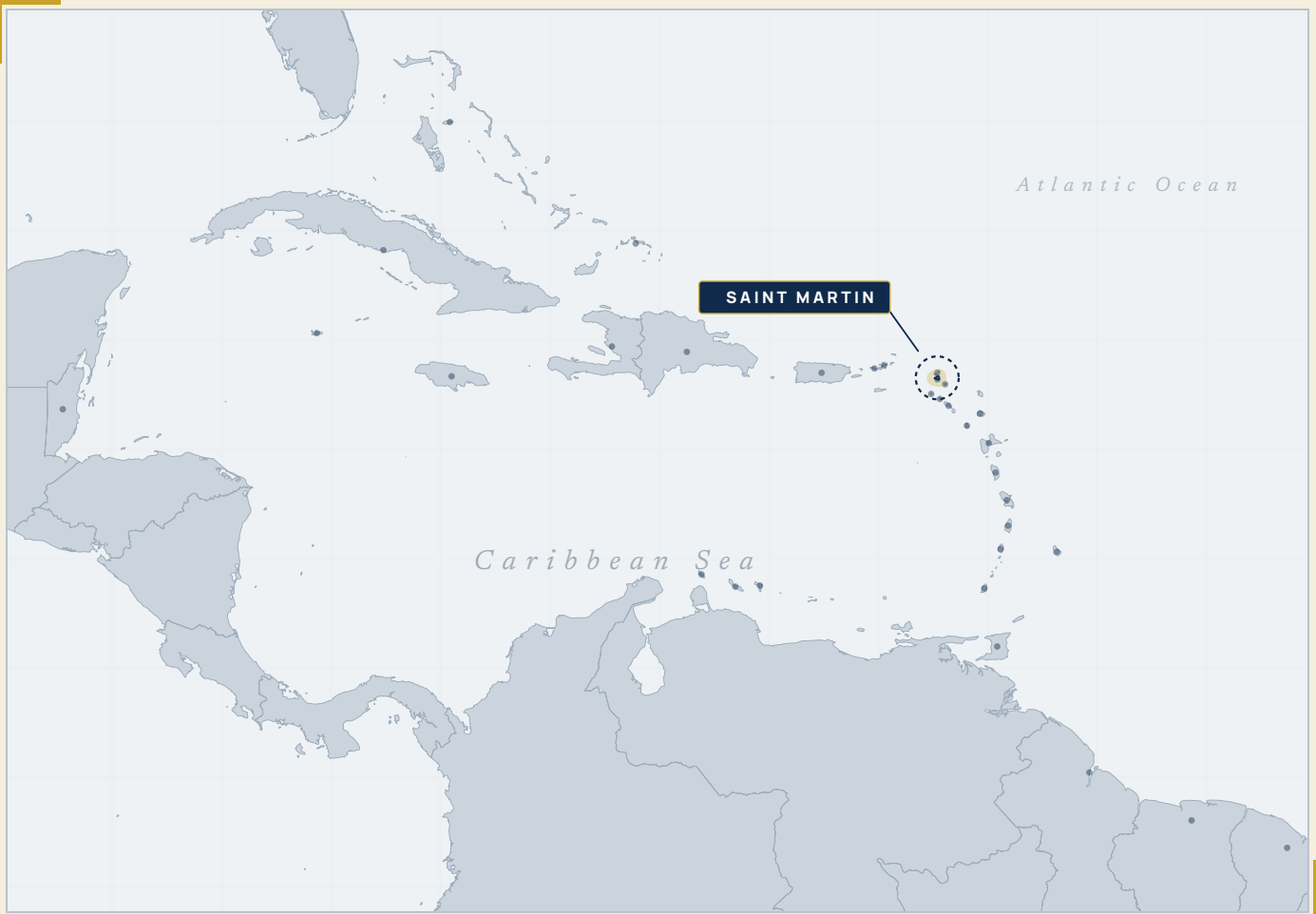




CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Saint Martin (French side)

Tax Guide

A guide to corporate, personal and indirect taxes in Saint Martin (French side)

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FOREWORD

Saint Martin (French side) is part of France and of the European Union, yet it writes its own tax code. That combination rewards careful planning.

