated FX banks, and establishes reporting and administrative requirements to safeguard the FX position. The 2024 Regulation operationalizes and updates this framework with detailed instructions, publications, and general administrative regulations for FX transactions carried out by FX banks and money-transfer operators. Although capital transactions are bound by a license, several FX notifications have been issued by the CBCS that have liberalized most capital transactions. The CBCS applies a liberal licensing system with respect to capital transactions. Typically, licenses normally are granted upon request.</p>

	<p>The FX Regulation is published on the CBCS website in Dutch and English, together with additional forms, supporting documents and checklists. This section also includes information on minimum investment requirements by life insurance companies, non-life insurance companies and pension funds with residents and the levy percentage used to calculate the surcharge for a shortfall in these minimum requirements. Furthermore, information is provided on the license fee charged whenever a transfer is made to abroad or foreign currency is purchased. To promote a better understanding of the application of license fee, the CBCS created clarifying infographics on social media and a short explainer video.</p>
Review	<p><i>Comprehensive</i></p> <p>The objectives and legal and institutional frameworks of the policy are clearly defined and disclosed.</p>
Comments	<p>While the objectives of cross-border financial flows and FX administration are well defined in various documentation and regulation, its disclosure is not entirely well understood by the public. To remedy this shortcoming, the CBCS may consider publishing on its website an abstract describing the legal and institutional frameworks, and the strategy to achieve the policy objectives in plain language</p>
Principle 2.2.2.	<p>Policy Decisions: Policy decisions, whether on new actions or changes to standing policy or other changes in the regulatory framework, are publicly announced, explained, and disclosed in a timely manner. The central bank is clear about the process by which policy decisions are taken.</p>
Description	<p>Policy decisions regarding the implementation of the government policy and of cross-border financial flows and FX administration are communicated through press releases. The press releases are published in the three official languages in the MU i.e., English, Dutch, and Papiamentu. Newly adopted or amended regulations are also published in the section on FX Regulation on the ECBS website.</p> <p>The CBCS revised FX regulation on October 1, 2024. The revised regulation reduces the administrative burden of the licensing process and speeds up the granting of FX licenses. The CBCS has calculated that the reform will reduce the number of FX licenses to be granted on an annual basis by about 50 percent without compromising on effective control of the FX reserves. However, the process of enacting new regulation has not been subject to consultation with the relevant stakeholders.</p>

	<p>In addition, on a quarterly basis the CBCS publishes on its website the levy percentage used to calculate the surcharge for the shortfall in minimum investment requirements by life insurance companies, non-life insurance companies and pension funds with residents.</p> <p>In exceptional circumstances, when the CBCS implements monetary policy actions outside the regular calendar, an announcement is published on the CBCS website alongside a press release. An example of this was the monetary and prudential measures (including the suspension of the granting on FX licenses) adopted in response to the COVID-19 pandemic.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses information on the decision-making process and the role and responsibilities of its decision-making bodies involved in the process.</p>
Comments	<p>While the policy decision is described in the FX regulations, its transparency in terms of the rationale for the proposal, and the provision for public consultation is missing. As such, involvement of relevant stakeholders warrants further enhancement. The CBCS should consult relevant stakeholders in any future amendment or modification of its implementation. Furthermore, the CBCS could improve transparency practices by presenting in plain language its decision processes, for example through Q&As that are accessible on the website.</p>
Principle 2.2.3.	<p>Supporting Analysis: The central bank discloses in a timely manner the supporting analysis, including the intended outcome that informs its policy decisions.</p>
Description	<p>The policy on cross-border financial flows also sets minimum domestic investment requirements for life insurers, non-life insurers, and pension funds, as well as a levy percentage used to calculate a surcharge when these minimums are not met. The levy percentage is set quarterly based on an analysis of the MU's economic conditions and outlook, developments in gross official reserves, and commercial bank liquidity. Given the peg to the USD, the review also considers the Federal Reserve's policy stance and international interest rates. The assessment of interest rates covers year-to-date developments and a four-month forecast, incorporating relevant international trends.</p> <p>On this basis, the surcharge is determined each quarter for the subsequent quarter. The analysis is presented in the MPR. There is no separate analysis dedicated solely to FX management for the surcharge decision. The report includes a detailed</p>

	<p>analysis of the key indicators of the monetary transmission mechanism, as well as external indicators relevant for monetary policy decisions.</p> <p>For other changes related to cross-border transactions, there are no regular supporting analyses for FX policy and administration. The underlying regulations change infrequently, and to date, supporting analyses for such decisions have not been published as (stand-alone) reports.</p>
Review	<p><i>Core</i></p> <p>The central bank discloses in a timely manner the general considerations that underly a policy decision.</p>
Comments	<p>While the MPR offers some discussions on FX management, there is no dedicated detailed considerations of the economic and other conditions analysis backing its policy decision and any changes to its operational mechanisms and transmission of FX intervention policy. To this end, the CBCS may consider disclosing the underlying analysis to maintain the licensing mechanism and the rationale to maintaining the current level of capital transfer that requires a license.</p>
Principle 2.3.	FX Management: The central bank clearly and publicly discloses its FX policy objectives, including the hierarchy of objectives and the operational framework and instruments of FX interventions.
Principle 2.3.1	Objectives and Framework: The central bank discloses its policy objectives and legal, operational, and institutional frameworks, consistent with the chosen FX regime.
Description	<p>The general FX management policy is vested with the governments of the countries of Curaçao and Sint Maarten. The CBCS is responsible for execution of this policy through various regulations.</p> <p>While the CBCS does not present “FX management” as a distinct task, the objective and institutional frameworks are disclosed through regulations and published rules. The FX Regulation for Curaçao and Sint Maarten (2010), posted on the website, provides the legal and operation foundation for the CBCS’s management of FX. Complementing this framework, the FX Regulation 2024 sets out instructions, publications, and general administrative provisions governing FX transactions, pursuant to the 2010 Regulation. The CBCS also uses tools such as the FX license system, open market operations and the reserve requirement to ensure an adequate level of reserves, thereby safeguarding the peg. Both regulations are available in the FX Regulation section of the CBCS website, in Dutch</p>

	<p>and English, together with relevant forms, supporting documents and checklists. Information on these tools is also available on the Bank's website.</p> <p>Given the fixed exchange rate regime in the MU of Curaçao and Sint Maarten (i.e., the peg of the XCG to the USD), FX management instruments and monetary policy instruments are considered to overlap to some extent and ultimately serve the same objective, which safeguarding the external stability of the currency. From a FX management perspective, the operation goal is to maintain sufficient reserves to cover at least three months of imports.</p> <p>Although capital transactions are bound by a license, several FX notifications have been issued by the CBCS that have liberalized most capital transactions. The CBCS applies a liberal licensing system with respect to capital transactions: licenses normally are granted upon request.</p> <p>The CBCS sets the USD buy/sell quotes that commercial banks must apply for transactions up to XCG 25,000: XCG 1.7800/1.8018 for domestic transactions and XCG 1.7800/1.8200 for cross-border transactions. For amounts above XCG 25,000, clients may freely negotiate fees with their bank. In addition, a 1 percent license fee applies to cross-border current- and capital-account transactions between resident and non-resident accounts. Banks collect the fee and remit the proceeds monthly to the CBCS, which then transfers them to the governments of Curaçao and Sint Maarten. Banks may also charge their own processing and wire-transfer fees. Non-resident accountholders are not subject to the license fee. The licensing will be provided by the CBCS.</p> <p>The official exchange rates for use by the commercial banks are published on each business day.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS discloses its policy objectives, and legal and institutional frameworks.</p>
Comments	<p>The objective of FX policy is well described on the CBCS website, which is to maintain the peg of the XCG to the USD. However, the overlap between FX management instruments and monetary policy instruments, serving the same objective—which is safeguarding the external stability of the currency—is not well understood by external stakeholders. This could be better explained on the CBCS website.</p>
Principle 2.3.2.	<p>Policy Decisions: The central bank discloses its decision-making process, including the rationale for FX management instruments, and the means and methods of</p>

	reaching a decision. The potential impact of its policy decisions is explained in a timely manner.
Description	<p>The CBCS does not provide a dedicated disclosure of its internal decision-making process or the rationale behind FX management choices (e.g., how specific spreads, fee rates or thresholds are set). The impact of FX decisions is not published in stand-alone notices with stated effects. Instead, FX related indicators such as the development in gross official reserves and the import coverage are dealt with in the MPR and the Economic Bulletin.</p> <p>In a fixed exchange rate system such as that of the MU of Curaçao and Sint Maarten, monetary policy instruments i.e., the reserve requirement and open market operations, also function as indirect FX management instruments, since controlling domestic liquidity helps preserve reserves and sustain the peg.</p>
Review	<p><i>Core</i></p> <p>The central bank discloses its decision-making structure, and process to reach FX intervention decisions</p>
Comments	<p>The CBCS abstains from FX market intervention to influence the value of the exchange rate, as the XCG is pegged to the USD. This objective is well disclosed and understood by external stakeholders.</p> <p>However, the CBCS may need to intervene under certain circumstances, not to influence the value of the exchange rate, but to achieve other objectives such as liquidity injection where access to other instruments is limited. The decision-making process for such interventions could be better disclosed.</p> <p>The CBCS may consider elaborating further on the decision-making process for any potential FX market interventions in the future by providing information on the operational rules of FX intervention policy, as well as the instruments it uses and how these interact with monetary policy.</p>
Principle 2.3.3.	Supporting Analysis: The central bank discloses its assumptions, transmission channels, and analysis backing the intervention policy decisions, as well as ex-post evaluation of economic impact.
Description	While it is not stated in its documentation, in practice the CBCS does not actively intervene in the FX market under the peg to the USD. Therefore, there is no analysis of the economic impact of interventions to publish. The assumption and transmission channels of FX management (through the rules and regulations

	mentioned under 2.3.1) are implicit in the peg (i.e., gross official reserves, import coverage, FX licensing, investment rule and limits on banks' net foreign positions).
Review	<p><i>Not implemented</i></p> <p>The CBCS abstains from FX market intervention to influence the value of the exchange rate. However, it may intervene to achieve other objectives. The CBCS does not disclose its assumptions, scenarios and analysis backing its potential intervention policy decisions, as well as ex-post evaluation of economic impact</p> <p>The CBCS does not disclose the rationale and economic analysis backing its policy decisions.</p>
Comments	The CBCS may disclose the underlying analysis that would support its policy decision and any changes to operational mechanism and transmission of FX intervention policy.
Principle 2.4.	FX Reserve Management: The central bank discloses its policy objectives for FX reserve management, along with key considerations behind the policy, details on how oversight responsibility is allocated, and the potential impact of the policy.
Principle 2.4.1.	Objectives and Framework: The central bank discloses broad investment objectives, operative models, how it allocates oversight responsibility, and the institutional framework of its policy decisions.
Description	<p>The official Gold and International Reserves of the countries of Curaçao and Sint Maarten are held and managed by CBCS. The policy governing these reserves is approved by the SB to guide the IC in carrying out its reserves management responsibilities. The SB derives its authority based on Article 27 of the Bank Charter (2010). The CBCS governance for the management of the FX reserves is stipulated in the Banking Charter (articles 9 and 10). The IP outlines the responsibilities and limitations regarding the investment in foreign reserves is available on the CBCS website.</p> <p>According to Article 9 of its Charter, the CBCS holds the official reserves of the Countries, manages them, and monitors their expenditure. It is the central FX bank for the Countries and, as such, regulates payment transactions with foreign countries, in accordance with the mutual FX regulations. The CBCS is authorized to establish the official rates for FX, taking into account the value of the XCG in accordance with the mutual agreement regarding the determination of the</p>

	<p>exchange rate and with due observance of the relevant international agreements applicable to the Countries.</p> <p>The IP describes the rationale of holding reserves, the portfolio structure, currency composition, the process of strategic asset allocation, the risk tolerance parameters, eligible asset classes, bank exposure limits and addresses risk management. The reserves play a key role in maintaining confidence in the country's monetary and exchange rate policies and in ensuring that the countries will be able to cover any foreign currency net imbalances in the balance of payments.</p> <p>The adequate level of reserves is determined in consultation with the Monetary Policy & Research department of the CBCS and with information from the Ministries of Finance of the countries. The FX reserves are invested and managed by the CBCS to meet the following key objectives:</p> <ol style="list-style-type: none"> I. Promote the stability of the value of the currency of the countries of Curaçao and Sint Maarten (the US dollar peg). II. Provide FX for day-to-day operational needs. III. Provide confidence to markets that the country can service its external obligations. IV. Provide a buffer to absorb balance of payments shocks during times of crisis. V. Invest efficiently the balances in excess of the foreseeable liquidity and precautionary <p>The IP sets out the institutional framework necessary for the effective and efficient realization of the investment management objectives. These objectives shall be capital preservation, liquidity and return, in the same order of priority:</p> <ol style="list-style-type: none"> I. Capital preservation—safety of principal is the foremost investment objective. Investments shall be undertaken in a manner that seeks to preserve the capital of the overall portfolio over the investment horizon. In this regard, the objective will be to mitigate credit, interest rate, currency and operational risk. II. Liquidity—investment management should seek to ensure that adequate FX Reserves are available to meet obligations as they fall due. In order to maintain sufficient liquidity, reserves shall be invested largely in securities with an active secondary market. <p>Returns—subject to the capital preservation and liquidity constraints stated above, the FX Reserves shall be invested with the objective of achieving a competitive market rate of return on the reserves consistent with the investment objective and risk constraints</p>
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Review	<p><i>Comprehensive</i></p> <p>The CBCS discloses key objectives, governance, IP, as well as publishes the objective of each policy decision, governance, risk exposure, and investment benchmarks. It is clear how the adequacy and liquidity of reserves are determined.</p>
Comments	
Principle 2.4.2.	<p>Policy Decisions: The central bank discloses key elements of policy formulation, related risk exposures, instruments, decision-making hierarchy, and the oversight allocation process.</p>
Description	<p>The IP is approved by the Supervisory Board and is published on the website. As stated in paragraph 6.2 of the IP, the Investment Oversight Committee (IOC) is the supervisory body that monitors, reviews, and approves borrowing and offset transactions to ensure compliance with the organization’s investment policies.</p> <p>As stated in the IP, the IC oversees the execution of the IP. The IC convenes every other month to be informed on market conditions and make decisions related to the implementation of the IP. Furthermore, the IC evaluates the investment portfolio performance and risk parameters as described in the IP. In the months that the IC does not meet, they still receive the monthly IC report to evaluate both risk and performance of the investment portfolios. The IC consists of the following members with voting <u>rights</u>: the Bank President, the Executive director responsible for Reserve Management, a representative for the Executive director responsible for Economic policy, the Manager Monetary Policy, Economics & Statistics, and the Manager Finance. The Manager of the reserve management team and several team members prepare and participate in the meeting, but don’t have voting rights. Minutes for the meetings are made, evaluated and approved by each voting member of the IC via the CBCS document management system and include all decisions made by the IC. This information is not publicly available.</p> <p>The IC does not need the prior approval of the Supervisory Board to perform legal acts relating to the implementation of the approved IP, as referred to in Article 27, paragraph 2, sub f of the Bank Charter (2010).</p> <p>The CBCS discloses that it holds the FX reserves to meet multiple objectives. Each of these objectives has specific liquidity requirements and investment horizons. Consequently, the reserves are segregated operationally into discrete sub-portfolios, known as investment tranches, for reserves management purposes. The structure and relative size of each tranche is based on both an assessment of liquidity needs over varying time horizons and reserves adequacy considerations.</p>

	<p>When the level of reserves is ample relative to liabilities and potential draw downs, a portion of the reserves can be invested over a longer investment horizon to enhance returns and thus build a buffer to protect the countries during potential periods of macro-economic weakness.</p> <p>The IAD oversees adequacy of policies, procedures, roles and responsibilities to ensure compliance with the IP and Investment Guidelines and reports directly to the Supervisory Board with a copy to the Managing Board.</p> <p>The CBCS disclosed that it has implemented a governance model for its reserve management that follows the principles and best practices of the World Bank. The CBCS is member of the Reserve Advisory & Management Program (RAMP) of the World Bank and receives technical training and support for the development of their reserve management department. Furthermore, RAMP gives access to best practices for amongst others, the governance of IP decision making, portfolio construction and strategic asset allocation. RAMP membership has helped the CBCS reserve management department to further professionalize, innovate and keep team members' skill level up to date. This has also been disclosed on the CBCS website.</p> <p>Furthermore, the IP describes responsibilities of the IC that include approval of the investment guidelines. As stated in paragraph 6.2 of the IP, the Investment Oversight Committee is the Supervisory Body those monitors, reviews, and approves borrowing and offset transactions to ensure compliance with the organization's investment policies.</p> <p>The investment guidelines specify eligible financial counterparties, credit risk limits, the benchmark(s) for each investment tranche, the risk budget for active management and position limits controlling FX, interest rate and credit risk. The guidelines are not published because they are a more detailed and technical translation of the IP geared towards individual portfolio managers.</p> <p>The CBCS discloses key elements of policy formulation, related risk exposures, instruments, decision-making hierarchy, and the oversight allocation process.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS discloses its decision-making hierarchy and oversight responsibility, key considerations for reaching decisions. However, the CBCS does not fully disclose key considerations for reaching decisions, such as strategic choices and their impact on reserves, which are not entirely disclosed in the yearly reserve management report</p>

Comments	Disclosure of the IC deliberations related to substantial changes in the IP would enhance further transparency of international reserves management. A sanitized version of the minutes could be published eliminating sensitive information.
Principle 2.4.3.	Supporting Analysis: The central bank discloses the key assumptions and review process related to its policy decisions.
Description	<p>In the yearly reserve management report strategic choices and their impact on the reserves are not entirely disclosed. For instance, duration choices, divesting in gold and moving out of a hold-to-maturity strategy are not publicly available.</p> <p>The reserve management report describes the development of total assets and the main drivers affecting them. Since a significant amount of the reserves consist of gold, performance for the other portfolios is separated from gold price developments. The tranches that structure the investment portfolios, including the objectives to be achieved, are described in the IP (capital preservation, liquidity and return). Furthermore, the low tolerance for risk is expressed by the asset classes that are eligible in the IP, and benchmark performance is evaluated. Subsequently the contribution of strategic decision making to portfolio performance is discussed in the report. These include the partial sale and re-investment of gold reserves in US treasury securities, the move to active management and investing excess working capital.</p> <p>Further disclosures relating to the management of foreign reserves and its outcome can be found in the yearly annual report of the CBCS.</p>
Review	<p><i>Core</i></p> <p>While the CBCS provides detailed information on the IP and strategic decision-making, it does not publish analysis backing its strategic decisions regarding its investment and risk policies, nor any changes to its operational mechanisms.</p>
Comments	The reserve management report could be enhanced by providing information on the underlying analysis supporting its strategic decisions, as well as the governance structure and key decisions undertaken over the course of the year. It should also explain the strategic asset allocation principles, and risk management approach adopted.
Principle 2.5.	Macroprudential Policy: The objectives, decision-making process, and instruments of macroprudential policy are clearly communicated to the public.