As an overseas collectivity, Saint Martin sets its own taxes. There is no VAT: a 4% turnover tax, the TGCA, applies instead, alongside a local corporate income tax, a local personal income tax, a business licence and patente contribution, transfer duties and property tax. French social security still applies, and a five-year residence rule decides who is taxed locally and who remains taxed by France.

This guide explains the main taxes on companies and individuals in plain language, current to October 2026 and including the tax measures adopted by the Territorial Council in December 2025. It is written for investors, finance teams and individuals with interests on the French side of the island.

Tax matters are handled by Dawgen Global's Caribbean Tax Service Desk, managed from Kingston. We would be glad to help you plan, comply and resolve issues with confidence.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This guide summarises the main taxes that apply to companies and individuals in Saint Martin (French side). It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act. Our companion Doing Business guide covers set-up, employment and regulation.

FOUNDATIONS

01 Investment basics

The French side uses the euro and French accounting law, but taxes are set by the Collectivité de Saint-Martin under its own tax code and collected by the Public Finance Centre in Marigot.

CORPORATE INCOME TAX**Local rate**

Set by the Collectivité; reduced rate for small companies

TURNOVER TAX (TGCA)**4%**

On sales and services, in place of VAT

PERSONAL INCOME TAX**Progressive**

Local scale; five-year rule for newcomers from France

DIVIDENDS TO FRANCE**15% max**

0% for a 10%+ company holding, under the 2010 convention

BUSINESS LICENCE FEE**From €300**

Plus €5 per m² of premises; patente contribution on top

VAT AND CUSTOMS DUTY**None**

Free port; specific duties on petroleum products only

Currency and foreign exchange

The euro is the legal currency and the US dollar is widely used in trade. There are no exchange controls; banks apply French anti-money laundering checks. Taxes are assessed and paid in euros.

Accounting and audit

Companies keep accounts under French accounting standards (PCG) and file annual accounts with the commercial registry. SAs, and other companies above the legal size thresholds, appoint a statutory auditor. The accounts support the local tax returns.

Principal business entities

SAS / SASU

SARL / EURL

SA

Branch (succursale)

SNC

Sole trader (EI)

Companies are taxed as separate entities. Partners in an SNC and sole traders are taxed personally on their share of profits.

Not Sint Maarten

Sint Maarten, on the Dutch side, has its own profit tax, turnover tax and currency. None of them applies on the French side, and there is no tax treaty between the two.

BUSINESS TAX

02 Corporate taxation

Corporate income tax (impôt sur les sociétés, IS) is charged under the Code général des impôts de Saint-Martin, a local code closely modelled on the French tax code.

Residence and the five-year rule

A company is treated as having its tax domicile in Saint Martin only once its place of effective management has been there for five years, or sooner if it is controlled by individuals who have met the five-year residence test. Until then it remains within the French tax system. Companies established there by 15 July 2007 are not affected.

Basis of taxation

- ◆ Profits of businesses carried on in Saint Martin, including branches of foreign companies
- ◆ Taxable profit follows the accounts, adjusted under the local code
- ◆ Depreciation and expenses incurred for the business are deductible
- ◆ Gains on business assets are taxed as profits

Taxpayer	Rate
Companies (standard)	Rate set by the Collectivité in its tax code; confirm the rate for the current year with the tax service
Small companies	Reduced rate on a first slice of profit, subject to turnover and ownership conditions
Branches	Taxed on Saint Martin profits as local companies are
SNC and sole traders	Profits taxed in the hands of the partners or owner

Rates and tariffs for the main taxes are fixed by the Territorial Council each year; the 2026 rates were set in December 2025.

Minimum tax and surtax

The business licence fee and the patente contribution (DLCP) are due whether or not a profit is made. Check with the tax service whether any additional contribution applies to your company.

BUSINESS TAX

03 Corporate taxation (continued)

Dividends

Dividends paid to residents of France are covered by the 2010 convention (page 04). For dividends received by a Saint Martin company, confirm with the tax service whether parent-company relief applies.

Capital gains

Company gains are taxed as business profits. From 2026, sales of certain property that release land for development benefit from a capital gains exemption adopted in December 2025.

Losses

Losses may be carried forward under the local code. Check time limits and any cap on use with the tax service before relying on them.

Foreign tax credit

The convention with France removes double taxation between the two. Relief for tax paid in other countries is more limited.

Holding companies and groups

There is no special holding company regime. Group taxation and participation relief should be confirmed under the local code before a structure is set up.

Tax incentives in brief

Incentive	Main benefit
Local tax relief	Deductions for productive investment in priority sectors, updated in December 2025
Affordable housing	Local tax framework for affordable housing, adopted in October 2025
New businesses	Relief from the DLCP in the early years of trading
Land release	Capital gains exemption on certain property sales
LODEOM	Relief from employer social contributions on lower and middle wages

Eligibility conditions apply, and some reliefs need approval in advance.

CROSS-BORDER PAYMENTS

04 Withholding taxes and tax treaties

Saint Martin's main tax treaty is its 2010 convention with France. Check local withholding obligations case by case.

Payment	Under the local code	To a resident of France (convention maximum)
Dividends	Confirm with the tax service	15%; 0% to a company holding at least 10% of the capital
Interest	Confirm with the tax service	10%; exempt for bank loans, public bodies and some guaranteed loans
Royalties	Confirm with the tax service	0%: taxable only where the owner is resident
Service fees	Confirm with the tax service	Taxed only where the provider is resident, unless it has a permanent establishment
Branch profits	Taxed as local profits	Taxable where the permanent establishment is
Gains on property	Taxed under local rules	Taxable where the property is, including shares in property-rich companies

The convention with France

Signed on 21 December 2010 and in force since 1 May 2011, it covers income taxes but not social contributions. It works alongside an administrative assistance agreement signed in 2009. France's treaties with other countries do not automatically extend to Saint Martin.

Other agreements

There is no tax treaty with Sint Maarten, and Saint Martin is not part of the CARICOM tax agreement. As an EU outermost region, its links to the European Union run through France.

Claiming treaty rates

People still taxed by France under the five-year rule are not residents of Saint Martin for the convention. Benefits are refused to nominees and where a main purpose of an arrangement is to obtain them. Keep evidence of residence and beneficial ownership.

INTERNATIONAL RULES

05 Anti-avoidance and international rules

Saint Martin's tax powers were granted on conditions designed to stop the territory being used to avoid French tax.

Transfer pricing

The convention with France applies the arm's length principle between associated enterprises and allows the tax authorities to adjust profits. Price related-party transactions at market rates and keep supporting evidence; confirm any local documentation rules with the tax service.

Interest limits and CFC rules

Take advice before relying on deductions for related-party interest or on profits held in other jurisdictions. Rules under the local code and, for groups taxed in France, French rules may both be relevant.

General anti-avoidance

The five-year rule stops newcomers from France, and companies they control, from moving into the local system at once. The convention denies benefits to nominees and to arrangements made mainly to obtain them.

Economic substance

Local tax residence for a company depends on genuine effective management in Saint Martin. A registered address alone is not enough.

Pillar Two

Groups within the scope of the global minimum tax should take advice on how the French and EU rules treat entities on the French side.

Information exchange

- ◆ **France:** the Collectivité must pass to the State the information needed to apply national tax law and exchange agreements
- ◆ **FATCA:** Saint Martin is outside the territorial scope of France's agreement with the United States, but accounts managed in France remain reportable
- ◆ **CRS:** financial institutions should confirm their reporting position with the tax service
- ◆ **Beneficial ownership:** filed in the French register (RBE)

CORPORATE COMPLIANCE

06 Compliance for corporations

Businesses file with the Saint-Martin Public Finance Centre, where State tax officials assess and collect local taxes on behalf of the Collectivité.