	Indicators and supporting analysis to assess the need for macroprudential measures are disclosed alongside policy decisions.
Principle 2.5.1.	Objectives and Framework: The central bank discloses its macroprudential policy framework, including its objectives, instruments, and strategy for achieving its objectives.
Description	<p>The CBCS is entrusted with the task of maintaining financial stability in the MU. This responsibility is derived from the objectives of the CBCS outlined in its Charter, one of which is “to promote the health of the financial system of the countries” in the MU. The website of the CBCS notes that it aims to identify and address systemic risks by:</p> <ul style="list-style-type: none"> • Developing and maintaining early warning monitoring systems and models, • Conducting macroprudential analyses (including stress tests, interconnectedness and contagion analysis and other techniques), • Introducing, developing, and advising on macroprudential policy instruments and coordinating risk-mitigation measures to reduce vulnerabilities and imbalances in the financial system. • Ensuring that the CBCS is prepared to manage a financial crisis should such a crisis occur. • Providing solicited and unsolicited advice on financial stability issues to the governments of Curaçao and Sint Maarten. • Conducting and publishing research. <p>The macroprudential policy framework and instruments are currently under review and development. Furthermore, the CBCS is currently in the process of establishing a Financial Stability Committee to act as a coordination mechanism for crisis management and potentially to facilitate information sharing on matters related to financial stability in the MU (the full range of responsibilities for this committee are still to be decided). The goal of establishing this committee is discussed in the (Dutch Language) Financial Sector Reform Program 2024–2026 of the CBCS. However, the CBCS website and the Financial Sector Reform Program do not provide any details on the timeline for, or status of, the development of the macroprudential framework.</p> <p>The FSR for 2025 indicates that the countercyclical capital buffer (CCyB) is expected to be implemented in 2026, which would make it the first capital based macroprudential instrument in the CBCS’s macroprudential toolkit. We understand that the macroprudential framework is planned to be finalized during the course of 2026, though this is not publicly disclosed.</p>

Review	<p><i>Core</i></p> <p>On its website, the CBCS discloses, at a high level, the approach taken to address systemic risk as part of its mandate for financial stability. This includes a reference to macroprudential analysis and policy. However, as the CBCS has not yet finalized its macroprudential framework and has not implemented any tools, it is not yet able to disclose the details of this framework.</p>
Comments	<p>As soon as the macroprudential framework is approved, we recommend that it be published on the website and referenced in the FSR. The macroprudential policy framework should aim to explain, in clear and accessible terms, the CBCS approach to conducting macroprudential policy.</p> <p>This should include the overarching objectives of macroprudential policy, as well as the tools at the CBCS's disposal and any intermediate objectives that each tool would be deployed to pursue.</p> <p>The framework could also discuss the decision-making process, including the membership and governance of the policy making body, the key inputs used to assess the case for macroprudential policy action, and how the policy making body plans to balance trade-offs associated with the costs and side effects of macroprudential measures.</p>
Principle 2.5.2.	Policy Decisions: The central bank publicly announces its macroprudential policy decisions in a timely manner, and discloses the decision-making process leading up to macroprudential action.
Description	
Review	Not Applicable
Comments	<p>The CBCS has not taken any macroprudential policy decisions yet, as the policy framework as this is still under development.</p> <p>Once the macroprudential function is established, the CBCS should aim to publicly announce the introduction of, or adjustments to, macroprudential measures in a timely manner. These announcements should also explain the rationale behind the policy decision and what the intended outcomes are. The CBCS should also disclose information on the composition of the macroprudential policy decision-making body and its upcoming meeting schedule. Over time, the CBCS could also</p>

	consider providing an account of policy deliberations of the macroprudential policy committee.
Principle 2.5.3.	Supporting Analysis: The central bank discloses the key indicators and analyses used to assess the need for macroprudential measures. It explains the rationale and the expected transmission channels of policy instruments in achieving their objectives.
Description	<p>The CBCS utilizes a range of indicators to identify systemic risks. These include a financial sector risk map, capital and liquidity stress tests of the banking sector, detailed data on the solvency and liquidity position of the banking, pension fund and insurance sectors, an aggregate financial stability index, a credit-to-GDP gap measure, as well as a range of indicators on the risks facing the non-financial sector. These are published in the annual CBCS FSR, which has been in place since 2022. The FSR includes a detailed discussion of macro financial developments in the MU, linking these to the CBCS’s risk assessment.</p> <p>The CBCS also engages with the financial sector prior to publication of the FSR to elicit their views on the risks to financial stability.</p> <p>The CBCS is further developing its key macroprudential indicators and analyses, to support decision making. Emerging risks, and new analyses, are also discussed in the CBCS’s financial stability notes.</p> <p>The macroprudential framework and instruments are currently under development and not yet finalized. Therefore, the FSR’s coverage of policy topics is limited to regulatory developments relating to microprudential policy, crisis management and the development of the future macroprudential framework.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS provides broad coverage of financial stability risks and indicators of financial soundness as part of its FSR. While the FSR, at present, has a limited inclusion of macroprudential policy topics, this additional step toward linking risks to policy implications will need to be made once the macroprudential toolkit has been developed.</p>
Comments	
Principle 2.6.	Microprudential Supervision: Selected principles from BCP, ICP, and IOSCO.

	Reference as per Section II.A. of the Guidance Note .
Principle 2.7.	Emergency Liquidity Assistance: The central bank discloses the scope and objectives of emergency liquidity assistance, while maintaining the necessary confidentiality, to preserve financial stability and in support of monetary policy and its implementation.
Principle 2.7.1	Market-wide Liquidity Support: The central bank discloses the scope and objectives of market-wide liquidity support, while maintaining the necessary confidentiality, to preserve financial stability and in support of monetary policy and its implementation.
Description	The CBCS has not engaged in market-wide liquidity support and has no policy in place on this issue.
Review	<i>Not Applicable</i>
Comments	The CBCS could consider clarifying in its lender of last resort (LOLR) policy guidelines that it does not engage in market-wide liquidity support. Or it could consider discussing the conditions under which it would engage in such support and what the modalities and constraints on such support would be under these conditions. At present the CBCS policy guidelines are silent on market-wide liquidity support, which could lead to uncertainty about whether, and how, such support could be provided in the future.
Principle 2.7.2	Bilateral Liquidity Support: The central bank discloses the scope and objectives of bilateral liquidity support, while maintaining the necessary confidentiality, to preserve financial stability and in support of monetary policy and its implementation.
Description	<p>The Lendor of last resort policy guidelines of the CBCS provide extensive information about the scope, objectives, legal basis, conditions, and procedures associated with bilateral liquidity support.</p> <p>The policy guidelines identify that the legal basis for the LOLR function is derived from the Bank Charter, specifically via Article 3, which assigns the task of promoting financial stability to the CBCS. Furthermore, the goal of LOLR is identified in the policy guidelines as reducing the probability and impact of potential runs on credit institutions to preserve financial stability and contain contagion across the financial system.</p>

	<p>The guidelines note that to qualify for the LOLR facility the entity in question must be a credit institution which faces a temporary liquidity shortage, meets basic solvency requirements, has a long-term positive profitability outlook and has adequate liquidity risk management in place. The policy also stipulates that the LOLR should be fully secured and that the maximum period for the LOLR facility is three months with a repayment period not exceeding six months.</p> <p>The guidelines set out the interest rate applicable to a LOLR facility (the pledging rate +2 percent). They further stipulate the eligible collateral for LOLR operations, the haircuts applied to this collateral and the high-level approach to valuation of this collateral. The policy guidelines discuss how a financial institution can request an LOLR facility, and the procedure, which is followed by the CBCS, including which departments are involved. The LOLR procedure for the CBCS includes close monitoring of a recipient bank’s weekly reports on the usage of the facility and the value of the pledged collateral. The LOLR agreement, which is included in the policy guidelines, provides the CBCS with broad powers in respect of enhanced supervisory intrusion, including that the “borrower shall provide to the CBCS any reports or statements that the CBCS requests”.</p> <p>The CBCS’s Normal banking policy guidelines, disclosed on its website, provide information about the regular (non-LOLR) credit facilities provided by the CBCS to credit institutions.</p>
Review	<p><i>Comprehensive</i></p> <p>The LOLR policy guidelines clearly spell out that the eligibility criteria for bilateral liquidity assistance and the CBCS decision making process in this regard. The policy guidelines also disclose the conditionality and supervisory intrusion measures associated with LOLR. This includes that the CBCS monitors weekly reports provided by the bank and has the right to suspend LOLR if there is no longer a need for it, if there are doubts about the capacity of the bank to repay within the allotted timeframe, or if there is a decline in the collateral value below the loan amount. Lastly, the financial parameters associated with the LOLR function are clearly disclosed, including the eligible collateral, interest rate charged, and maximum repayment term.</p>
Comments	<p>The CBCS could consider enhancing its LOLR framework through a provision which stipulated the context within which emergency liquidity assistance (ELA) will be disclosed to the public. Bilateral ELA would typically be confidential when the operation is ongoing. However, the CBCS may consider ELA disclosures once it has been deemed that any financial stability risk has passed, and once any relevant confidentiality requirements have ceased. As part of its financial reporting, the</p>

	CBCS should disclose any material ELA operations after their provision has taken place (e.g. in the annual report) in a manner which is agreed with its external auditors. Furthermore, the CBCS should have a process in place to communicate publicly on an ELA operation, if proactive communication is likely to promote financial stability or is otherwise called for. This could include, for example, if the recipient bank discloses the ELA, or if the transparency of CBCS's balance sheet makes it apparent to some stakeholders that such an operation is ongoing.
Principle 2.8.	Resolution: Selected principles from KA
	Reference as per Section II.A. of the Guidance Note .
Principle 2.9.	Financial Market Infrastructures: Selected principles from PFMI
	Reference as per Section II.A. of the Guidance Note .
Principle 2.10.	Financial Integrity: The central bank discloses its policies and powers for Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) supervision, and a description of its internal control framework relating to the activities or services that may give rise to Money Laundering/Terrorist Financing risk.
Principle 2.10.1	AML/CFT Supervision: The central bank discloses information relating to its policies and powers supporting its AML/CFT supervisory activities.
Description	<p>Main AML/CFT Legislation</p> <p>Uniform AML/CFT legislation applicable to both Curaçao and Sint Maarten is published on the CBCS website in both Dutch and English. Article 8 of the Central Bank Statute for Curaçao and Sint Maarten (the "Statute"), which is published on the CBCS's website, provides the CBCS with supervisory powers, including AML/CFT supervision, over financial institutions in both Curaçao and Sint Maarten; including banking and credit institutions, company pension funds, the insurance sector and insurance brokers, stock exchanges, investment institutions and administrators, providers of management services, and money transaction offices. Article 43 of the Statute highlights the specific National Ordinances applicable to the supervision of each type of financial institution. As per the CBCS Organizational Chart, which is published on the website, AML/CFT supervision is the responsibility of the AML/CFT, Governance, Culture, Behavior and Consumer Protection Department.</p> <ul style="list-style-type: none"> • National Ordinance on Identification of Clients Before Rendering Services (NOIS) is the main instrument setting out AML/CFT obligations. Article 11 paragraph 1 (amended) of NOIS states: <i>"the supervision of compliance with</i>

the provisions of this ordinance or under this ordinance is entrusted to the officials of the CBCS designated by the President of the CBCS, insofar as it concerns providers of services as referred to in Article 1, first paragraph, section b, under points 1° through 10°, 14°, 16°, and 17° through 29°”.

- [National Ordinance on the Reporting of Unusual Transactions \(NORUT\)](#): The NORUT sets out the requirements for reporting entities to report suspicious transactions to the financial intelligence unit of each country. As per Article 22h paragraph 1 (amended) of the NORUT *“the supervision of compliance with the provisions of this ordinance or under this ordinance is entrusted to the officials of the CBCS designated by the President of the CBCS, insofar as it concerns providers of services as referred to in Article 1, first paragraph, section a, under points 1° through 10°, 14°, 16°, and 17° through 29.”*

AML/CFT Supervisory Powers

Article 3.2 of the Statute requires that both countries’ national legislation related to the CBCS’s objectives must be “uniform and compatible” with the Statute. The [‘Explanatory Memorandum to the Central Bank Statute for Curaçao and St. Maarten’](#) document is attached to the Statute and further highlights that uniformity extends to national ordinances related to supervision, including financial integrity supervision.

The aforementioned [‘Explanatory Memorandum’](#) highlights that “there shall be a common central bank and...one supervisory institution for the...integrity supervision” (2nd introductory paragraph). Furthermore, under a paragraph titled ‘Legal Basis’, it is indicated that the supervision by the CBCS is regulated by uniform national ordinances. The same is also mentioned in the overview of the CBCS Legislation page on the CBCS website.

AML/CFT Supervisory Policy

The CBCS is responsible among others for the regulation and supervision of the financial services sector in Curaçao and Sint Maarten. All the [AML/CFT/CPF legislations and guidelines](#) applicable to Curaçao and Sint Maarten are published on the CBCS’s website

The [Strategic Plan CBCS 2025](#) highlights strategic goals and an action plan to achieve them. The action plan includes a commitment to the risk-based supervisory approach as the following: *“By strengthening focused, intrusive and risk-based supervision through the implementation of the New Style of Supervision which, at its core, focusses on promptly identifying risks at the supervised institutions so as to act upon them if necessary”* and *“By improving our risk analyses and financial-stability assessments.”*

	<p>The CBCS implements a risk-based AML/CFT/CPF supervisory framework that allows for allocation of resources to address identified key risks. The CBCS's internal Handbook of Policy and Procedures Risk Based Supervision describes the supervisory approach. Specifically, the handbook details a) the CBCS' risk-based approach to identifying ML/TF/PF risks at the financial institutions under its supervision and b) the CBCS's risk-based supervision of individual financial institutions and their compliance with their AML/CFT/CPF requirements. The Handbook is an internal document that is still under development. As the Handbook has been prepared as an internal risk assessment document, it will not be made public. An Enforcement Instruments document from July 2022 provides a high-level overview of the CBCS's approach to enforcement of AML/CFT regulations, including the NORUT and NOIS. The document is general in nature and provides a high-level overview of applicable legislation (including AML/CFT), some supervisory policies and processes, and enforcement procedures.</p> <p>National Ordinance A° 2024 N° 41 (in Dutch only) informs the public of specific amendments made to various National Ordinances, including to the NOIS and NORUT.</p> <p>CBCS publishes thematic guidance for supervised entities to strengthen their compliance with AML/CFT obligations. For example, guidance has been issued on entities' risk assessments and requirements related to politically exposed persons (PEPs).</p>
Review	<p><i>Core</i></p> <p>The CBCS publicly discloses the legal basis for its AML/CFT supervisory mandate (including the Statute, NOIS and NORUT), identifies the scope of sectors under its supervision and the department responsible for AML/CFT oversight through its published organizational chart. The CBCS outlines its risk-based supervisory approach in the CBCS Strategic Plan 2025, and makes available high-level enforcement instruments and thematic compliance guidance on its website.</p> <p>A clear English language explanation (or overview) of the legal framework that the CBCS operates under, including of the nature of its jurisdiction over both Curaçao and Sint Maarten, is lacking. For example, legislation indicates that for the CBCS to have equal jurisdiction on both Curaçao and Sint Maarten, laws and regulations must be uniform and passed on the same date. This type of information is critical and is not immediately set out on the CBCS website. Furthermore, while the need for uniformity is set out in the law, in practice, authorities in Curaçao and Sint Maarten do not always approach legislation in this manner.</p> <p>The policies and guidelines applicable to Sint Maarten, on the website, are outdated and do not reflect recent changes to legislation. Several key policies and</p>

	<p>legislative amendments are published on the CBCS website but are only available in Dutch without an English translation, which include, for example, Indicator Manual (Sint Maarten), AB 2013 GT no. 489 Regulation on indicators of unusual transactions (Sint Maarten), and AB 2014 No. 51 Amendment to the National Ordinance MOT in connection with the proposed accession to the Egmont Group (Sint Maarten).</p> <p>The CBCS does not disclose detailed methodologies, supervisory procedures, or internal risk-based assessment criteria underpinning its AML/CFT supervision. Key documents such as the internal risk-based supervision handbook are not published, resulting in transparency at the level of the legal mandate but not at the level of practical supervisory execution.</p> <p>The CBCS discloses a high-level overview of its AML/CFT supervisory policies, and related guidance, as well as information on its supervisory powers (which apply to AML/CFT supervision). However, the CBCS does not indicate whether revisions of supervisory policies and guidance are: (i) conducted in consultation with the private sector; and (ii) how it ensures consideration of the private sector's feedback.</p>
Comments	<p>To strengthen transparency, the CBCS could supplement its existing AML/CFT webpage with a general description of its supervisory powers, the role and structure of the dedicated AML/CFT supervisory department, and an overview of its risk-based supervisory approach and enforcement tools, presented in a clear, consolidated, and easily accessible format.</p> <p>The CBCS could adopt a more consistent approach to private sector consultation during revisions of all AML/CFT policies and guidance. Subsequently, the CBCS may also consider disclosing how it ensures consideration of the private sector's feedback on the implementation of policies and guidance.</p>
Principle 2.10.2	Internal AML/CFT Controls: The central bank discloses a description of its internal AML/CFT control framework relating to its activities or services that give rise to money laundering and financing of terrorism risk.
Description	<p>In addition to its role as supervisory authority, the CBCS is also considered a service provider under AML/CFT regulations and must adhere to the corresponding legislation. While the CBCS's core functions (i.e.: issuance of currency, reserve management, monetary policy operations, and financial supervision) do not involve immediate exposure to ML/TF risks, the CBCS conducts activities that give rise to ML/TF risks and applies the 'Framework for combating Money Laundering and the Financing of Terrorism & Proliferation'</p>

internally to mitigate AML/CFT risks arising from its internal activities, which include

- **Currency Exchange:** CBCS is currently accepting discontinued currency notes (the Netherland Antillean Guilder) and replacing it with the new currency (Caribbean Guilder). On March 31, 2025, the Caribbean guilder was introduced as legal tender for the countries of Curaçao and Sint Maarten. The CBCS website includes information on how identification checks are conducted.
- Managing the **national payments system** (RTGS, ACH and IPS). A list of participating financial institutions in the Instant Payment System (IP) is [published on the website](#). The compliance function within the Payment Department conducts automated transaction monitoring (including sanctions screening) and manually reviews/closes flagged transactions. This screening process is performed automatically by the SWIFT Screening Utility system and applies to both incoming and outgoing payments.
- Provision of **brokerage activities** to the public and private sectors for trading in securities, commodities, and other fungible items. A [dedicated page on the website](#) includes information on trades published on ad-hoc basis and most recently in April 2024.

As per the CBCS website, the internal compliance function is conducted by the Legal, Governance, & Compliance Department, which is headed by a Compliance Officer and reports directly to the Executive Board. The Compliance Manual, available on the website in Dutch only, describes the various functions that the department conducts with regards to AML/CFT internal controls, including: evaluating internal suspicious activity reports, submitting external reports to the Financial Intelligence Unit (FIU), approving enhanced due diligence measures, and coordinating AML/CFT training. No information is available regarding the results of the Compliance Officer's monitoring efforts.

The CBCS has an IAD that operates under an Internal Audit Charter approved by the CBCS Supervisory Board. It reports functionally to the Audit Committee of the Supervisory Board and administratively to the Board of Directors of the CBCS. The Audit Committee meets regularly to review audit findings, follow up on recommendations, and oversee the effectiveness of internal controls, risk management, and governance processes. CBCS confirmed that internal AML/CFT controls are audited periodically by the IAD, but it could not be established when the most recent audit was conducted. The CBCS publishes its [audited annual financial statements and annual report](#), which include disclosures on internal and external audit arrangements.

Review	<p><i>Core</i></p> <p>The main policy to mitigate AML/CFT risks arising from internal activities ('Framework for combating Money Laundering and the Financing of Terrorism & Proliferation') is not disclosed publicly.</p> <p>The CBCS discloses a description of its internal AML/CFT control framework on the website. While an internal audit is being conducted, the CBCS did not disclose how it ensures the timely remediation of any identified weaknesses. Confirmation that all results have been addressed is published.</p>
Comments	<p>The CBCS could consider disclosing whether regular targeted audits of internal AML/CFT controls are conducted and whether identified deficiencies have been: (i) shared with the board; and (ii) addressed.</p>
Principle 2.11.	Consumer Protection: The central bank discloses its policies relating to consumer protection, conducted solely or jointly with other agencies.
Description	<p>The CBCS has a statutory mandate that includes the following responsibilities:</p> <ul style="list-style-type: none"> • Consumer protection, through supervision of financial institutions that offer products and services to the public. • Investor protection, via regulation and oversight of investment institutions and securities markets. • Promotion and enforcement of market integrity, by fostering transparency, adherence to international standards, and ensuring a sound financial system. <p>These responsibilities are derived from Article 6a of the National Ordinance on the Supervision of Banking and Credit Institutions, which establishes the CBCS's responsibility for the disclosure of measures and transparency towards the public, the fair treatment of customers and good business conduct of financial institutions. Despite this, the CBCS's consumer protection role, which emanates from its supervisory function, could be further clarified, as is discussed in principle 1.2.</p> <p>On the CBCS's website it is indicated that "the objective of the CBCS's conduct of business supervision is primarily to ensure orderly and transparent financial market processes, proper relationships between market participants and the exercise of due care by financial institutions in dealing with clients."</p> <p>The various provisions and regulations regarding consumer protection are disclosed on the CBCS' website in English, Dutch and/or Papiamentu:</p>

	<ul style="list-style-type: none"> • Provisions on Disclosure of Pricing Information on Consumer Credit (APR). • Provisions on Preventing Overextension of Credit (POC). • Provisions on the Disclosure of Interest Rates on Deposit Accounts (APY). • Regulation on Complaints Handling for Supervised Natural and/or Legal Persons. This Regulation is provisionally in effect in Curaçao only, since the harmonization law is not yet in force in Sint Maarten. • Manual for the implementation of the Regulation on Complaints handling. <p>CBCS Provisions and Guidelines for Information Security Management are disclosed on the website and information on the principle that supervised institutions should protect the privacy of customer information. <i>“Controls to protect the privacy of customer information should be part of the ISM framework. To meet the expectations regarding the privacy of customer information, supervised institutions should comply with existing applicable laws and regulations.”</i></p> <p>On the website it is stated that <i>“the CBCS considers it important to receive complaints and signals from the public regarding supervised institutions. Complaints and signals are important for the supervisory tasks of the CBCS, as these indicate where there may be problems in the financial market. ... complaint or signal will contribute to a sound and stable financial system in Curaçao and Sint Maarten.”</i> Both forms are available to the public on CBCS website in English, Dutch and Papiamentu.</p> <p>In addition, on the CBCS’s website there is a dedicated page for the publication of educational content including documents and videos.</p>
Review	<p><i>Core</i>⁸</p> <p>The CBCS publishes its consumer protection policies on its website, including various provisions and regulations in multiple languages. Specifically, it discloses the information related to disclosure measures and transparency of financial institutions under its supervision, and policies on fair treatment, business conduct and data protection and privacy usage of customer data.</p> <p>The CBCS also promotes public participation in consumer protection regulations through its complaint system, fulfilling the requirement for information sharing and dispute resolution mechanisms.</p> <p>Finally, the CBCS actively promotes the financial literacy of the consumers of financial services as an important part of its consumer protection policies.</p>

⁸ In line with Paragraph 19 of [CBT Review Guidance Note](#), for principles and sub-principles, for which the level of distinction between three transparency practices is non-existent, “Core” should be assigned by default

Comments	There is scope to further clarify the legal foundation for the consumer protection mandate, including how it is derived from the supervision function.
Pillar III—Central Bank Operations	
Principle 3.1.	Monetary Policy: The central bank discloses its operational framework with a well-defined operational target, objectives, instruments, collateral, and access criteria.
Principle 3.1.1.	Instruments: The central bank discloses its monetary policy instruments.
Description	<p>In its flagship publication, the Economic Bulletin, the CBCS elaborates on the monetary policy objectives, the monetary policy framework, the operational target (i.e., import coverage) and the monetary policy instruments. Each instrument is described in detail, including the standing credit facility, the reserve requirement and open market operations.</p> <p>The Bank’s monetary policy instruments are aimed primarily at influencing the commercial banks’ available liquidity, thereby affecting credit growth, spending, imports, and ultimately the level of official reserves. The main instrument are: (i) Reserve requirement: obliges commercial banks to hold a non-interest-bearing deposit on a blocked account with the Bank, reducing their liquidity and money-creating capacity; (ii) Open market operations: currently limited to the issuance of CDs in both XCG and USD through weekly and biweekly auctions, which serve to manage liquidity and credit extension; and (iii) Pledging rate: the rate at which commercial banks may borrow from the Bank in case of liquidity shortages.</p> <p>The MPR also provides an explanation of the monetary policy objectives and instruments, though with a stronger focus on their recent developments and implementation.</p> <p>The website of the CBCS includes a brief description of the current monetary policy instruments, specifically the reserve requirement, open market instruments, including the auctioning of CDs, and the policy on foreign positions. Information on the monetary cash reserve arrangement, which has since been discontinued, is also available. In addition, the process related to the auctioning of CDs is explained.</p> <p>The CBCS also outlines its collateral policy on its website. The CBCS requires that structural debt balances in commercial banks’ XCG accounts be collateralized. Eligible collateral includes CDs or Time Deposits (TDs) issued by the Bank, government securities of Curaçao and Sint Maarten, and investment-grade</p>

	<p>securities issued by foreign states. The value of advances is subject to haircuts depending on the maturity of the pledged securities while CDs and TDs qualify as 100 percent collateral. Further details on eligibility, pledging procedures and applicable conditions are available on the Bank’s website.</p>
Review	<p><i>Comprehensive</i></p> <p>The set of monetary policy instruments is disclosed to the public, as well as the operational target and the link between the operational framework and monetary policy objectives is disclosed.</p>
Comments	
Principle 3.1.2.	<p>Coverage: The central bank discloses: (i) the type of instrument (open market operations, standing facilities, other facilities, reserve requirements, and direct instruments of monetary control); (ii) the characteristics of each instrument; and (iii) the collateral framework.</p>
Description	<p>The CBCS discloses information on its monetary policy instruments in the Economic Bulletin and the MPR, as well as on its website.</p> <p>(i) Type of instrument: The monetary policy instruments currently in use are: (1) Reserve requirement; (2) open market operations, limited to the issuance of CDs in XCG and USD; and (3) a standing credit facility.</p> <p>(ii) Characteristics of each instrument: (1) the Reserve requirement obliges commercial banks to hold a non-interest-bearing deposit with the Bank, reducing their liquidity and money-creating capacity; (2) Open market operations conducted through weekly and biweekly auctions of CDs with various maturities, used to manage liquidity and credit extension; and (3) The standing facility allows commercial banks to borrow from the CBCS in case of liquidity shortages.</p> <p>Collateral framework:</p> <p>The CBCS also discloses its collateral policy on its website. Structural debit balances in commercial banks’ XCG accounts must be collateralized. Eligible collateral includes CDs or Time Deposits (TDs) issued by the Bank, government securities of Curaçao and Sint Maarten, and investment-grade securities issued by foreign states. The value of advances is subject to haircuts depending on the remaining maturity of the pledged securities, while CDs and TDs qualify as 100 percent collateral.</p>

Review	<p><i>Expanded</i></p> <p>The CBCS discloses terms and conditions that explain how the level of reserve requirements is determined, as well as detailed regulations on monetary operations and reserve requirements. These are published on the central bank website and regularly updates.</p>
Comments	<p>The CBCS may consider publishing regularly updated detailed regulations on monetary operations and reserve requirements, detailed characteristics of each instrument, and disclosures on the use of forward guidance.</p>
Principle 3.1.3.	Access: The central bank discloses the monetary policy counterparties' framework.
Description	<p>The CBCS explains the monetary transmission mechanism in the section on monetary developments of its quarterly Economic Bulletin. Within this framework, the monetary policy instruments are aimed primarily at influencing domestic base money, or more specifically, the commercial banks' available liquidity, as reflected by their current account balances at the Bank. Consequently, the monetary policy counterparties are the commercial banks.</p> <p>The monetary transmission mechanism assesses the development in commercial banks' current account balances as part of the monetary policy framework. The reserve requirement applies exclusively to commercial banks, only these institutions may participate in the auctions of CDs and only they may borrow against the pledging rate from the Bank.</p> <p>On its website, the CBCS provides a list of the commercial banks operating in the MU that are subject to the monetary policy (classified as Local General Bank in the list). These institutions are licensed to operate in accordance with the National Ordinance on the supervision of Banking and Credit Institutions (1994).</p>
Review	<p><i>Comprehensive</i></p> <p>The list of eligible institutions, counterparties of monetary operations, and their respective access rights is published and regularly updated.</p>
Comments	
Principle 3.2.	Cross-Border Financial Flows and FX Administration: The central bank discloses how it implements this policy in terms of the instruments and the scope of its operations and actions.

Principle 3.2.1.	Instruments: The central bank’s instruments for implementing the policy and the circumstances in which they can be used are clearly defined and disclosed.
Description	<p>The instruments for implementing cross-border financial flows and FX administration are clearly defined in the FX Regulation for Curaçao and Sint Maarten (2010) and FX Regulation 2024—Implementation Decrees. These documents are published on the Bank’s website in the section on FX Regulation.</p> <p>Under this framework, current account transactions are in principle free, while capital account transactions require prior licensing from the CBCS. The Bank implements its regime primarily through the FX licensing system, supported by reporting requirements and other administrative procedures imposed on authorized institutions. The Implementation Decrees provide detailed instructions, publications and general administrative provisions governing these transactions.</p> <ol style="list-style-type: none"> 1. FX banks may not hold a negative net foreign position. If they do, the CBCS charges an administration fee calculated weekly as: pledging rate x negative balance x 7/360, billed monthly. 2. A FX license is required for certain capital transactions and the remittance of profit and dividend if the transaction amount is XCG 500,000 or more: <ol style="list-style-type: none"> a. Receiving a foreign loan (including from an affiliated foreign company). b. Extending a loan to a non-resident (including to an affiliated foreign company). c. Opening/maintaining a foreign bank account by legal entities and transferring to it. d. Transfers by individuals to their private foreign bank account of XCG 500,000 or more. e. Opening/maintaining an intercompany current account with a foreign affiliate and transferring to it. f. Opening/maintaining non-resident trust trust/client at a local bank by trust companies/notaries/lawyers or other professionals for settling non-resident clients’ transactions. g. Transferring (part of) a credit balance on a non-resident XCG-account, converted into foreign currency, to a foreign bank account, if XCG 500,000 or more. h. Investing abroad XCG 500,000 or more per transaction. i. Non-resident participation in a local company for XCG 500,000 or more. j. Resident participation in a foreign company of XCG 500,000 or more k. Transferring shares in a local company from a resident to a non-resident for XCG 500,000 or more.

	<p>I. Distributing dividends or profits to non-residents of XCG 500,000 or more.</p> <p>m. Providing guarantees/securities to non-resident creditors by residents (with the condition that any resulting capital transactions of XCG 500,000 or ore requires a license.</p> <p>3. Residents conducting life- or non-life insurance operations and residents acting as pension funds are granted a general license to invest abroad if they hold at least a minimum amount of investments with residents:</p> <p>a. 40 percent of the sum of the first XCG10 million of the total provisions and debts.</p> <p>b. 50 percent of the sum of the following XCG10 million of the total provisions and debts.</p> <p>c. and 60 percent of the rest of the sum of the total provisions and debts.</p> <p>Notwithstanding the above, residents conducting life- or non-life insurance business, or acting as a pension fund, may place with non-residents an amount equal to the capital they have invested in qualifying local investments. A qualifying local investment is a durable investment by the institution, equity capital, quasi-equity capital or a loan (refinancing excluded, in a project executed in Curaçao or Sint Maarten that has, or is expected to have, at least a limited positive impact for Curaçao or Sint Maarten. However, if such an institution does not meet the minimum-investment rule, it is obliged to pay the Bank a levy on the full shortfall and to settle the invoice within 30 days of receipt. The levy percentage for the preceding quarter is set as the average three-month U.S.-dollar SOFR plus a specified number of basis points.</p> <p>Furthermore, the implementation decrees include instruction about daily quoting rules and the license fee. The CBCS publishes official buying and selling rates daily, which FX banks must apply for specified transactions; banks may quote more favorable rates for transactions exceeding XCG 25,000. A 1 percent license fee applies to cross-border current and capital account transactions between residents and non-resident accounts; banks collect and remit this fee monthly to the CBCS which transfers the proceeds to the government.</p>
Review	<p><i>Comprehensive</i></p> <p>The CBCS discloses information on each regulatory instrument, including the objectives and scope of the FX management regulation.</p>

Comments	
Principle 3.2.2.	Coverage: The central bank discloses information about the persons (entities and individuals), transactions, and other aspects of the FX system that it can and does regulate; persons, transactions, and activities that it can license, approve, monitor, and sanction; and FX transactions that it can perform.
Description	<p>The scope and coverage of cross-border financial flows and FX administration are clearly defined in the FX Regulation for Curaçao and Sint Maarten (2010), and the FX Regulation 2024—Implementation Decrees. Together they define who is covered (residents, non-residents, authorized FX banks and money-transfer offices) and what is regulated (current and capital transactions, reporting and administrative procedures). Current account transactions are in principle free while specified capital account transactions require prior licensing by the CBCS. The FX Regulation 2024—Implementation Decrees spell out operating rules of authorized FX banks (e.g., adherence to official daily exchange rates published by the CBCS; prohibition on maintaining a negative net foreign position with an administrative fee formula for any shortfall) and confirm that the CBCS may buy and sell U.S. dollars with banks, investment institutions and the governments and their agencies at officially quoted rates, while setting the rate-quoting rules banks must follow.</p> <p>On licensing/approvals, the FX Regulation 2024—Implementation Decrees list the capital transactions for which a CBCS license is required, generally at or above XCG 500,000 including receiving foreign loans; extending loans to non-residents; opening/maintaining foreign bank accounts by legal entities, large transfers by individuals to their own foreign accounts; opening intercompany current accounts with related non-resident firms; opening non-resident trust accounts at local banks; transferring balances from non-resident XCG accounts abroad; outward investments; non-resident participation in local companies; resident participation in foreign companies; share transfers from residents to non-residents; and distributions of dividends/profits to non-residents. The FX Regulation 2024—Implementation Decrees also cover guarantees and securities provided by residents to non-resident creditors, with downstream capital flows subject to licensing. For resident insurance companies and pension funds, the framework sets minimum domestic investment requirements, defines qualifying local investment and establishes a levy (surcharge) mechanism when minimums are not met.</p> <p>On reporting, the FX Regulation 2024—Implementation Decrees requires authorized institutions (i.e., FX banks and money transfer offices) to report FX transactions using the A/B classification (with detail fields and licensing/fee annotations), set documentation standards, (e.g., complete party identification, proper license references), and specify exemptions for certain transactions (e.g.</p>

	<p>government payments, free-zone re-exports, reinvestment). The Decrees also detail the CBCS's publication of official daily FX rates and the obligation of FX banks to apply them (or cross-rates) in resident/non-resident payments; for transactions between residents, a different selling rate applies per the License Fee Matrix.</p>
Review	<p><i>Comprehensive</i></p> <p>The CBCS discloses detailed description of licensing requirements, and documents to be submitted with the request for a license and the conditions for granting a approval automatically.</p>
Comments	<p>The CBCS may consider publishing detailed information on the procedure for imposing sanctions for noncompliance with the regulatory framework. The CBCS may also explain aspects related to the granting of licenses/approvals to the public through Q&As that are easily accessible.</p>
Principle 3.3.	<p>FX Management: The central bank discloses how it implements its FX policies framework in terms of instruments, markets, size, and mode of access.</p>
Principle 3.3.1.	<p>Instruments: The central bank discloses the set of instruments used for FX management policy, key considerations under which these instruments are chosen, and eligibility criteria of counterparties and mode of access.</p>
Description	<p>Given the fixed exchange rate regime in the MU of Curaçao and Sint Maarten, FX management instruments and monetary policy instruments overlap to some extent and ultimately serve the same objective: safeguarding the external stability of the currency. From an FX management perspective, the operational goal is to maintain sufficient reserves to cover at least three months of imports.</p> <p>The CBCS instruments, which support both monetary policy and FX management, are aimed primarily at influencing the amount of domestic base money, or more specifically, the commercial banks' available liquidity, as reflected by their current account balances at the Bank. In the end, liquidity interventions have an impact on the growth of domestic credit extension, domestic spending, imports, and ultimately, the level of official reserves.</p> <p>In this regard, the instruments for FX management are similar to the monetary policy instruments: (i) the Reserve requirement—obliges commercial banks to hold a non-interest-bearing deposit with the Bank, reducing their liquidity and money-creating capacity; and (ii) Open market operations—currently conducted through weekly and biweekly auctions of CDs with various maturities, used to manage</p>

	<p>liquidity and credit extension. (iii) Standing credit facilities—at which commercial banks can borrow from the Central Bank in case of liquidity shortages.</p> <p>The monetary transmission mechanism, including the instruments, is explained in detail in the Economic Bulletin. Further information is also available on the Bank's website and in the FX Regulation framework (i.e., FX Regulation for Curaçao and Sint Maarten (2010) and the FX Regulation 2024—Implementation Decrees) which supports the regime.</p> <p>These instruments are accessible only to licensed commercial banks, which are the eligible counterparties. Access is automatic in the case of the reserve requirement, auction-based for CDs and facility-based for borrowing under the pledging rate.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS discloses the choice of instruments, the modalities, and provides the reasons for their use to achieve its broad policy objectives. However, the CBCS does not detail the rationale for each instrument in relation to policy objectives and does not explicitly publish eligibility criteria on its website.</p>
Comments	<p>The CBCS may consider disclosing on its website in plain language the rationale for each instrument, as well as the overlap between the FX policy instruments and that of monetary policy.</p>
Principle 3.3.2.	Coverage: The central bank discloses the markets and agents who are targeted by the FX management policy.
Description	<p>The CBCS instruments, which support both monetary policy and FX management, are aimed primarily at influencing the amount of domestic base money, or more specifically, the commercial banks' available liquidity, as reflected by their current account balances at the Bank. In turn, these interventions affect domestic credit extension, spending, imports, and ultimately, the level of official reserves.</p> <p>In addition, the coverage of cross-border financial flows and FX administration, underpinning the FX management regime is clearly defined in the FX Regulation for Curaçao and Sint Maarten (2010) and the FX Regulation 2024—Implementation Decrees. These regulations specify the persons and entities subject to the regime, including residents and licensed financial institutions, the transactions that are regulated such as cross-border capital flows requiring prior approval, and the activities that may be licensed, approved, monitored or exempted by the CBCS.</p>

	Accordingly, the markets and agents targeted by the FX management framework are primarily commercial banks, licensed financial institutions, and residents.
Review	<p><i>Comprehensive</i></p> <p>The coverage of FX management operations is clearly defined, including rules, modes, and markets that are updated regularly and are available on the CBCS website. The eligibility criteria of its counterparties, including a regulation governing their conduct, sanction rules, and mode of access, is published on the CBCS website.</p>
Comments	
Principle 3.4.	FX Reserve Management: The central bank discloses the general principles governing its FX reserve management operations, including relationships with counterparties and service providers.
Principle 3.4.1.	Instruments: The central bank discloses the broad selection criteria for eligible asset classes, composition of instruments, investment horizon and constraints.
Description	<p>These criteria are disclosed in the IP as described in Pillar 2. The description of Tranches as stated in the IP:</p> <ul style="list-style-type: none"> (i) The Working Capital Tranche is funded to meet operational, short term payment obligations. This tranche has a three-month horizon and is consequently invested in the most liquid and low risk investments. Prior to the beginning of every month, the TD provides an estimate of the level of potential cash needs over the coming month, and the size of the working capital tranche is set accordingly. The size can also be reset on an intra month basis if need be. (ii) The Buffer Tranche constitutes the precautionary reserves that will replenish the Working Capital tranche as and when necessary and which receives excess cash from the Working Capital tranche. The objective of this tranche is to promote the stability of the value of the domestic currency (the US dollar peg) over the coming 12 months. Between other considerations, the target size is based on potential outflows as monetary aggregate measures (M1 and M2), three months imports coverage, official external debt service and principal repayment. This tranche is invested in liquid investment instruments with a capital preservation objective over a one-year horizon. (iii) The Investment Tranche has an investment horizon of three years, would be managed to enhance the return on the reserves portfolio as well as to cover

	<p>longer term contingencies consistent with the country's overall macroeconomic and financial stability.</p> <p>The IP published on the website discloses the broad selection criteria for eligible asset classes, composition of instruments, investment horizon and constraints</p>
Review	<p><i>Comprehensive</i></p> <p>The CBCS discloses composition of reserve assets, instruments, and disclosures on risks exposure at a defined frequency and time lag.</p>
Comments	<p>The CBCS may consider disclosing the exposure by group and instruments at a defined frequency and time lag.</p>
Principle 3.4.2.	<p>Coverage: The central bank discloses the criteria to select eligible market counterparties and service providers and eligible markets to conduct its operations.</p>
Description	<p>The criteria to select eligible market counterparties and service providers and eligible issuers are disclosed in the CBCS IP as follows:</p> <ul style="list-style-type: none"> (i) Deposits with any commercial bank counterparty shall only be permitted if the senior debt securities of the bank involved in the transaction are rated minimum of A- by at least two of the acceptable rating agencies. (ii) The Treasury Department shall review the bank counterparties eligibility periodically or as new developments are susceptible to having a material impact on the financial standing of a bank and will inform the IC of any such changes. (iii) An exposure limit will be established for each commercial bank, expressed as a maximum amount which can be deposited with the bank for a period not to exceed 180 days. (iv) The IC shall establish a limit by maturity for bank obligations for each authorized bank counterparty. (v) The exposure to any single commercial bank (cash + bank obligations) should not exceed 7.5 percent of the total market value of the reserves. (vi) The IC will specify in the Investment Guidelines a maximum global limit, expressed as a percentage of total external reserves that can be invested in deposits with all commercial bank counterparties. The IC will adjust this limit according to developments in the financial sector. <p>The CBCS discloses the arrangement it has with the World Bank as part of the RAMP, including related performance during the year under review.</p>