Tax year and returns

Corporate income tax follows the company's financial year. Each company files its own return; consolidated returns should not be assumed. Forms for IS, TGCA and the DLCP are downloaded, and returns are filed electronically.

1

TGCA returns

MONTHLY

Monthly, or quarterly where the tax due is small.

2

DLCP declaration

30 JUN (15 JUL IN 2026)

Licence fee and a 50% advance on the patente contribution.

3

DLCP balance

30 NOV

Balance of the patente contribution.

4

IS return and payments

ANNUALLY

Return and instalments on the dates set in the local code.

Penalties and interest

Late filing and late payment attract penalties and interest. The tax service publishes extensions when deadlines move.

Audits and records

The tax service may audit and reassess within the time limits in the local code. French commercial law requires accounting records to be kept for ten years.

Objections and appeals

A dispute starts with a written claim to the tax service. If it is rejected, the taxpayer may take the matter to the administrative courts. Time limits are strict.

Practical points

Register for IS, TGCA and the DLCP as soon as trading starts. Diarise the DLCP dates, which are often extended, and reconcile TGCA returns to turnover in the accounts. Confirm early whether the five-year rule places the company within the French or the local tax system.

BEYOND INCOME TAX

07 Other taxes on corporations

Tax	Rate and base	Who pays
Social contributions	French employer rates, collected through the URSSAF network; LODEOM relief on lower and middle wages, reformed from 1 January 2026	Employer, plus employee shares
Business licence fee	€300 a year plus €5 per m ² of premises, capped at €2,500	Businesses, with exemptions
Patente contribution	Based on the rental value of equipment (generally about 13% of cost) and an element linked to receipts	Businesses, with exemptions
Property tax	Annual taxe foncière on built and unbuilt property; business rental values updated in December 2025	Owner
Transfer duties	Registration duties on paid transfers of property and businesses; rules updated in December 2025	Usually the buyer
Capital duty	Registration duties may apply to company acts; confirm with the tax service	The company
TGCA	4% on turnover from sales and services (page 11)	Businesses
Hotel accommodation	TGCA, which replaced the tourist tax in 2020	Hotels
Financial and insurance services	Most financial operations are outside TGCA; check any specific charges with the tax service	Providers
Petroleum products	Specific duties on import	Importers

Farmers, fishermen, artists and road passenger transport companies are exempt from both parts of the DLCP. Local taxes incurred in running the business are generally deductible for IS.

INDIVIDUALS

08 Personal taxation

Individuals with their tax domicile in Saint Martin pay the local income tax. Newcomers from France stay within the French system for their first five years.

Basis of taxation

- ◆ **Saint Martin tax residents:** local income tax under the Saint Martin code
- ◆ **Newcomers from France, first five years:** taxed by France under national rules
- ◆ **Non-residents:** local tax on income from Saint Martin sources

The five-year rule

Individuals whose tax domicile was in mainland France or an overseas department become Saint Martin tax residents only after five years' residence on the island. Until then they file with the French tax administration. Those who can show their tax domicile was in Saint Martin on 15 July 2007 are not affected.

Filing status

Tax is assessed on the household (foyer fiscal), with household shares for spouses, partners and dependants.

Feature	Position
Rate scale	Progressive local scale set in the code and reviewed by the Territorial Council
Household shares	Taxable income divided by the number of shares before the scale is applied
Collection	Provisional instalments and a balance; no deduction from pay

Confirm the current bands with the tax service.

Residence tests

Tax domicile follows French-style tests: home or principal residence, main occupation and centre of economic interests. Under the convention, conflicts are settled by permanent home, then centre of vital interests, then habitual abode.

Taxable income

Salaries, pensions, business and professional profits, rents and investment income, under the categories of the local code.