Review	<p><i>Comprehensive</i></p> <p>The IP provides detailed information on criteria for selecting eligible market counterparties; it does not mention rules and procedures for market selection.</p>
Comments	<p>The CBCS may disclose specific rules and procedures for the selection of markets, counterparties, custodians, and service providers. While the IP provides detailed information on criteria for counterparties, it does not mention rules and procedures for market selection.</p>
Principle 3.4.3.	<p>Review: The central bank discloses criteria to assess adequacy and liquidity parameters and discloses such analysis regularly, at predetermined times.</p>
Description	<p>The IP specifies that the maintenance of sufficient liquidity is one of the key objectives in the management of the FX reserves, and stipulates that the reserves shall be tranching accordingly, with the specified Liquidity Tranche which will be managed with this objective particularly in mind. This type of analysis is tabled at the IC level and is not disclosed by the CBCS.</p>
Review	<p><i>Not implemented</i></p> <p>The CBCS does not disclose criteria to assess adequacy and liquidity parameters and discloses the analysis at regular predetermined periods.</p>
Comments	<p>The CBCS may disclose non-market sensitive components of the investment Guidelines and the key macrofinancial features that have a bearing on the formulation of the investment guidelines such as adequacy and liquidity.</p> <p>The CBCS may consider disclosing information on annual liquidity stress tests and publishing the reserve adequacy assessment and a risk statement outlining the financial, operational, and other risks arising from its operations with a defined time lag.</p>
Principle 3.5.	<p>Financial Stability Reviews and Stress Testing: The central bank periodically discloses its review of domestic financial stability to the public and is transparent about the methods used for such reviews, including its framework for stress testing.</p>
Principle 3.5.1.	<p>Financial Stability Reviews: The central bank periodically provides to the public its review of risk to financial stability, including new and emerging sources of vulnerability.</p>

Description	<p>The CBCS publishes a FSR on a yearly basis, which is the primary channel through which it communicates its views on the risks to financial stability, and the evolution of vulnerabilities in the financial system of the MU. The FSR is published on the CBCS website, and its release is accompanied by a press briefing to discuss its key findings.</p> <p>The risk assessment in the FSR is enriched by several key indicators, including a risk map which clearly delineates risks that are acute from those which are emerging. This map also indicates whether a particular risk is assessed to be increasing, stable or decreasing based on the expert judgement of the CBCS. Aside from a general risk assessment, the FSR also dedicated chapters to banks, insurers and pension funds, offering a detailed overview of the solvency and profitability metrics and risk indicators for each sector. The banking sector section also includes a discussion on the solvency and liquidity bank stress tests that the CBCS conducts. Lastly, the FSR provides an overview of regulatory developments relevant to financial stability.</p> <p>The CBCS Annual Report complements the FSR by offering a summary of the CBCS's progress in implementing its financial stability mandate, including through an overview of enhancements to its risk assessment toolkit.</p> <p>The CBCS also publishes ad hoc financial stability notes on topical issues for the financial system. These notes complement the FSR as a source of information about broader macro financial developments and possible risks to financial stability.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS publishes a comprehensive assessment of the key risks to financial stability including emerging vulnerabilities. This assessment is well communicated, including through the use of a range of risk indicators.</p>
Comments	<p>To enhance transparency further, the CBCS could consider publishing the data that supports the key indicators and graphs in the FSR. This data could be published alongside the FSR on the website.</p>
Principle 3.5.2.	Macroprudential Stress Testing Methods: The central bank discloses the methods and key assumptions of the stress testing framework.
Description	<p>The CBCS has undertaken a variety of stress tests over the past year, to simulate both capital and liquidity stresses on the banking sector. These are discussed in Chapter 2 of the latest FSR. The high-level approach and the primary assumption for each stress test are disclosed in the FSR. Furthermore, the impact of each stress</p>

	<p>scenario on the banking sector is depicted graphically and briefly discussed. However, other supporting assumptions are not disclosed and the rationale for the stress scenarios is not specified.</p> <p>Stress testing for the insurance and pension fund sectors is currently under development and may be discussed in a future FSR.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses key information on the design of its stress tests and explains the core assumption that underpins each stress test. The CBCS also discloses the high-level impact of the stress tests on the banking sector.</p>
Comments	<p>To further enhance transparency, the CBCS could consider providing additional information on how it identified the scenarios it has chosen to implement, and what additional assumptions were required to be made as part of the stress tests (for example assumptions related bank management interventions, or other changes in the bank balance sheet or income statement during the stress, as well as in terms of spillovers between banks). The CBCS could also consider discussing the plausibility of the various stress scenarios, for example, by placing them in a historical context.</p> <p>Additionally, the CBCS could elaborate on what the impact of the given scenario would be for the banking sector’s capacity to meet its regulatory requirements. For example, in discussing the liquidity stress test results, the CBCS notes that even under a severe stress there would be no requirement for liquidity support from the central bank. However, this does not explain to readers whether the banking sector would fall below its regulatory minimum level of required liquidity.</p> <p>Lastly, as the CBCS transitions to more sophisticated and complex stress testing approaches, it may aim to disclose additional information commensurate with the increased complexity of these stress tests.</p>
Principle 3.5.3.	Stress Testing Coverage: The central bank discloses the coverage of the stress testing exercise.
Description	The stress tests discussed in the 2025 FSR are all clearly described as pertaining to the banking sector. The FSR further states that “Liquidity stress tests are performed on banks within the MU, while capital stress tests exclude branches from foreign banks”.

	Stress testing for the insurance and pensions sectors is currently being developed and may therefore be discussed in a future FSR.
Review	<p><i>Core</i></p> <p>The CBCS discloses that the stress tests are conducted on the banking sector and based on its disclosures in the FSR, it is possible to ascertain the coverage of the different types of stress tests (capital and liquidity).</p>
Comments	In the future, the CBCS could consider disclosing the precise number of banks subject to each stress test. The CBCS could also disclose the names of the banks that were included in each stress test (without necessarily disclosing any institution specific data).
Principle 3.5.4.	Central Bank Use of Stress Test Results: There is clarity about the ways the central bank uses the stress test results.
Description	<p>The CBCS clearly describes in its 2025 FSR that the main purpose of the stress tests is to evaluate the resilience of the financial sector and identify any potential vulnerabilities that could destabilize the financial system. In the FSR, the CBCS alludes to the stress tests as providing possible input into its macroprudential policy deliberations. At this stage macroprudential policies have not been implemented as they are still under development. Nevertheless, this is an important signal to the market.</p> <p>The CBCS also indicated bilaterally to the IMF Mission Team that the stress tests may be used in its supervisory interactions with individual banks. For example, specific instructions may be given to a bank based on the results of its stress test. However, the supervisory implications of these stress tests are not publicly disclosed by the CBCS.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses the results of the stress tests and explains that these tests are done to assess the vulnerability of the banking sector to a given type of shock.</p>
Comments	The CBCS could consider disclosing whether, and how, aggregate bank stress test results affect its policy decisions and its ongoing engagements with the banking sector. This could be done without disclosing the stress test results pertaining to any particular bank. Once the macroprudential framework is established, the CBCS could also consider incorporating the stress test results into communications

	around its macroprudential policy deliberations, to the extent that these results are relevant to these deliberations.
Principle 3.6.	Macroprudential Policy Implementation: The central bank discloses how it implements macroprudential policies, including the design of policy instruments and enforcement arrangements.
Principle 3.6.1.	Instruments: The central bank discloses the precise design and objectives of its macroprudential instruments, including the scope of entities and financial instruments subject to macroprudential constraints.
Description	
Review	<i>Not Applicable</i>
Comments	The CBCS' macroprudential policy and instruments are currently under development. Once finalized, the CBCS plans to publish the macroprudential framework.
Principle 3.6.2.	Enforcement: The central bank discloses enforcement mechanisms and responsibilities for all entities and financial instruments subject to macroprudential constraints.
Description	
Review	<i>Not Applicable</i>
Comments	The CBCS's macroprudential policy and instruments are currently under development. Once finalized, the CBCS will publish a note on the macroprudential framework. This is planned to include the scope, institutions, and the instruments subject to macroprudential constraints, as well as the enforcement arrangements. This note is expected to be made available on the website.
Principle 3.7.	Microprudential Supervision: Selected principles from BCP, ICP, and IOSCO.
	Reference as per Section II.A. of the Guidance Note
Principle 3.8.	Emergency Liquidity Assistance: The central bank may disclose any ongoing provision of emergency liquidity assistance (including bilateral and market-wide

	support) and its conditions and parameters once the need for confidentiality has ceased.
Principle 3.8.1	Market-wide Liquidity Support: The central bank may disclose any ongoing provision of market-wide liquidity support and its conditions and parameters once the need for confidentiality has ceased.
Description	
Review	<i>Not Applicable</i>
Comments	The CBCS has not conducted market wide liquidity support.
Principle 3.8.2	Bilateral Liquidity Support: The central bank may disclose any ongoing provision of bilateral liquidity support and its conditions and parameters once the need for confidentiality has ceased.
Description	
Review	<i>Not Applicable</i>
Comments	<p>There has been no provision of ELA since the 2022 LOLR policy was put in place. Hence there has been no opportunity for disclosure.</p> <p>The CBCS has indicated that its internal preference is not to disclose any ongoing bilateral liquidity support, while the LOLR policy is silent on the issue of disclosure, either during the provision of liquidity or after such provision has ended.</p>
Principle 3.9.	Resolution: Selected principles from KA.
	Reference as per Section II.A. of the Guidance Note
Principle 3.10.	Financial Market Infrastructures: Selected principles from PFMI.
	Reference as per Section IIAF. of the Guidance Note
Principle 3.11.	Financial Integrity: The central bank discloses its AML/CFT supervisory processes as well as details about resources allocated to its internal AML/CFT controls.

Principle 3.11.1	AML/CFT Supervision: The central bank discloses its AML/CFT supervisory processes.
Description	<p>The CBCS’s AML/CFT supervisory processes, including its approach to onsite and offsite AML/CFT supervision, are set out in a confidential document: the Handbook of Policy and Procedures Risk Based Supervision.</p> <p>The CBCS has published a brochure explaining its approach to its supervisory activities. General information about the CBCS’s approach to on-site and off-site supervision is not disclosed. The CBCS discloses and clearly explains its approach to enforcement, including for breaches of AML/CFT legislation in an Enforcement Instrument document published on the website. The CBCS Annual Report 2024 provides a broad overview of its risk-based AML/CFT/Countering the Financing Proliferation (CFP) supervisory framework. Oversight is conducted by the Governance, Compliance, and Conduct Supervision (GCCS) Department, which in 2024 carried out thirteen onsite examinations of selected financial institutions—banks, insurers, trust service providers, and money transfer companies—based on risk and impact scores. It also conducted thematic and “quick scan” reviews for smaller entities and evaluated compliance with Systematic AML/CFT/CFP Risk Assessment (SARA) requirements. In addition, the CBCS contributed to the CFATF mutual evaluation process and national AML/CFT committees. While these disclosures confirm the existence and scope of AML/CFT supervision, the report does not detail the internal organization, staffing, or governance of the Compliance or GCCS departments.</p> <p>The CBCS issues and distributes ad-hoc Supervision Newsletters. Since 2022, the CBCS has published seven newsletters, of which all but one included AML/CFT/CPF components. In particular, the December 2023 edition included general information on the CBCS’s approach to offsite and onsite AML/CFT supervision, but without specifically referring to activities conducted during the period.</p> <p>A registry of the supervised institutions is also published on the CBCS website.</p> <p>The website also publishes information on AML/CFT/CPF supervisory activities in the annual report of the CBCS and a report on CBCS Assessment of Cash Exchange Practices.</p>
Review	<p><i>Core</i></p> <p>The CBCS clearly sets out its approach for risk-based AML/CFT supervision, including onsite and offsite AML/CFT supervisory activities, in the Handbook of Policy and Procedures Risk Based Supervision. However, the Handbook is not published and kept internally only. The CBCS does not declare statistical</p>

	<p>information on the number of off-site and onsite AML/CFT/CFP supervisory activities. The CBCS Annual Report 2024 provides a broad overview of its risk-based AML/CFT/CFP supervisory framework.</p> <p>Information on the human and technical resources allocated to these activities is not available. While CBCS maintains and discloses up-to-date information on the names of the financial institutions it supervises for AML/CFT purposes, it does not publish information regarding the cross-border activities of those entities.</p>
Comments	The CBCS could consider disclosing statistical information on the results of its AML/CFT supervisory-level sectoral risk assessments and completion rates of its off-site and on-site AML/CFT supervisory activities.
Principle 3.11.2	Internal AML/CFT Controls: The central bank discloses resources allocated to its internal AML/CFT controls.
Description	In general, the CBCS does not publish information on the resources allocated to its internal AML/CFT controls. Internally, monthly reports detailing control activities, resources, and tools supporting AML/CFT oversight are provided to the Executive Board, and quarterly reports are submitted to the Supervisory Board. These statistics are maintained in the Compliance Dashboard but are not made public.
Review	<p><i>Not Implemented</i></p> <p>The CBCS does not disclose information on its internal AML/CFT control activities and on the human and technical resources allocated to internal AML/CFT controls. Additionally, the CBCS does not disclose statistical information on the completion rates of its internal AML/CFT control activities. The internal AML/CFT controls are audited by the Internal Audit Department and the results are presented to the Board. However, the internal audit function does not extend to auditing the adequacy of the resources allocated to AML/CFT internal controls. The CBCS does not disclose resources allocated to its internal AML/CFT controls.</p>
Comments	<p>The CBCS could consider disclosing general information of the activities carried out by the AML/CFT units/teams and their human and technical resources.</p> <p>The CBCS could also consider disclosing statistical information on the completion rates of its internal AML/CFT control activities and confirmation that the adequacy of the resources allocated to its internal controls was subject to an independent audit.</p>

Principle 3.12.	Consumer Protection: The central bank discloses its operations relating to consumer protection conducted solely or jointly with other agencies.
Description	<p>CBCS discloses a range of measures to support transparency related to its functions for consumer protection, including:</p> <ul style="list-style-type: none"> • Provisions on disclosure of information on financial products and services to protect the consumers by providing them with adequate information enabling them to make informed decisions. • Its involvement in financial education and awareness that is implemented using various means and channels (such as; announcements, educational videos, presentations/workshops, etc.). • APR Calculator on CBCS website to help consumers better understand the true cost of loans. • A well-disclosed and accessible system to report complaints and signals via forms available on the CBCS website. • Warning notices that are intended to provide a protection mechanism against illegal practices: Copy of Warning notice (3kolx25cm) • CBCS's website contains detailed information on how to file complaint. <p>The 'Questions and Answers section' on the CBCS website provides more information on the following questions.</p> <ul style="list-style-type: none"> • What is the difference between a complaint, a signal, and a question? • When do I file a complaint with the CBCS? • What happens with my complaint? <p>CBCS also runs a large number of activities to promote the financial literacy of the consumers of financial services. Activities or actions developed to enhance the public knowledge on Consumer Protection are detailed in the annual 'Key Financial Education strategic objectives'. This document is not publicly available but shared internally with the respective departments.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses various measures related to consumer protection, including provisions for information disclosure on financial products, financial education initiatives, and a system for reporting complaints. It also actively promotes public knowledge on consumer protection. At the same time, the CBCS doesn't disclose sanctions applied to supervised institutions following signals and complaints received from the customers. Also, bounded by confidentiality, the CBCS doesn't provide feedback on signals and complaints filed with the CBCS. Furthermore, the</p>

	CBCS cannot inform the consumer whether an examination will be conducted based on his/her complaint or signal.
Comments	The CBCS may consider providing more detailed information on its supervisory actions in the area of consumer protection, i.e. disclose the information on sanctions applied to the financial institutions as a result of complaints or signals received (at least on aggregate basis).
Pillar IV—Central Bank Outcome	
Principle 4.1.	Monetary Policy: The central bank is transparent about the outcome of its monetary policy conduct.
Principle 4.1.1.	Governance Actions: The accountability of the central bank on monetary policy is clear as to whom accountability is owed and how it is discharged.
Description	<p>The Central Bank Charter stipulates that the CBCS is accountable to its Supervisory Board and, through statutory and legal channels, to the governments of Curaçao and Sint Maarten.</p> <p>Monetary policy decisions are published on pre-announced dates via press releases. The CBCS issues the MPR and Economic Bulletin, which explain the monetary policy framework, objectives, instruments and recent developments in detail. Both publications also include analyses of the external environment and the baseline forecasts used for monetary policy decisions. Furthermore, the CBCS publishes a monthly condensed balance sheet analysis that provides insights into the monetary policy framework.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS periodically communicates to the public actions taken to achieve the policy objectives or, in the case of objectives not achieved, provides reasons and explanations thereof.</p>
Comments	To enhance its transparency of its monetary policy outcome, the CBCS may consider organizing regular live press conferences with the media explaining monetary policy decisions, developments in the domestic market, as well as the outcomes of previous policy decisions.

Principle 4.1.2.	Policies: The central bank discloses progress toward achieving its monetary policy objective(s) as well as prospects for achieving them.
Description	<p>The operational goal of monetary policy is to maintain an import coverage of at least three months. Accordingly, the MPR and Economic Bulletin provide a comprehensive analysis of the monetary transmission mechanism, covering developments in the commercial banks' liquidity, private credit extension, imports of goods and services, gross official reserves and the import coverage. These indicators are directly linked to the CBCS primary objective of safeguarding external stability by maintaining an adequate level of FX reserves. In each publication, the CBCS documents the deployment of its instruments, i.e., the reserve requirement and the auctioning of CDs and tracks their stock measures over the period (i.e., the level of required reserves and the outstanding amount of CDs). It then assesses how these instruments, together with autonomous liquidity factors such as transfers by governments and other financial institutions from between their accounts at the Central Bank and their accounts at the commercial banks, have affected the commercial banks' liquidity. The analysis further reviews private credit extension, the gross official reserves, the import of goods and services and assesses whether the import coverage meets the operational target (i.e., whether gross reserves cover at least three months of imports of goods and services). In addition, both publications present forecasts of key real, external and monetary indicators, providing forward-looking insight into whether monetary policy objectives are being maintained or are on track to be achieved.</p> <p>On a monthly basis, the CBCS also publishes an analysis of its condensed balance sheet, which gives insights into the development of monetary policy instruments and level of official reserves.</p> <p>Finally, the CBCS publishes a broad range of statistical data, particularly monetary and external (balance of payments) statistics. Most monetary statistics are published monthly, while the external sector statistics are published on a quarterly basis. These support transparency on both progress toward and prospects for achieving or maintaining the monetary policy objective.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS publishes on an ad-hoc basis evaluations of efforts to meet targets and information about economic developments that could affect the prospects of achieving monetary policy objectives.</p>
Comments	To further enhance transparency practices, the CBCS may regularly disclose information on how it measures progress to achieve its monetary policy objectives.

	The CBCS may also carry out analytical studies such as working papers, technical notes, etc.
Principle 4.1.3.	Operations: The central bank discloses the volumes and interest rates of the operations, as well as the level of the operational target achieved.
Description	<p>In its MPR and Economic Bulletin, the CBCS reports the reserve requirement percentage and the amount of required reserves, along with the outstanding CDs broken down by currency (XCG or USD) and maturity (two weeks, three months, six months and 12 months). Both publications track and discuss interest rates, including the pledging rate (the standing facility rate). The Economic Bulletin also includes a dedicated table of interest rates covering the pledging rate, CD rates by maturity and currency, and interest rates on government securities. In both the MPR and the Economic Bulletin, the deployment of monetary instruments is assessed for the quarter or year under review and compared with the previous quarter of years.</p> <p>The reports also analyze the operational target for external stability i.e., the import coverage of at least three months, by reviewing its components (gross official reserves and imports of goods and services) and explicitly assessing whether the norm of three months is met.</p> <p>In addition, the level of the operational target i.e., the import coverage including its underlying components namely gross official reserves and imports of goods and services, are presented and analyzed in the Economic Bulletin and MPR.</p> <p>These disclosures are complemented by a broad range of statistical data, particularly monetary and external (balance of payments) statistics. Most monetary statistics are published monthly and include, among other things, data on commercial banks' demand deposits at the CBCS, the volume and interest rates of CDs, the pledging rate and credit extension.</p> <p>The CBCS also holds press conferences in the months of June and December, during which the developments in the main monetary policy indicators, including the import coverage, are presented and discussed.</p> <p>The central bank discloses the volumes and interest rates of the operations, as well as the level of the operational target achieved</p>
Review	<i>Comprehensive</i>

	The level of the operational target is disclosed weekly on the CBCS website. The outstanding volumes per instrument are published frequently and in a timely manner on the CBCS website.
Comments	
Principle 4.2.	Cross-Border Financial Flows and FX Administration: The central bank discloses the outcome of its policy implementation.
Principle 4.2.1.	Governance Actions: The central bank discloses information about to whom its accountability on the policy is owed and how it is discharged.
Description	<p>The Central Bank Charter makes the CBCS accountable to its Supervisory Board and—through statutory channels—to the governments of Curaçao and Sint Maarten. Governance and accountability for cross-border financial flows and foreign-exchange administration mirror those for monetary policy.</p> <p>Accountability is owed to:</p> <ul style="list-style-type: none"> • Ministers of Finance (Curaçao and Sint Maarten): Under Article 24, the President consults with the Ministers at least once every three months on financial and economic policy. If there are relevant developments that (could) influence cross-border financial flows—or changes to the implementation decrees, these are included in the reports to the Ministers. • Parliaments of Curaçao and Sint Maarten: Each year, pursuant to Article 24, the CBCS submits a report on the financial and economic policy conducted in the preceding year for their information. If applicable, relevant developments or decree changes are also included in this reporting to Parliament. • Supervisory Board: In meetings governed by Article 27, the CBCS President reports on general economic and financial developments, in the countries and on the Bank’s policies. Where relevant, developments that (could) affect cross-border flows or changes in decrees are included in the reports to the Supervisory Board. <p>How accountability is discharged to the public (reporting & transparency).</p> <ul style="list-style-type: none"> • Annual reporting and audited accounts: By July 1, the CBCS prepares its audited annual financial statements and annual report (Article 38). After approval by the Supervisory Board, these are submitted to the <i>Vermogensgerechtigden</i> (Entitled Asset Holders) for adoption and sent to the Ministers and the Parliaments; adoption entails discharge of the Board

	<p>of Executive Directors. The annual report explains the policy framework and any changes in the conduct of FX administration and cross-border flow oversight during the year.</p> <ul style="list-style-type: none"> • Policy change disclosure: With respect to cross-border financial flows, the CBCS reports changes when they arise in the relevant implementation decrees (e.g., amendments to rules or procedures governing FX administration or transaction controls). These changes are explained on the Bank’s website and through press releases. • Scope of routine reporting (and annual exception): Unlike monetary operations—where regular disclosures cover instruments, volumes, and rates—there is no ongoing (e.g., monthly/quarterly) publication of operational statistics such as the number, type, or value of individual licenses issued, extended, or denied under the FX regime. However, each year in the June Economic Bulletin, the CBCS includes an analysis of the foreign-exchange regulation—its objectives, possible policy changes, and the number and type of licenses and the number of exemptions issued. <p>Public access to the legal framework: To ensure clarity and transparency in administering cross-border financial flows, the CBCS publishes on its website the FX Regulation for Curaçao and Sint Maarten (2010) and the FX Regulation 2024—Implementation Decrees, together with related forms and supporting documents.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses information on its governing bodies with respect to policy implementation, as well as their responsibilities to report on the implementation of the policy and the central bank’s performance in achieving the policy objective.</p>
Comments	<p>The CBCS may disclose information regarding the interaction of cross-border financial flows and FX administration policy with other policies such as monetary, macroprudential, and fiscal policy.</p>
Principle 4.2.2.	<p>Policies: The central bank discloses on a regular basis information about the results in achieving the policy objectives.</p>
Description	<p>The policy objective of cross-border financial flows and FX administration is to safeguard the external stability of the XCG. Therefore, the disclosure of information on the results of the policy objectives should be seen in the context of the development in the operational goal of monetary policy, i.e., the import coverage. The level of import coverage together with its underlying components, gross official reserves and imports of goods and services is presented and analyzed in</p>

	<p>the Economic Bulletin and MPR, each quarter, and it is explicitly assessed against the norm of at least three months.</p> <p>In addition, once a year, in the June edition of the Economic Bulletin a specific review of the FX regulation, including its objectives, possible policy changes and the number and type of licenses and exemptions issued is provided. Unlike monetary operations, where regular disclosure covers instruments, volumes and rates, there is no ongoing (e.g. quarterly) publication of operational statistics such as the number, type, or value of individual licenses issued, extended or denied under the regime.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses a description of the FX regime, including existing restrictions related to cross-border transactions and FX operations within the country and their impact on the economy.</p>
Comments	<p>The CBCS may consider publishing more regular and detailed operational statistics such as the value of individual licenses issued, extended or denied under the regime, for example on a quarterly basis.</p>
Principle 4.2.3.	Implementation: The central bank discloses on a regular basis information about the results of the policy implementation.
Description	<p>The CBCS discloses information on a regular basis, through its Exchange Regulations, about the regulatory framework and possible changes, the types and number of granted licenses/approval within the country. The CBCS publishes a detailed list of entities/individuals licensed to perform various FX activities and discloses on a regular basis the aggregated results of relevant operations.</p> <p>The policy on cross-border financial flows and FX administration is implemented with the objective of safeguarding the external stability of the XCG. The results of policy implementation are disclosed in the context of the Bank's operational target i.e., the import coverage. The import coverage together with its underlying components, gross official reserves and imports of goods and services is regularly presented and analyzed in the Economic Bulletin and MPR.</p> <p>In addition, the June edition of the Economic Bulletin provides a specific review of the FX regulation, including its objectives, possible policy changes and the number and type of licenses and exemptions issued. This ensures that both the broad policy outcomes and the operational results of the administration of cross-border financial flows are disclosed on a regular basis. The CBCS organizes press</p>

	<p>conferences to present economic developments in a more accessible manner and provide an opportunity for the press to ask clarifying questions.</p> <p>The CBCS discloses information about the regulatory framework and possible changes to it, as well as the types and number of granted licenses/approval within the country, on a regular basis through its Exchange Regulations. The CBCS publishes a detailed list of entities/individuals licensed to perform various FX activities and discloses on a regular basis the aggregated results of relevant operations.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses on a regular basis detailed information on the regulatory framework and any changes to it, as well as the results of its operations with entities and individuals.</p>
Comments	<p>The CBCS may provide public information on the entities/individuals licensed to perform activities subject to licensing, inspections conducted and their results, and sanctions imposed for noncompliance.</p> <p>Furthermore, the CBCS may disclose information on the assessment of the impact of the implementation of achieving the policy of cross-border financial flows, including analytical studies on whether the current measures, such as the licensing regime, are still adequate to achieve the objectives of cross-border financial flows.</p>
Principle 4.3.	FX Management: The central bank discloses how its governing committee is accountable for undertaking and reporting on FX interventions.
Principle 4.3.1.	Governance Actions: The central bank discloses its decision-making structure and how it is accountable for FX Management.
Description	<p>In the area of FX management, decisions are implemented in accordance with the FX Regulation for Curaçao and Sint Maarten (2010) and the FX Regulation 2024—Implementation Decrees.</p> <p>The Charter of the CBCS establishes that the highest decision-making body is the Board of Directors under oversight of the Supervisory Board, which ensures that the Bank operates within its statutory mandate.</p> <p>Similar to other functions of the CBCS, the accountability for FX management is owed to:</p>

	<ul style="list-style-type: none"> • Ministers of Finance (Curaçao and Sint Maarten): Under Article 24, the President consults with the Ministers at least once every three months on financial and economic policy. • Parliaments of Curaçao and Sint Maarten: Each year, pursuant to Article 24, the Bank submits a report on the financial and economic policy conducted in the preceding year for their information. • Supervisory Board: In meetings governed by Article 27, the President reports on general economic and financial developments, in the countries and on the Bank's policies. <p>How accountability is discharged (reporting & transparency).</p> <ul style="list-style-type: none"> • Annual reporting and audited accounts: By July 1, the CBCS prepares its audited annual financial statements and annual report (Article 38). After approval by the Supervisory Board, these are submitted to the Vermogensgerechtigden (Entitled Asset Holders) for adoption and sent to the Ministers and the Parliaments; adoption entails discharge of the Board of Executive Directors. • Policy change disclosure: With respect to FX management, the CBCS reports changes when they arise in the relevant implementation decrees (e.g., amendments to rules or procedures governing FX administration or transaction controls). These changes are explained on the Bank's website and through press releases. • Scope of routine reporting (and annual exception): Unlike monetary operations—where regular disclosures cover instruments, volumes, and rates—there is no ongoing (e.g., monthly/quarterly) publication of operational statistics such as the number, type, or value of individual licenses issued, extended, or denied under the FX regulation. However, each year in the June Economic Bulletin, the CBCS includes an analysis of the foreign-exchange regulation—its objectives, possible policy changes, and the number and type of licenses and the number of exemptions issued. <p>Public access to the legal framework: To ensure clarity and transparency in administering cross-border financial flows, the CBCS publishes on its website the FX Regulation for Curaçao and Sint Maarten (2010) and the FX Regulation 2024—Implementation Decrees, together with related forms and supporting documents.</p> <p>The CBCS discloses its decisions and accountability for FX Management through various vehicles, including publication of annual financial statement and annual report, press release</p>
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Review	<i>Expanded</i> The CBCS discloses its governance structure and the responsibilities of its governing bodies with respect to FX management.
Comments	The CBCS may enhance the periodicity (quarterly basis) of the publication of operational statistics such as the number, type, or value of individual licenses issued, extended, or denied under the FX regulation. Furthermore, the CBCS may consider undertaking analytical studies that justify the current regime and its impact on the rest of the economy.
Principle 4.3.2.	Policies: The central bank discloses the role of FX Management toward achieving its policy objective(s) as well as its interaction with broader monetary policy objectives.
Description	FX management is closely intertwined with the Bank's broader monetary policy objectives, as both sets of instruments ultimately serve the same purpose of preserving external stability. Under a conventional peg, monetary policy is geared toward supporting the exchange rate anchor by safeguarding sufficient FX reserves. Instruments such as the reserve requirement, open market operations through the issuance of CDs and the pledging rate are formally categorized as monetary policy tools, but in practice they also function as FX management instruments. By influencing commercial banks' liquidity, these instruments affect credit growth, spending, import and thereby support the maintenance of an adequate level of FX reserves.
Review	<i>Expanded</i> The CBCS publishes its policy decisions, their outcomes, and any changes to operational mechanisms of its FX management policy.
Comments	The CBCS provides at the quarterly press conference data on FX inflows and outflows.
Principle 4.3.3.	Operations: The central bank discloses the results of its market operations, the volume of activity, and the direction of interventions on its website at a predefined time lag.
Description	The CBCS discloses the results of its market operations, which are currently limited to the issuance of CDs in both local currency and USD. A monthly analysis of the level of outstanding CDs is presented in the condensed balance sheet analysis .

	<p>published on the Bank’s website with a one-month lag. In addition, the MPR (published with a one-month lag) and the Economic Bulletin (published with a six-month lag) provide a more detailed analysis of the development of outstanding CDs and the direction of interventions i.e., whether liquidity is being absorbed or released.</p> <p>Furthermore, the monetary tables which are published on the Bank’s website with a lag of three months include data on the outstanding volume of CDs as well as the interest rates applied.</p>
Review	<p><i>Expanded</i></p> <p>The CBCS does not intervene in the FX market to influence the value of the common currency, while it uses monetary policy instruments to influence other market variables and thereby support the current FX regime.</p>
Comments	<p>The CBCS may disclose information on how the monetary policy aggregate volume directly impact the achievement of FX management.</p>
Principle 4.4.	<p>FX Reserve Management: The central bank discloses any changes to the general principles of internal governance and provides clarity on the outcomes of its policy decisions about FX reserve management.</p>
Principle 4.4.1.	<p>Governance Actions: The central bank publicly discloses the general principles of internal governance to ensure the integrity of its policy formulation and operations.</p>
Description	<p>Through the website and publication of the Annual Reserves Management Report CBCS discloses the detailed internal governance structure in place for FX reserve management. (see Principle 2.4.1 for details). The Reserve Management Report discloses the frameworks in place to monitor and manage the risks related to FX reserve management (i.e., market, liquidity, credit and operational risks).</p> <p>The IP, describes in 2.4.1, provides the rationale of holding reserves, the governance structure and reporting, the portfolio structure, currency composition, the process of strategic asset allocation, the risk tolerance parameters, eligible asset classes, bank exposure limits and addresses risk management. The reserves play a key role in maintaining confidence in the country’s monetary and exchange rate policies and in ensuring that the countries will be able to cover any foreign currency net imbalances in the balance of payments.</p>

Review	<p><i>Comprehensive</i></p> <p>The CBCS discloses its framework, the responsibilities of its governing bodies with respect to reserve management, and its evaluations of policy actions taken.</p>
Comments	
Principle 4.4.2.	Reporting on Implementation: The central bank discloses data relating to the level and composition of reserve assets, short-term liabilities, and drains that can lead to demand on reserves at a predefined frequency.
Description	<p>In the yearly reserve management report data relating to the level and composition of reserve assets is disclosed. Furthermore, strategic choices and their impact on the reserves are disclosed, for instance relating to duration choices, divesting in gold and moving out of a hold-to-maturity strategy.</p> <p>Further disclosures relating to the management of foreign reserves and its outcome can be found in the annual report of the CBCS.</p>
Review	<p><i>Comprehensive</i></p> <p>The CBCS publishes information on the level of FX reserve assets and liabilities, according to a predefined schedule. The outcomes are presented as per the Special Data Dissemination Standard.</p>
Comments	To further enhance the transparency of the reserve management, the FX reserve report could include elements from the IP, including objectives, governance, eligibility, etc. This would allow the relevant stakeholder to comprehend the main aspects of FX reserve policy and its outcome without relying on several documentations.
Principle 4.4.3.	Financial Results: There is clarity in audited financial statements on the amount, composition, profit/loss, and risks arising from FX reserves.
Description	<p>The CBCS' audited financial statements prepared in accordance with the CBCS Charter and published in the CBCS Annual Report provide information on the amount, composition, profit/loss, and risks arising from FX reserves.</p> <p>The disclosures can be found in the audited Annual Reports of the CBCS. Please refer to the notes 3.4.4, 3.4.5 and 3.4.6, 3.4.8.3 (interest receivable on non-residents) and 3.4.16.1 of the 2024 audit financial statements of the CBCS.</p>

	<p>As stated in note 3.4.4. of the annual reports, the CBCS invests its FX reserves in the following asset classes: interest-bearing current accounts, gold, time deposits and other money market instruments and bonds. As of December 31, 2024, the Bank had the following “tranches”: working capital, a buffer tranche and an investment tranche consisting of current accounts and financial instruments. For monetary purposes, the Bank also holds local bonds and issues time deposits and CDs.</p> <p>Note 3.4.5. provides information on the individual items of the CBCS’ Balance Sheet and Profit and Loss Statement.</p> <p>Note 3.4.6 provides information on the Foreign receivables and investments, comprising of the Current accounts, Time deposits and other money market instruments, Investment portfolios managed externally, Investment portfolios managed internally—at amortized cost and Investment portfolios managed internally—at market value.</p> <p>Note 3.4.8.3, provides information on the Interest receivable on non-residents 0–12 months and Interest receivable on residents.</p> <p>Note 3.4.16.3 provides information on the Net Unrealized Gain/Loss from Market value changes of gold, investments and FX.</p> <p>The CBCS clearly discloses information on the amount, composition, profit/loss, and risks arising from its international reserves. including disclosures on financial risks, including market, credit, liquidity risks.</p>
Review	<p><i>Comprehensive</i></p> <p>There is clarity in the audited financial statements on the amount, composition, profit/loss, and risks arising from FX reserves.</p>
Comments	
Principle 4.5.	Macroprudential Policy: The central bank discloses outcomes and evaluations of its macroprudential policy actions and its accountability for such actions.
Principle 4.5.1.	Governance Actions: The accountability of the central bank on macroprudential policies is clear as to whom accountability is owed and how it is discharged.
Description	The 2025 FSR describes the promotion of financial stability in the MU as a core responsibility of the CBCS. Meanwhile, the website of the CBCS outlines the various responsibilities of the CBCS in terms of financial stability. The website notes as part

	<p>of these responsibilities, the CBCS should develop and implement macroprudential instruments with the objective of reducing vulnerabilities and imbalances in the financial system. The website also sets out a clear description of financial stability and explains its relevance to promoting economic growth.</p> <p>The responsibility for macroprudential policy is derived from the CBCS Charter, which states that one objective of the CBCS is to: ‘promote the health of the financial system of both countries’. Furthermore, the legislation governing credit institutions provides the CBCS with a range of powers in terms of supervising, licensing, regulating, and collecting data from such institutions. This includes, for example, the ability to regulate: the size of assets in relation to other balance sheet items, the level of equity in relation to various risks, and the minimum amount of liquid assets, among many others. These provisions provide a legal basis for the CBCS to conduct macroprudential policy.</p> <p>The CBCS is in the process of setting up a Financial Stability Committee and establishing its macroprudential policy framework. Therefore, the governance arrangements surrounding the committee responsible for setting macroprudential policy and the interactions between different organs of state on issues of financial stability are not yet set, and in turn have not been disclosed by the CBCS.</p>
Review	<p><i>Core</i></p> <p>The CBCS clearly discloses, on its website and in the FSR, its macroprudential policy objectives and its responsibilities in the area of financial stability.</p>
Comments	<p>To enhance its transparency in this area, the CBCS should aim to finalize and disclose the governance arrangements surrounding the setting, implementation and enforcement of macroprudential policy, including specifying which committee is responsible for this, and whether, and to what extent, the CBCS undertakes these actions alone or in conjunction with other public sector entities.</p>
Principle 4.5.2.	Policies: The central bank discloses ex-post evaluations of its macroprudential policies.
Description	
Review	<i>Not Applicable</i>
Comments	The CBCS macroprudential policy framework is currently under development. For this reason, there has not been any systematic use of macroprudential measures in

	<p>the MU. Therefore, it is not possible at this stage to undertake ex-post evaluations of CBCS' macroprudential measures.</p> <p>As part of the macroprudential framework, we suggest that the CBCS consider the inclusion of ex-post evaluations for key macroprudential measures. This can assist the policy making body in determining whether the policy is achieving its intended objective, and in turn whether any further measures, or adjustments to existing measures are required. Publishing the findings of these evaluations (for example in the FSR) can also support transparency and the credibility of the CBCS, while providing important guidance to market participants over the potential future path of policy actions.</p>
Principle 4.6.	Microprudential Supervision: Selected principles from BCP, ICP, and IOSCO.
	Reference as per Section II.A. of the Guidance Note
Principle 4.7.	Emergency Liquidity Assistance: The Emergency Liquidity Assistance (ELA) framework allows for appropriate disclosure of the provision of liquidity support, terms and conditions, and amounts provided, while maintaining confidentiality as long as required.
Principle 4.7.1	Market-wide Liquidity Support: The ELA framework allows for appropriate disclosure of the provision of market-wide liquidity support, terms and conditions, and amounts provided, while maintaining confidentiality as long as required.
Description	
Review	<i>Not Applicable</i>
Comments	The CBCS has not engaged in market-wide liquidity support, and its LOLR policy is geared entirely towards bilateral liquidity support.
Principle 4.7.2	Bilateral Liquidity Support: The ELA framework allows for appropriate disclosure of the provision of bilateral liquidity support, terms and conditions, and amounts provided, while maintaining confidentiality as long as required.
Description	
Review	<i>Not Applicable</i>

Comments	There has been no provision of ELA since the 2022 LOLR policy was put in place. Hence there has been no opportunity for disclosure.
Principle 4.8.	Resolution: Selected principles from KA.
	Reference as per Section II.A. of the Guidance Note
Principle 4.9.	Financial Market Infrastructures: Selected principles from PFMI.
	Reference as per Section II.A. of the Guidance Note
Principle 4.10.	Financial Integrity: The central bank discloses the outcome of its AML/CFT supervisory actions as well as details about the oversight of its internal AML/CFT controls.
Principle 4.10.1	AML/CFT Supervision: The central bank discloses the outcome of its AML/CFT supervisory actions.
Description	<p>Over the past five years, the CBCS imposed one AML/CFT-related fine for failure to report a suspicious transaction. This imposition was published in a press release, which disclosed the nature of the breach and the amount of the fine without disclosing the name of the entity and any remedial action taken.</p> <p>The CBCS publishes the outcome of its AML/CFT supervisory actions annually, including analysis of these activities. This information is published in the ad-hoc Supervisory Newsletter, including compliance rates of specific requirements (risk-based approach) and most prevalent shortcomings.</p> <p>The Supervision newsletter is targeted at the supervised institutions and other stakeholders with a professional interest in supervisory regulation and supervision. It provides information about generic supervisory outcomes.</p> <p>The CBCS disclosed on its website the most recent 2025 Mutual Evaluation reports of Curaçao and Sint Maarten.</p> <p>The CBCS also discloses the Sanction list and legislation guidelines to the public and these are updated regularly.</p>
Review	<i>Core</i>

	<p>The CBCS publishes the outcome of its AML/CFT supervisory actions annually, including analysis of these activities. This information is published in the ad-hoc Supervisory Newsletter, including compliance rates of specific and most prevalent shortcomings.</p> <p>The CBCS discloses the outcome of its AML/CFT supervisory actions via the ad-hoc Supervisory Newsletter, which is made public and available on the CBCS website. The CBCS has not yet published the name of a sanctioned financial institution, but it disclosed to the public that a fine was imposed and the nature of the identified breach. The CBCS does not publish information regarding the implementation of remedial actions as a result of the supervisory action.</p>
Comments	The CBCS could consider disclosing information regarding the implementation of remedial actions due to supervisory action, including disclosing names of sanctioned entities. In addition, CBCS could consider disclosing information (e.g. summarized data) on the results of the CBCS's thematic inspections and on the impact of these inspections on compliance rates.
Principle 4.10.2	Internal AML/CFT Controls: The central bank discloses the details about the oversight of its internal AML/CFT controls.
Description	The CBCS maintains the outcomes of its internal AML/CFT controls internally and reports them to the Executive Board, Supervisory Board, and the FIU (as needed).
Review	<p><i>Not Implemented</i></p> <p>The CBCS does not publish the outcomes of its internal AML/CFT controls.</p> <p>The number of STRs submitted to the FIU is not disclosed in the annual report. This information is only indirectly available in the Mutual Evaluation Reports, which are published but only updated every five to seven years.</p> <p>The annual report does not publish the findings of the internal audit regarding the effectiveness of the CBCS's internal AML/CFT controls.</p>
Comments	The CBCS could consider disclosing a shortened sanitized version of the annual compliance report and/or audit reports with general statistics on compliance failures identified, STRs submitted annually, and whether the reports are presented to the Board.

Principle 4.11.	Consumer Protection: There is clarity about the results and implications of consumer protection policies and operations conducted solely or jointly with other agencies.
Description	<p>The CBCS publishes at least annually report on Conduct Supervision. The report contains information and statistics on complaints and signals received at the CBCS's Supervision Department. It provides detailed information on the type of institution subject to complaints and signals and topic of the complaint.</p> <p>The CBCS also issues Warning Notices, which are published on the website, and on occasion in the local newspapers, regarding matters of attention related to consumer protection. These messages are often supported by social media posts.</p>
Review	<p><i>Core</i></p> <p>The CBCS publishes annually (sometimes semiannually) the information on outcomes of its consumer protection policy in the form of Conduct Supervision Report, which contains the information on complaints and signals received.</p>
Comments	
Pillar V—Central Bank Official Relations	
Principle 5.1.	Government: The central bank discloses its relationship with the government. This includes the exchange of information, the coordination of policies, and financial aspects such as rules on profit distribution, clearly distinguishing the different roles and modalities this can take.
Principle 5.1.1.	The institutional relationship between the central bank and the government/its agencies is clearly defined and publicly disclosed.
Description	<p>CBCS's institutional relationship with the governments of Curaçao and Sint Maarten is defined in the CBCS Statute and is publicly accessible. Key provisions on the CBCS' relationship with the governments as provided for in the Central Bank Charter include (abbreviated):</p> <ul style="list-style-type: none"> • Article 11, when the CBCS acts as a banker for the Country, it is accountable to the respective Minister of Finance and the national audit chamber (Algemene Rekenkamer).

	<ul style="list-style-type: none"> • Article 12, the CBCS may provide temporary advances to a Country to manage seasonal cash flows, subject to limits (never more than 5 percent of average revenue over the past three years). • Article 18, prohibition on Government interference: the CBCS and its Board of Directors, nor Supervisory Board cannot seek or accept instructions from government or other organs. • Article 20, the Board of Directors can only be appointed or dismissed by the Countries based on a recommendation made by at least 5 members of the Supervisory Board. • Article 25, the Supervisory Board can only be nominated based on a recommendation by the supervisory board. • Article 24, establishes structured channels of consultation and reporting between Government and CBCS. • Article 37, the budget of the CBCS should be disclosed to the Ministers of Finance of both Countries. • Article 38, the annual report of the CBCS should be presented to the Supervisory Board for approval. After approval, the Supervisory Board submits the annual report for approval to the Ministers of Finance of both Countries. • Article 43, the CBCS should execute its supervision based on national ordinances. <p>The CBCS's independence, governance structure, ownership, limits on fiscal financing, and mandate—including acting as government treasurer—are all codified in the CBCS's Statute.</p> <p>Annual Reports are publicly published on the CBCS website and shared on the CBCS's social media channels after having been forwarded to the Ministers of Finance of both Countries. This document is not shared on either of the Governments' websites, and no discussion between the CBCS and the respective Government Ministers and Parliament take place.</p> <p>A FAQ section on the CBCS's website provides additional guidance on the legal basis of the CBCS.</p>
Review	<p><i>Core</i></p> <p>The CBCS Statute provides for the legal framework for cooperation between the CBCS and the Governments including outlining the key functions of the CBCS, though details lack on how such obligations are met.</p>
Comments	<p>The CBCS's Statute outlines its relationship with the Governments of Curaçao and Sint Maarten but provides limited clarity on mutual accountabilities and oversight</p>

	<p>mechanisms. This lack of specificity may weaken transparency and stakeholder confidence. To address this, the CBCS could, at the next amendment of its organic law, enhance these provisions. In the interim, it could agree and publicly release Memoranda of Understanding (MoU) formalizing institutional arrangements, roles, and interdependencies with both governments. Such measures would strengthen governance, clarify responsibilities, and reinforce trust in the CBCS’s accountability to its primary stakeholders.</p> <p>The CBCS could enhance transparency and stakeholder confidence by creating a dedicated webpage under its ‘Functions’ tab detailing its roles and responsibilities in relation to the Governments of Curaçao and Sint Maarten, their agencies, and associates. As both governments are also CBCS clients, clearly outlining the nature of this relationship would strengthen credibility. The webpage could explain how cooperation is implemented, including formalized consultation processes, areas of collaboration, regulatory engagement, approval procedures, terms, and accountability for government-related functions. It could also publish the purpose, attendance, and high-level minutes of formal and semi-formal meetings, along with actions, outcomes, and related press releases. Such disclosure would demonstrate structured, proactive engagement, align with international good practices, and provide the public with a clear understanding of how the CBCS fulfills its mandate in partnership with government stakeholders.</p>
Principle 5.1.2.	<p>The central bank publicly discloses its policies and terms and conditions governing financial transactions with the government, including its fiscal agent role, the management of the current account, deposit taking, advances, guarantees, loans and credit arrangements to the public sector, as well as agency services performed on behalf of the government.</p>
Description	<p>CBCS’s financial transactions with the governments of Curaçao and Sint Maarten are disclosed in the audited financial statements included in the CBCS’s Annual Report published on the CBCS’s website. The statements include the receivables and the terms thereof, current accounts, license fee payable, and the profit appropriation and distribution processes. Stipulations regarding advances to the governments, license fees, and the safekeeping of all monetary values and securities for the benefit of the governments are incorporated in articles 9–12 of the Statute.</p> <p>The services the CBCS offers to the countries of Curaçao and Sint Maarten that are related to treasury and payment functions are listed in articles 9–11 of the Statute. The CBCS’s Capital Markets webpage provides links to government loans for both countries when such loans are outstanding, providing subscription information,</p>

	<p>prospectuses and issue results. If and when advances or other credit arrangements are undertaken, such are published in the same section on the CBCS website.</p> <p>More specifically, disclosure of these government-related transactions is referred to in the CBCS’s audited financial statements included in the Annual Report. Using the 2024 audit financial statements as a reference, the disclosures are included in the following notes:</p> <ul style="list-style-type: none"> • 3.4.7.1 Receivable from the Country of Curaçao; • 3.4.7.3 Bonds of other local financial Institutions; • 3.4.9 Banknotes in circulation (in particular the paragraph regarding “article 19”); • 3.4.11.1 Current Account Residents in Antillean guilders; • 3.4.11.2 Current Accounts Residents in Foreign Currencies; • 3.4.14 Capital and Reserves; • 3.4.16.1 Interest Income; and • 4.1 Profit Appropriation and Other Information <p>The CBCS publicly announces bond issues on behalf of the countries as well as the results. The press releases regarding the latest occasion in 2024, for the Government of Sint Maarten is included in the press release announcement and results.</p>
Review	<p><i>Core</i></p> <p>CBCS fulfills the functions delegated to it under law but lacks public disclosure of related policies, terms, and procedures as to how these are performed between the CBCS and the governments and related agencies.</p>
Comments	<p>The CBCS could enhance transparency and accountability by formalizing and publicly disclosing the terms, conditions, and procedures governing central bank–government functions through a Memorandum of Understanding (MoU) with both Ministers of Finance. A dedicated government relations webpage (see comments under section 5.1.1 above) could further strengthen openness by consistently posting the purpose, attendance, and high-level minutes of formal and semi-formal meetings with governments, agencies, and associates, along with actions, outcomes, and related press releases. Such measures would demonstrate structured, proactive engagement, and build stakeholder confidence in the CBCS’s governance and collaborative processes.</p>

Principle 5.1.3.	The instruments used in interaction (including the financial transactions) between the central bank and the government/its agencies are clearly defined and publicly disclosed.
Description	<p>The financial transactions with the governments of Curaçao and Sint Maarten are separately disclosed in the audited financial statements included in the Annual Report, which is available on the CBCS's website. Further, and on a timelier basis, in compliance with Article 39 of the CBCS's Statute, the CBCS publishes a monthly condensed balance sheet with explanatory notes. These transactions in recent years include predominantly receivables, along with the terms thereof, current accounts, license fees payable, and profit appropriation and distribution.</p> <p>The services the CBCS offers to the countries of Curaçao and Sint Maarten that are related to treasury and payment functions are listed in articles 9–11 of the Statute. The CBCS's Capital Markets webpage provides timely links to government loan issuances includes subscription information, prospectuses and financial instrument issue results. If, and when, advances or other credit arrangements are to take place, these would also be published in the same location on the CBCS website or on a dedicated government relations webpage (see also comments section of 5.1.1 above).</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses publicly the outcome of its financial transactions with the governments on a timely and regular basis through its monthly consolidated balance sheet and in more detail in the annual audited financial statements, though details of what instruments are available and used in different circumstances are not easily accessible.</p>
Comments	<p>Currently, aside from those details provided in the Statute, no written general guidelines exist outlining the purpose of, and approval procedures for, financial instruments used between the CBCS and the governments and their associates and agencies. Transparency could be enhanced by developing and publicly disclosing clear operational procedures for approving and issuing instruments used in fulfilling fiscal agent and banker functions. This should specify exclusive instruments, processes for agreeing on additional instruments, and template terms and conditions for existing ones.</p> <p>A dedicated webpage (see comments under section 5.1.1 above) could include a plain-language preamble explaining when each instrument is used, under what conditions, and its role in government and financial sector funding arrangements,</p>

	improving public understanding of the purposes of each instrument and aligning with good governance practices.
Principle 5.1.4.	The central bank discloses publicly on a regular basis the outcome of its interaction (including operations) with the government/its agencies.
Description	<p>The CBCS provides the countries of Curaçao and Sint Maarten with treasury and payment functions as listed in articles 9–11 of the Statute. The CBCS’s Capital Markets webpage provides timely links to government loan issuances for both countries when they occur and are outstanding including details of financial instrument subscription information, prospectuses and issue results. If and when advances or other credit arrangements are to take place, such would also be disclosed on the CBCS website.</p> <p>While formal discussions between the CBCS and Ministers of Finance and Parliamentarians is limited, press releases that may be of interest to the governments of Curaçao and Sint Maarten are available on the CBCS’s webpage.</p> <p>Further, the explanatory notes included in the CBCS’s published monthly condensed balance sheet describe the significant transactions undertaken by the CBCS with the governments of Curaçao and Sint Maarten. The Annual Report, which is also available on the CBCS’s website, contains greater level of detail on specific financial instruments, as well as receivables from, and payables to, the governments of Curaçao and Sint Maarten.</p>
Review	<p><i>Core</i></p> <p>The CBCS discloses on a regular and timely basis the outcome of its financial transactions between itself and the governments on its external website. The CBCS’s annual report provides reasonable attention to the results of cooperation between the CBCS and the government in the fulfillment of its delegated mandate.</p>
Comments	<p>The CBCS could enhance transparency by regularly publishing accessible press releases and high-level minutes, summarizing outcomes of CBCS’s operational interactions, information sharing, and cooperative discussions with government. Further, to enhance its credibility and engagement in both countries, the CBCS may consider conducting in-person discussions with parliaments (including associated press briefings) alternating between Curaçao and Sint Maarten.</p>

Principle 5.2.	Domestic Financial Agencies: The central bank discloses its relationships with domestic financial agencies as relevant to the pursuit of its mandate and the execution of its functions.
Principle 5.2.1.	The relationship between the central bank and relevant domestic financial agencies is clearly defined and publicly disclosed, including cooperation and (co-) decision-making modalities and arrangements for the formal/informal sharing of information.
Description	<p>Articles 10 (9) of the CBCS's Statute provides the legal direction for the CBCS's interactions with domestic financial agencies in its role, as noted in Article 3, to promote the health of the financial systems, and safe and efficient payment transactions in the countries. This includes, among other accountabilities, engaging with financial agencies to develop and promote financial stability and inclusion.</p> <p>Financial institutions domiciled in either of Curaçao and Sint Maarten are required to share prescribed financial information with their respective FIU with respect to money laundering and financial crime. There are overlaps between the FIUs and the CBCS with each needing to collaborate on certain information provided.</p> <p>The CBCS, Curaçao Gaming Authority (XCGA), and the FIU made a joint press release on 'Anti-Money Laundering Supervisory Authorities formalize their collaboration' emphasizing the importance of vigilance and cooperation to prevent misuse during the transition from the Netherlands Antillean guilder to the Caribbean guilder. The article informs the public about the multilateral MoU between CBCS, the XCGA, and FIU, although the MoU itself has not been published, and expected collaboration under the MoU has yet to be announced.</p> <p>The CBCS collaborates with the Caribbean Pensions Funds Association on the development of pension related regulations for the Countries. The Association aims to represent the interests of the pension sector in the Dutch Caribbean, as well as to promote cooperation between pension funds in all relevant institutions.</p> <p>The National Payment Council (NPC) is a platform facilitated by the CBCS to disseminate payment system policy and innovation with representatives from the financial sector and other stakeholders. The high-level details of the inaugural meetings are discussed on the CBCS's website.</p> <p>A Deposit Guarantee Scheme (DGS) has been created protecting account holders in Curaçao and Sint Maarten. Curaçao's scheme came into effect on July 1, 2025; however, Sint Maarten's is not yet operational. The DGS protects deposits of account holders at credit institutions and can be activated when a credit institution</p>

	<p>becomes unable to pay, which contributes to the financial stability of both Curaçao and Sint Maarten.</p> <p>The CBCS meets regularly with financial sector associations as a channel to communicate with individual institutions in an effective, efficient and consistent manner. Meeting agendas, minutes, and outcomes are not published on the CBCS's website.</p> <p>The CBCS publishes speeches and presentations, makes announcements as well as holding regular press briefings with the media to disclose information pertinent to the governments, financial sector and public in general.</p>
Review	<p><i>Not Implemented</i></p> <p>The CBCS maintains relationships with domestic financial agencies; however, disclosures on cooperation modalities and arrangements remain limited.</p>
Comments	<p>The CBCS could strengthen transparency and stakeholder confidence by creating a dedicated webpage under its 'Functions' tab to detail its relationships with domestic and foreign financial agencies. This webpage should clearly outline the roles of each agency, the purpose of engagement, and the processes for cooperation, including formal consultation mechanisms, areas of collaboration, regulatory coordination, approval procedures, terms, and accountability for government-related functions. It could also provide the purpose, attendance, and high-level minutes of formal and semi-formal meetings, along with actions, outcomes, and related press releases. Such structured disclosure would enhance public understanding of CBCS's role in working with domestic and foreign organizations, and demonstrate proactive, accountable engagement with domestic and foreign financial sector related agencies.</p>
Principle 5.2.2.	<p>The policies and instruments used in the interaction of the central bank with domestic financial agencies, and the outcome of the interaction are transparent.</p>
Description	<p>As noted in 5.2.1 above, the CBCS engages with a number of domestic financial agencies; however, it does not disclose any policies and instruments used in the interaction between the CBCS and these agencies. The CBCS includes a list of links to websites of domestic and foreign institutions it collaborates with; however, no additional details are provided on that page as to the nature of the collaboration.</p>
Review	<p><i>Not Implemented</i></p>

	The CBCS does not disclose any of its policies, agreements, or instruments used in the interaction between the CBCS and domestic and foreign financial agencies.
Comments	The CBCS could improve transparency by publishing the policies and instruments (including terms and conditions) of its engagement with domestic financial institutions. As noted in 5.2.1, this could be accomplished initially by creating a dedicated webpage focused on the CBCS’s interactions with domestic and foreign financial agencies. On such a landing page, the CBCS should include a high-level overview of the agency’s role, the relationship with the CBCS, any policies, instruments, formal agreements, or informal arrangements that are in place.
Principle 5.2.3.	With respect to macroprudential policy, the central bank discloses its role, responsibly, and actions—and those of any other authority it collaborates with. The central bank also discloses any advice it receives.
Description	This CBCS responsibility for macroprudential policy is derived from the mandate outlined in its Statute , one of which is “to promote the health of the financial system of the countries” in the countries of Curaçao and Sint Maarten.
Review	<i>Not Applicable</i>
Comments	The CBCS’s macroprudential policy framework is still under development. The Financial Stability Committee is also in the process of being set up, so it is not yet possible to disclose the roles and responsibilities of any financial agencies in respect of macroprudential policy.
Principle 5.2.4.	With respect to financial stability, all arrangements to restore or maintain financial stability are clearly disclosed, including arrangements on data sharing, liquidity support, and who is responsible for which type of decision or action at what stage.
Description	As noted in 5.2.1 above, the CBCS engages with a number of domestic financial agencies. However, it does not disclose any policies and instruments used in the interaction between the CBCS and these agencies. As noted in 5.2.3, although the macroprudential policy framework is under development, it is not likely to implicate any of the domestic or foreign financial agencies.

	The CBCS includes a list of links to websites of domestic and foreign institutions it collaborates with; however, no additional details are provided on that page as to the nature of the collaboration.
Review	<i>Not Implemented</i> The CBCS does not disclose any of its formal arrangements with domestic financial agencies to restore or maintain financial stability.
Comments	The CBCS could disclose its policies, guidelines, and interagency arrangements including roles and responsibilities of the respective stakeholders. This disclosure should clarify the nature of how issues will be resolved, including mechanisms to be utilized in maintaining or restoring financial stability (see also comments in section 5.2.1 above). We understand that the CBCS is currently in the process of working with other authorities in the MU to establish a financial crisis management committee. Once this is established, the CBCS should aim to disclose its decision-making arrangements, and the roles and responsibilities of the committee and its constituent members.
Principle 5.3.	Foreign Agencies: The central bank discloses its dealings with international organizations foreign governments, other central banks, and other relevant foreign agencies, including the nature of the involvement or interactions, and any obligations and commitments that may arise from these relationships.
Description	Article 17 of the CBCS's Statute provides: <i>"In order to be able to carry out the tasks of the Bank, the Bank shall collect the required statistical data, either from the competent national authorities or directly from economic subjects. For this purpose, the Bank shall cooperate with the competent authorities of the Countries or third countries and with international organizations."</i> The CBCS has been empowered to interact and liaise with foreign governments on behalf of the countries. The CBCS collaborates with a number of international institutions on investing foreign reserves, conducting leading research, building capacity, and collaborating on systems development. While the CBCS discloses outcomes of some of its engagements with regional and international organizations, the purpose of the relationships, formal policies and guidelines, including terms and conditions, have not been publicly articulated. In terms of liaising with central banks and foreign institutions, the CBCS participates in many regional and international forums in terms of building

international cooperation, research, capacity building, and systems development. These include:

- The CBCS has received technical assistance from institutions and organizations like DNB, CARTAC, WorldBank, IMF, and CEMLA, in areas related to payments, financial stability, and/or monetary policy. These collaborations include sharing expertise and best practices to enhance the CBCS's capabilities.
- In 2023 and 2024, formal requests for international cooperation were successfully handled with regulators from the Netherlands, the United Arab Emirates, Aruba, Anguilla, St. Lucia, the Bahamas and the Cayman Islands. The CBCS has continued engagement with international experts in the field of regulation as a useful means to enhance supervision. This has been confirmed in the CBCS's [supervisory newsletter](#) of December 2023.
- The CBCS is a member of the Caribbean Governors and Banking Supervisors (XCGBS) which is mandated to promote financial stability. To make the Caribbean banking sector more resilient and sustainable, the XCGBS set up a Technical Working Group (TWG) for climate change and green finance in 2023. The CBCS has taken on the task of chairing the TWG from 2024–2026, as was disclosed in a [speech](#) by CBCS's Governor during the CCCP conference.
- The CBCS, represented by the Governor, participates in the CARICOM Central Bank Governors Meeting, and is chair of the 64th and 65th Bi-Annual Meeting. The meetings are convened by senior central bank officials from eleven Caribbean jurisdictions to address regional economic developments and strengthen the resilience of the Caribbean's financial system.
- In the area of Financial Education, the CBCS has increased engagement with standard-setting and supra-national organizations such as OECD (INFE/National Strategy), [IOSCO](#), IFIE, and AFLATOUN (for Curriculum building). The CBCS also maintains a collaboration with IOSCO and OECD by providing the yearly webinars/training sessions during [World Investor Week](#), World Savings Day and Global Money Week; by providing the yearly webinars/training sessions during World Investor Week, World Savings Day and Global Money Week;
- The CBCS participates in a joint working group with the Central Bank of Aruba (CBA) focused on payments-related initiatives as well as for [economic research](#).
- The CBCS and its Saint Martin counterpart, the Banque de France's Institut d'Émission des Départements d'Outre-Mer (IEDOM), recently formalized their cooperation through an historic Memorandum of Understanding (MoU).

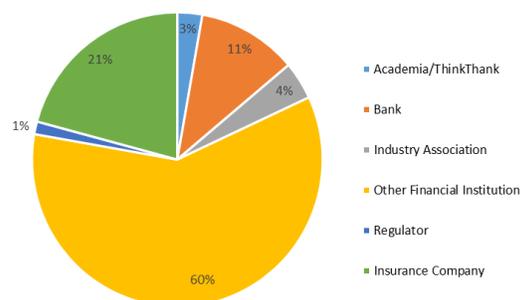
	<ul style="list-style-type: none"> The CBCS collaborates closely with partners in the Curaçao Climate Change Platform (CCCCP), utilizing methodologies from leading international organizations, particularly the IMF and the Network for Greening the Financial System (NGFS). <p>The CBCS includes a list of links to websites of domestic and foreign institutions it collaborates with; however, no additional details are provided on that page as to the nature of the collaboration.</p> <p>Note that as a constituent country within the Kingdom of the Netherlands, Curaçao and Sint Maarten are not full members of the UN. Financial support with international organizations are managed through the Netherlands.</p>
Review	<p><i>Core</i></p> <p>Even though the CBCS is active in its participation in international fora of financial agencies, the CBCS does not disclose any agreements with any of its foreign agencies. Further, the CBCS Statute is narrow in providing formal authority to act on behalf of the countries in capacities beyond what is formally stated. Rather, the CBCS has been empowered to act in such capacity by means of legitimate need and precedent.</p>
Comments	<p>An opportunity exists for the CBCS to strengthen its transparency and its role in international cooperation by clearly defining and publicly disclosing its functions, policies, and terms of engagement with foreign governments, central banks, international organizations, and relevant agencies (see also comments under section 5.2.1). This should include its role in information exchange, policy coordination, and financial transactions. For financial transactions specifically, the financial instruments used with foreign agencies should be defined (noting that the countries fall under the constituency of the Kingdom of the Netherlands), including the conditions under which they apply. Even where delegated authorities in the statute are not explicit, formalizing these arrangements in the legal framework and making them accessible would align with good practices, enhance transparency, and reinforce CBCS’s credibility in representing Curaçao and Sint Maarten in international affairs and cross-border financial governance.</p>
Principle 5.4.	Other Relations: The central bank discloses its involvement with private or semi-public institutions.
Principle 5.4.1.	The central bank discloses its investments in and ownership of subsidiaries and joint ventures with private, semi-public, or public entities.

Description	<p>The CBCS is member of the “Commissie Omgaan met Geld” which, in accordance with the Ministerial Decree of the Minister of Social Development, Labour and Welfare (“SOAW”), is mandated to, inter alia, provide advice on the prevention of problematic debt, develop an infrastructure to prevent and mitigate debt issues, and create instruments to enable the early detection of debt-related problems. This is a joint exercise comprised of different stakeholders.</p> <p>The CBCS also hosts a webpage for the Caribbean Money newspaper: Na Plaka Chiki. The Na Plaka Chiki provides practical tips and guidance on managing personal finances, information on where to seek help, and includes a helpful tool for creating a personal budget. The newspaper is a collaboration of the national Commissie Omgaan met Geld, the Dutch National Institute for Budget Information (Nibud), and the CBCS.</p> <p>The CBCS also has cooperative initiatives to advance financial literacy with local communities (Curaçao and Sint Maarten) by setting up and facilitating financial trainings through expanding the collaboration with Think TO DO Institute, where the CBCS focuses on financial literacy and financial inclusion. Details of the initiative are published in an article ‘Bridging Financial Literacy Gaps in St. Maarten’. Additional sponsorships provided through funding and staff participation, both locally and for Sint Maarten educational programs such as Islandpreneur (e.g., IPfest and Al Islands).</p> <p>The CBCS does not have any ownership of subsidiaries or participate in any joint ventures.</p>
Review	<p><i>Comprehensive</i></p> <p>The CBCS discloses its involvement with corporate social responsibility causes and programs that it is involved in, through its website, through organizational webpages it hosts, or through other communication channels.</p>
Comments	

Annex II. Findings of the IMF’s Stakeholder Survey

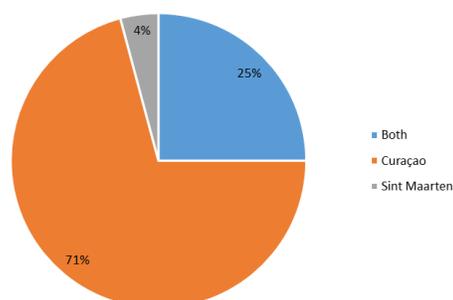
1. To complement the mission team’s qualitative analysis and its in-person meetings, a survey was conducted to elicit the views of a broad range of CBCS’s stakeholders. The IMF mission team developed a survey of 16 questions—including both multiple choice and open questions—to better understand how CBCS stakeholders experience CBCS transparency practices. This survey was sent to 427 key stakeholders across both nations, which were identified by the CBCS. These stakeholders include banks, insurers, pension funds, other financial service providers, industry associations, media representatives, experts from academia/think tanks, and other financial regulators. The survey was open for three weeks and a total of 72 responses were received, resulting in a response rate of approximately 17 percent. Figures 1 and 2 below depict the distribution of responses across institutions and countries.

Figure 1. What Type of Institution Does the Respondent Represent?



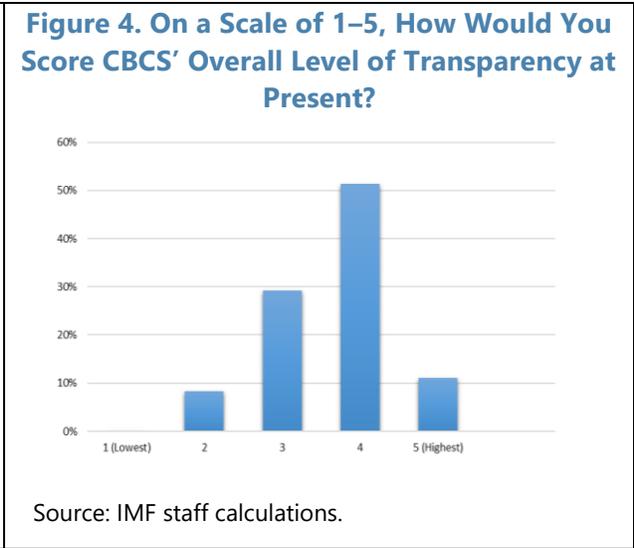
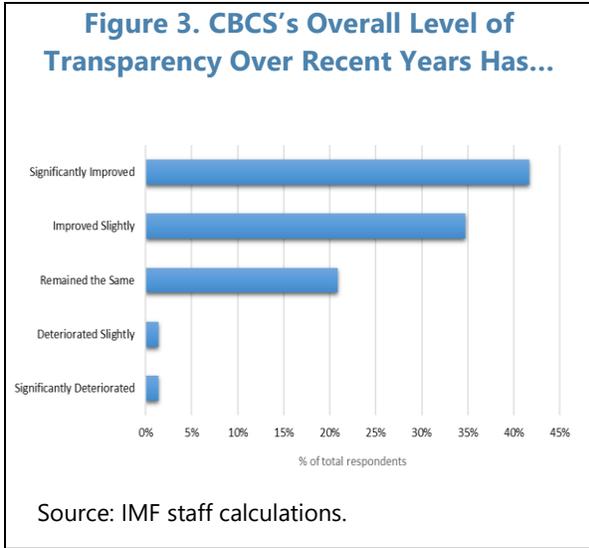
Source: IMF staff calculations.

Figure 2. In Which Country Does the Respondent’s Institution Operate?

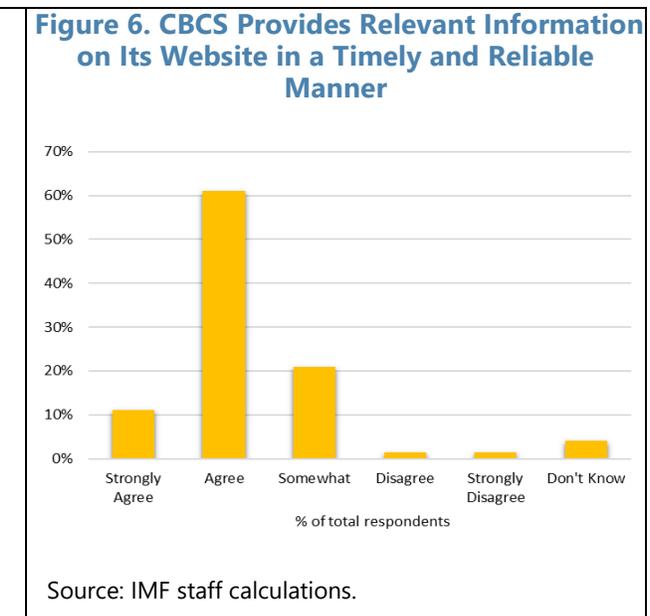
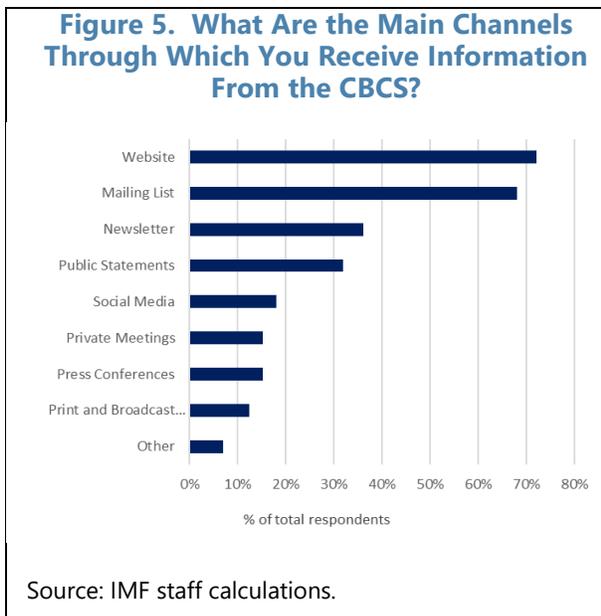


Source: IMF staff calculations.

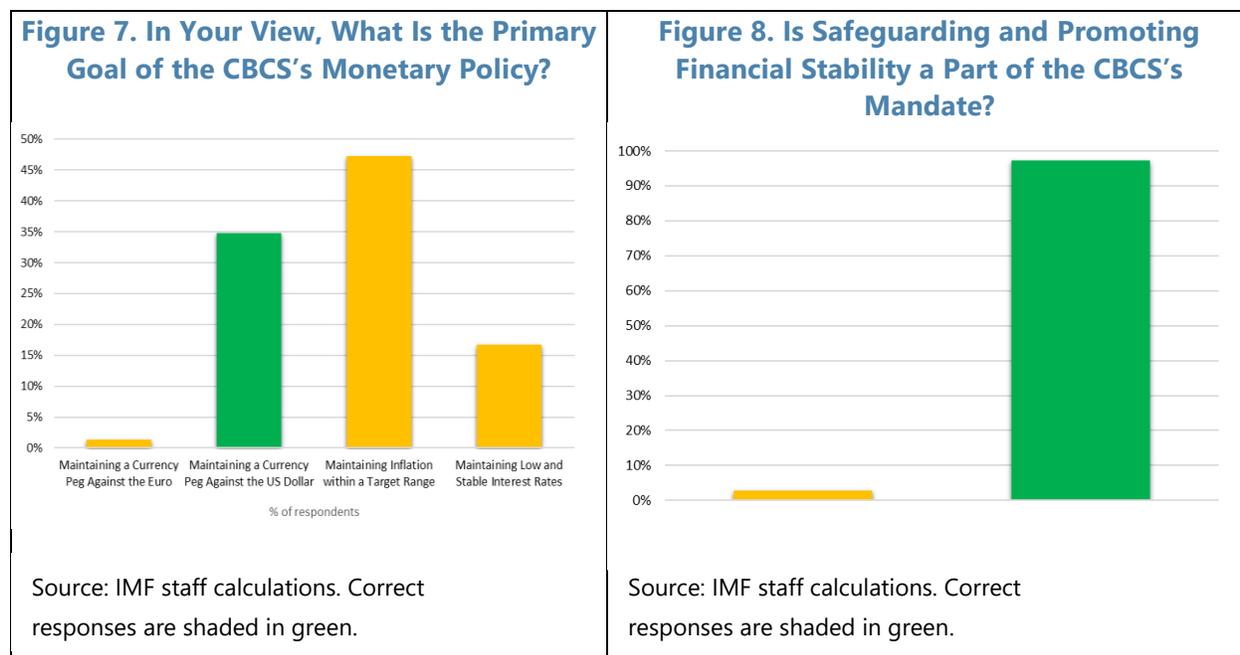
2. Respondents noted that CBCS’s is at a relatively high overall level, reflecting a significant improvement in recent years. More than three-quarters of respondents feel that CBCS’s transparency has improved in recent years. When asked to elaborate, some stakeholders suggested that this reflects incremental progress through clearer lines of communication and more proactive engagement. Others pointed to the increased frequency and number of publications that CBCS produces as well as its use of multiple channels of communication as evidence of improved transparency. Despite the broadly positive feedback, some stakeholders noted room for improvement in overall transparency in areas such as query response times and the usability of the website.



3. The CBCS website is the most important channel of communication for most stakeholders and is seen to provide a host of useful information. Key stakeholders rely primarily on the CBCS website, mailing list and newsletters for the information they receive from the central bank. More than 70 percent of survey respondents indicated that the website provides relevant information in a timely and reliable manner (see Figure 6). However, some stakeholders noted that the website is not easy to navigate and could be made more user friendly. Others suggest more active promotion of existing information, expanding the frequency of statistical information, and disclosing proposed legislative changes farther in advance as ways to improve disclosure quality. Overall, additional proactive collaboration would be welcomed by stakeholders and would support them in their own planning, particularly as regards regulatory and supervisory issues.

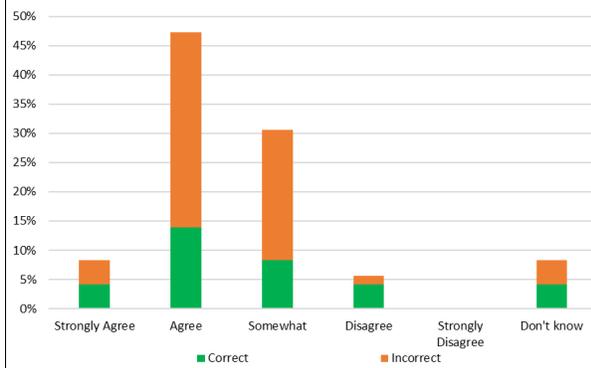


4. The majority of stakeholders could not identify the CBCS’s primary goal for monetary policy. Only 35 percent of stakeholders selected the correct answer of “maintaining a currency peg against the USD” out of four multiple choice options. A larger proportion of stakeholders felt that the CBCS’s primary goal for monetary policy was to keep inflation within a target range (see Figure 7). Given that the survey’s respondents are financial institutions and other expert stakeholders, this outcome reflects a clear shortcoming in the degree to which CBCS communication is reaching key audiences. However, the vast majority of stakeholders did correctly identify that promoting financial stability is a part of the CBCS’s mandate.



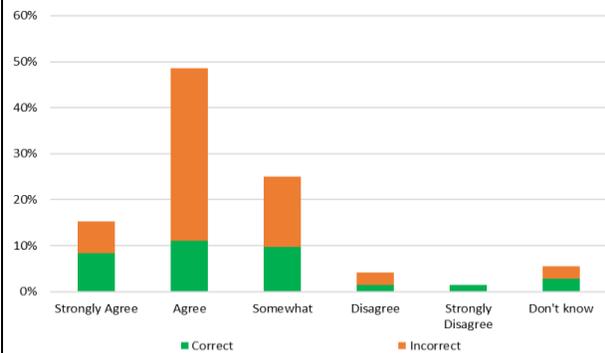
5. Stakeholders are relatively satisfied with CBCS disclosures in the area of monetary policy, but many stakeholders may not be fully internalizing the information. Figures 9 and 10 display the extent to which stakeholders feel that the CBCS discloses its monetary policy decisions and framework. While the majority of respondents agree that these disclosures are clear, a large proportion of this group could not correctly identify the primary goal of CBCS’s monetary policy (as in Figure 7). For this reason, the disclosures by CBCS may not be as intelligible or clear to stakeholders as necessary for them to be fully internalized. Stakeholders suggested information sessions and workshops hosted by the CBCS as well as additional measures to promote key information to the general public. The mission team suggests that CBCS could consider increasing its use of videos, infographics and other visual aids to make its key messages more accessible and appealing to a broader audience.

Figure 9. CBCS Clearly Discloses Its Monetary Policy Decisions and the Rationale for Them



Source: IMF staff calculations.

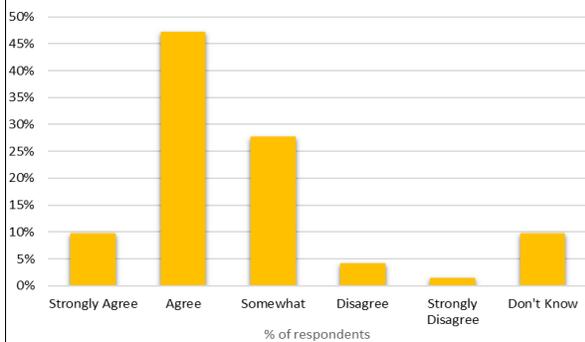
Figure 10. CBCS Clearly Discloses Its Monetary and Exchange Rate Policy Framework and Objectives?



Source: IMF staff calculations.

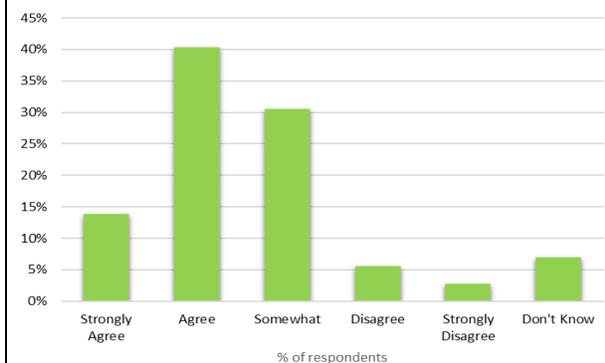
6. Disclosures of other key policy assessments and actions are seen to be clear by many stakeholders, though there does appear to be room for improvement in transparency. Figure 11 demonstrates that more than four in 10 respondents either only somewhat agrees, disagrees or does not know whether CBCS clearly discloses its assessment of risks to financial stability. A similar proportion of responses was recorded for whether CBCS clearly discloses how it implements FX regulations (see Figure 12). On financial stability, respondents called for more specificity on areas of vulnerability in the financial system and on recommendations to address these. There were also calls for sector specific seminars, and increased promotion of key messages to the public including through the use of plain language and additional media channels. For FX regulations, stakeholders called for more clarity on factors like, wait times, the key considerations behind decisions, and exemptions.

Figure 11. CBCS Clearly Discloses Its Assessment of, and Risks to, Domestic Financial Stability



Source: IMF staff calculations.

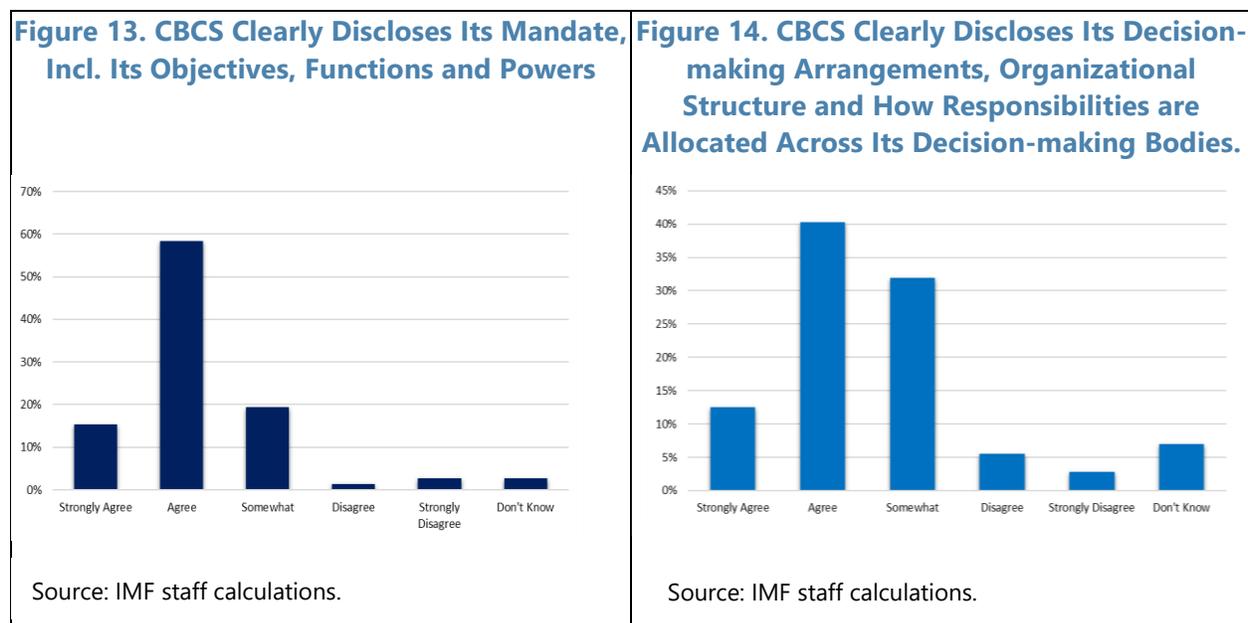
Figure 12. CBCS Clearly Discloses How It Implements Foreign Exchange Regulations



Source: IMF staff calculations.

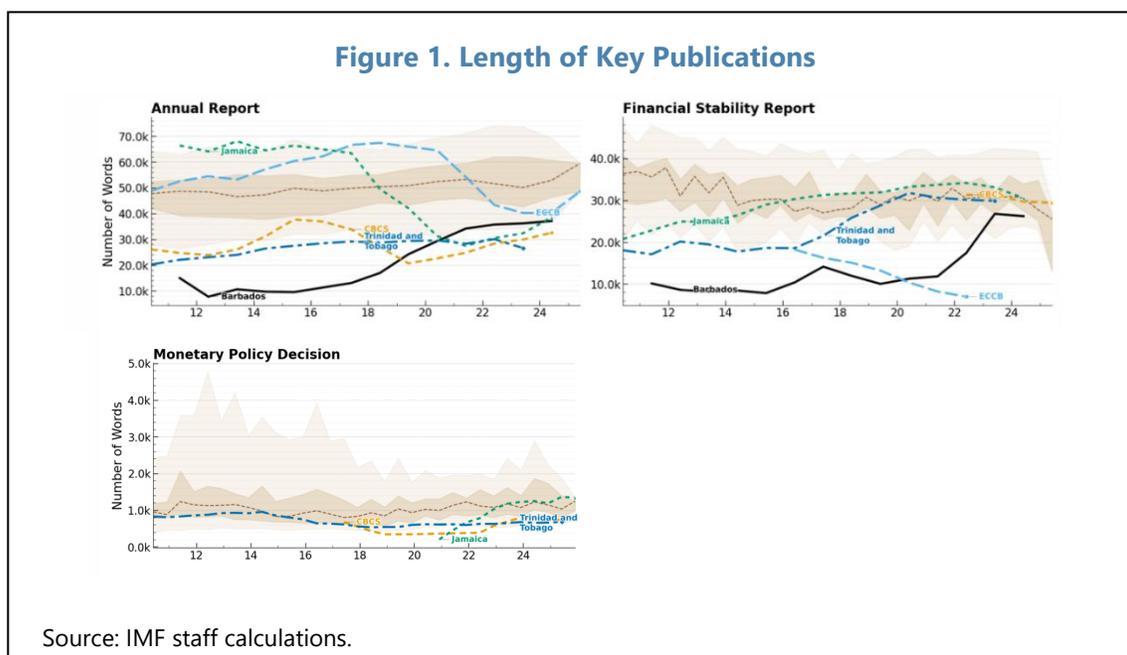
7. The CBCS’s mandate and governance arrangements are perceived to be disclosed, but more clarity on decision making arrangements would be welcomed by many stakeholders.

Nearly three-quarters of respondents agree that CBCS clearly discloses its mandate. But several suggestions for improvements in this area were made, including making the information easier to find on the website, publishing regulatory information in English, and providing more proactive communication on the CBCS’s key functions, such as supervision (including seminars on key topics). Meanwhile, 53 percent of stakeholders agreed that the CBCS clearly discloses its decision-making arrangements, with the remainder either unsure, disagreeing or indicating that this is only somewhat the case (see Figure 14). Stakeholders called for improved transparency regarding the organizational structure, criteria for decision making and committee responsibilities, to improve accountability. Ideas for this included in-person information sessions, and the provision of regular updates via newsletters and the website.



Annex III. Quantitative Analysis of the CBCS's Communications

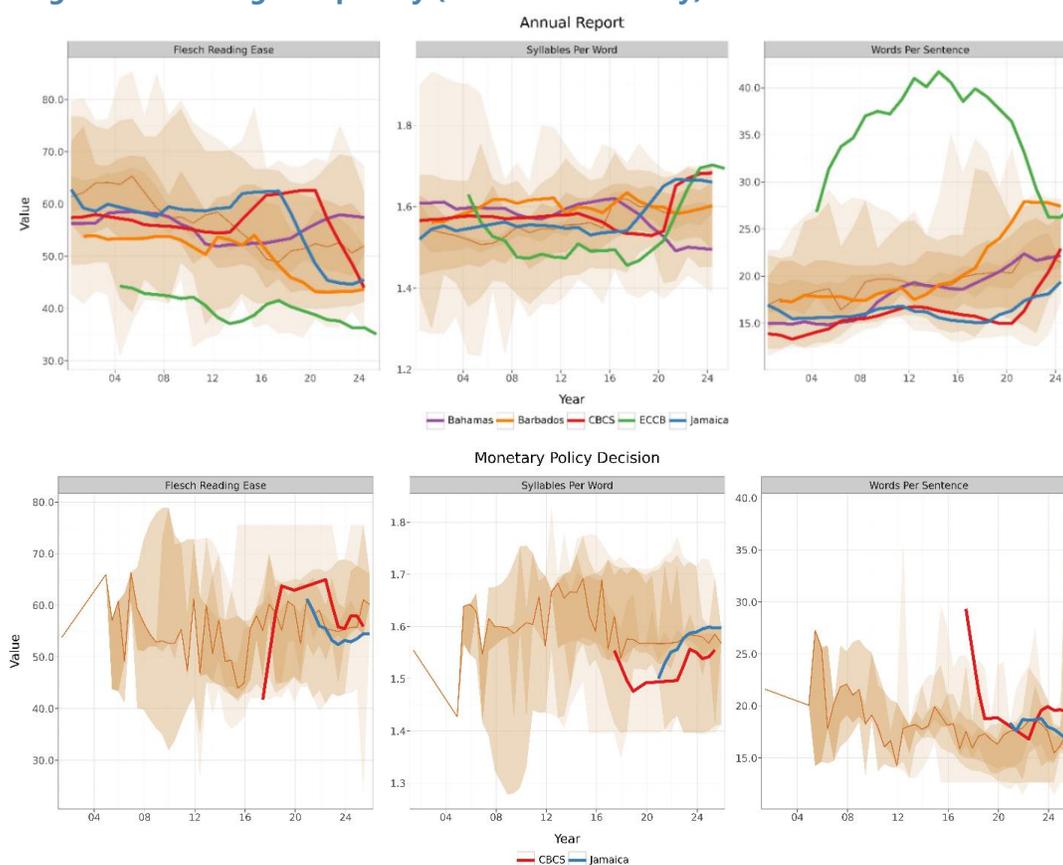
- 1. The Mission Team conducted quantitative analysis of key CBCS publications to identify themes, and to assess the clarity and accessibility of CBCS communications.** An important consideration for the CBT review is the quality of the CBCS's disclosures. This hinges on the accessibility and ease of understanding of these disclosures for the CBCS's various stakeholders. It is also important that relevant information is made accessible to stakeholders through the CBCS's main channels of communication. This annex employs lexical, syntactical and semantical analysis to assess readability, sentence structure complexity and thematic content, respectively. The approach makes use of large language models to provide an objective assessment of several dimensions of CBCS communication and to compare these with its peers.¹
- 2. The length of CBCS publications has remained broadly stable in the past two years.** The CBCS produces an annual report, which at a little over 30,000 words, is below the length of most regional peers and the emerging market economy average (see Figure 1). However, the CBCS annual report has increased slightly in length over recent years. In contrast, the CBCS financial stability report is less concise than the median among emerging market economies (EME) but is roughly the same length as regional peers Jamaica and Trinidad and Tobago. The trend in EMEs has been towards reducing the length of the FSR in recent years. Lastly, CBCS monetary policy decisions are significantly shorter than the EME median and that of Jamaica, an inflation targeting regional comparator. The fact that CBCS operates a pegged exchange rate regime may explain its relatively short monetary policy statement.



¹ CBCS is compared to various other central banks in the Caribbean and with a broad population of EMEs.

3. CBCS texts are becoming more complex. There has been a marked decline in the Flesch Reading Ease score² for both the CBCS Annual Report and its Monetary Policy Statement in recent years. The implication is that these documents are becoming more difficult to read. The underlying drivers of which are increased word complexity as well as more words per sentence. In both cases, readability has recently fallen below that of the median EME. It is often the case that as central banks attempt to improve the breadth and depth of the subject matter covered in their publications, these publications also become more lexically complex. CBCS could consider simplifying the language in its publications, while maintaining the broad coverage of topics.

Figure 2. Wording Complexity (Lexical Readability) of Central Bank Publications



Source: IMF staff calculations.

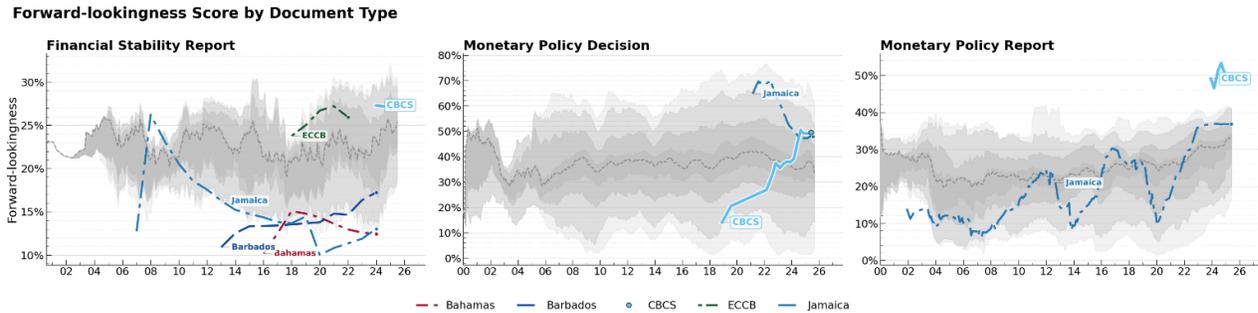
Note: Shaded areas depict percentiles of the distribution of emerging market economies as follows: P5-P95 (outermost, 20% percent transparency), P10-P90 ribbon (40 percent transparency), P25-P75 ribbon (60 percent transparency), P40-P60 ribbon (innermost, 80 percent transparency), median line (brown).

4. Key CBCS reports are highly forward looking in nature. The CBCS scores well above average the emerging market median in terms of forward-lookingness for its FSR, MPR and monetary policy statements. It also scores above key peers in the region, for which we have data (see

² Flesch Reading Ease gives a text a score between 1 and 100, with 100 being the highest readability score. Scores are based on sentence length and word complexity.

Figure 3). The trend toward increased forward-lookingness in the monetary policy decision may, in part, explain its higher level of complexity, as the inherent uncertainty about the future tends to make such communication less straightforward.

Figure 3. Forward-lookingness Across CBCS Publications

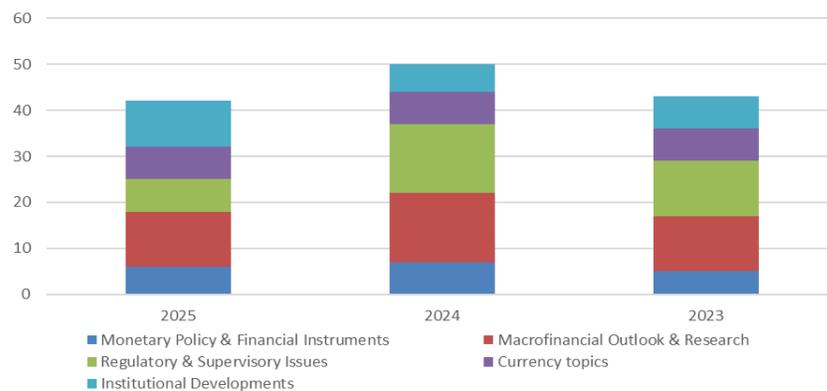


Source: IMF staff calculations.

Note: Shaded areas depict percentiles of the distribution of emerging market economies as follows: P5-P95 (outermost, 20 percent transparency), P10-P90 ribbon (40 percent transparency), P25-P75 ribbon (60 percent transparency), P40-P60 ribbon (innermost, 80 percent transparency), median line (brown).

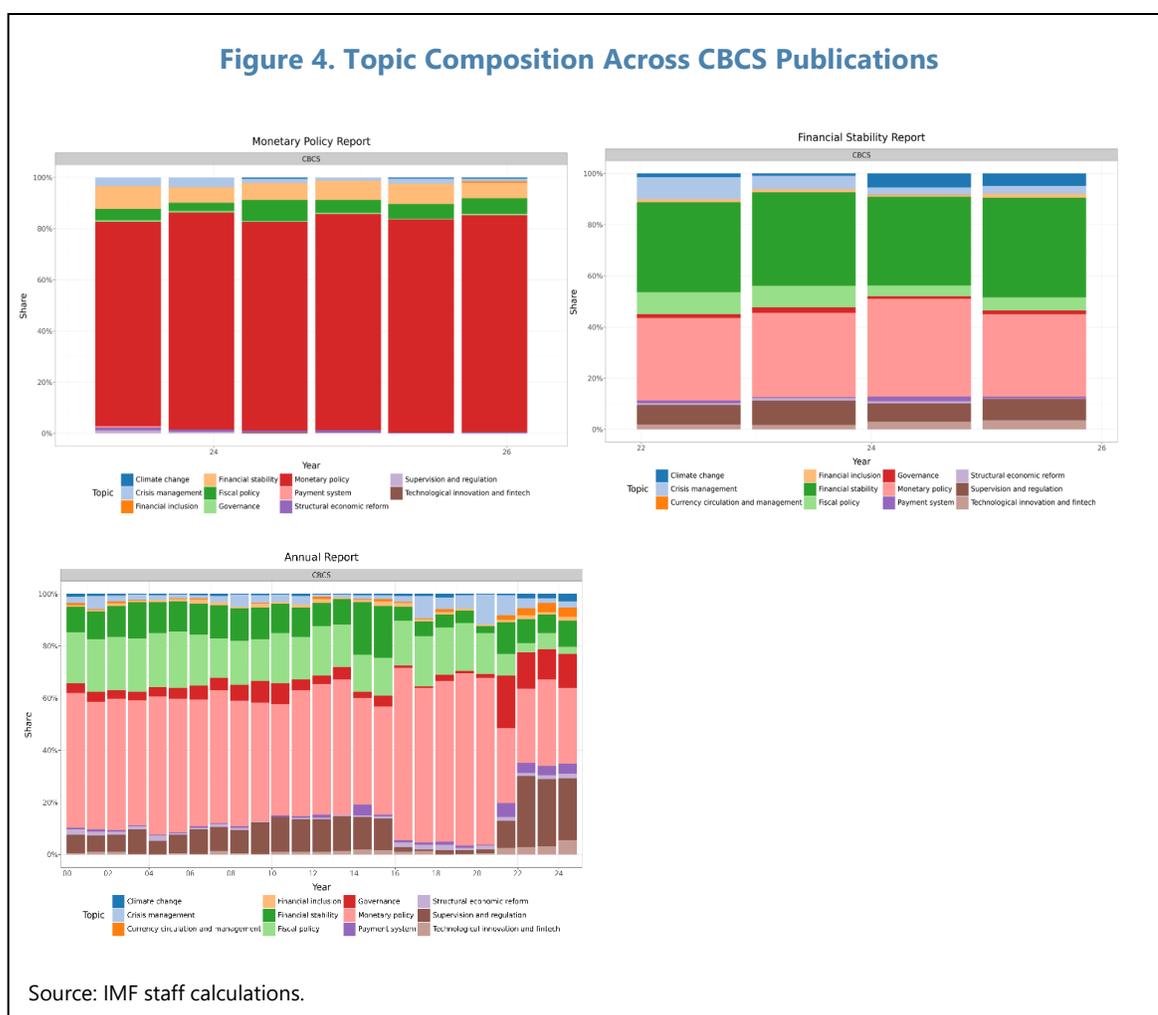
5. The CBCS has issued over 40 press releases per year since 2023, on a diverse range of topics. Press releases issued by the CBCS were categorized into five broad themes based on their content. The largest number of press releases over the past two years were in the macro-financial outlook and research category, reflecting releases on the economy and the research activities of CBCS. Regulatory and supervisory issues were the second most common topic, while institutional developments related to the CBCS itself, and currency topics were also regular press releases. The latter reflecting the ongoing communication surrounding the transition to the XCG.

Figure 4. Topics of CBCS Press Releases



Source: IMF staff calculations. 2025 data are up to end-September

6. The topics covered by CBCS reports are broadly in line with global trends. The MPR is appropriately centered around monetary policy topics (including inflation, interest rates, economic activity, credit, reserve requirements and central bank balance sheet activities). The financial stability report, while being primarily centered on topics such as systemic vulnerabilities and resilience—which fall into the financial stability topic—also tended to have a significant focus on the monetary policy related topics referred to above. There is also an increased emphasis on climate topics in the last two editions. It is not uncommon for FSRs to touch on monetary topics, though the degree to which the CBCS does so is greater than average.³ This may reflect the fact that macroprudential policy is still under development, leading to less discussion on that topic and more on broader macro-financial developments, which link to monetary issues. Lastly, the annual report has shown an increasingly even distribution of coverage across a wide range of topics reflecting the CBCS’s broad mandate.



³ For a discussion on global averages, see: Thiago Christiano Silva, Kei Moriya, and Romain M Veyrune. "From Text to Quantified Insights: A Large-Scale LLM Analysis of Central Bank Communication", IMF Working Papers 2025, 109 (2025), accessed October 27, 2025, <https://doi.org/10.5089/9798229013802.001>.

Annex IV. List of CBCS Units and External Stakeholders

CBCS Senior Management and Staff

- Governor
- Executive Board Member
- Financial Stability
- Corporate Communications
- Monetary Policy, Economics and Statistics
- Market Operations and Payments
- Internal Audit
- Human Resources
- Legal, Governance and Compliance
- Risk Management

External Stakeholders in Curaçao and Sint Maarten

Government/Government Agencies/Regulators

- Ministry of Finance Sint Maarten
- Representatives of Parliament in both Sint Maarten and Curaçao
- The Financial Intelligence Units of both Sint Maarten and Curaçao

Financial Sector Entities

- RBC Bank
- Guardian Group
- MCB Bank
- APC

Business Associations/Consulting and Audit Firms

- Sint Maarten Bankers Association
- Sint Maarten Chamber of Commerce and Industry
- Caribbean Pension Funds Association
- International Bankers Association
- Dutch Caribbean Economists Association
- Curaçao International Financial Services Association

Media

- St. Maarten News Network
- PJD2 102.7FM
- Pearl FM
- TeleCuraçao