INDIVIDUALS

09 Personal taxation (continued)

Capital gains

Gains on property in Saint Martin are taxed under local rules, and under the convention only Saint Martin may tax them, including gains on shares in property-rich companies. From 2026, sales of certain property that release land for development are exempt.

Deductions and reliefs

- ◆ Household shares for spouses, partners and dependants
- ◆ Reliefs for productive investment under the local tax relief regime
- ◆ Expenses incurred in earning business and professional income
- ◆ Other reliefs as set out in the local code

Pensions and employment benefits

Employees belong to the French basic and supplementary pension schemes. Benefits in kind form part of employment income.

Tax	Position for individuals
Social contributions (employee)	French national rates, deducted by the employer
Transfer duties	Registration duties on property purchases, usually paid by the buyer
Property tax	Annual taxe foncière
Inheritance and gift duties	Registration duties under the local code; check with the tax service or a notary
Net wealth tax	No local tax; France's real estate wealth tax may apply to people still taxed by France
Capital acquisitions tax	None separately

Notaries complete property sales, gifts and estates and handle the duties.

INDIVIDUAL COMPLIANCE

10 Compliance for individuals

There is no pay-as-you-earn system. Residents file an annual return with the local tax service and pay income tax directly.

Residents and deemed residents

Residents file the local income tax return (form 2042-SM) each spring for the previous calendar year. Returns for 2025 income were due by 21 June 2026, after an extension. Tax is paid in provisional instalments during the year, with a balance once the tax is assessed.

When	What
During the year	Provisional instalments (the second for 2026 was due at the end of May)
Spring	Annual return for the previous year
On assessment	Balance of tax

Late filing and payment attract penalties and interest.

Non-residents and expatriates

- ◆ Non-residents declare income from Saint Martin sources to the local tax service
- ◆ Newcomers from France file French returns until they meet the five-year rule
- ◆ Employers deduct social contributions, not income tax
- ◆ Living in Sint Maarten and working on the French side, or the reverse, needs advice on both systems
- ◆ Non-EU staff need a work authorisation and a residence permit

Arriving or leaving

Record the date your residence starts and keep proof of it; the five-year clock depends on it. On departure, settle the final year's tax with the local service.

INDIRECT TAXES

11 TGCA and customs

The taxe générale sur le chiffre d'affaires (TGCA) is a local turnover tax. EU and French VAT does not apply in Saint Martin.

Treatment	Applies to
4% standard	Sales of goods and supplies of services in Saint Martin, since 2014
Hotels	TGCA on accommodation, in place of the former tourist tax
Outside scope	Imports
Exempt	Exports and certain sectors listed in the code

Registration and returns

Businesses register with the local tax service when they start trading. Returns and payment are due monthly, or quarterly where the tax due is small.

Turnover tax, not VAT

TGCA is charged on turnover. Businesses should not assume the input tax recovery they would have under VAT, and should confirm the position with the tax service.

Imported and digital services

Foreign businesses supplying services in Saint Martin must register for TGCA, through a local representative. Check the position for online services supplied to consumers.

Customs and excise

Saint Martin is a free port: general imports bear no customs duties, and the dock dues (octroi de mer) charged elsewhere in the French Caribbean do not apply. Specific duties apply to petroleum products. Customs formalities still apply, including for goods moving to and from the EU.

Sint Maarten is different

Sint Maarten's 5% turnover tax applies only on the Dutch side. A business trading on both sides must register and account for each tax separately.

ADMINISTRATION

12 Tax calendar and administration

Main tax laws

Code général des impôts de Saint-Martin; General Code of Territorial Authorities, article LO 6314-4 (tax powers and the five-year rule); 2010 France–Saint-Martin tax convention and 2009 administrative assistance agreement; French Social Security and Labour Codes for contributions.

Authorities

The Collectivité sets local tax law and rates through the Territorial Council. The Public Finance Centre in Marigot assesses and collects. Disputes go to the administrative courts.

Recent and upcoming changes

- ◆ **October 2025:** local tax framework for affordable housing
- ◆ **December 2025:** 2026 rates set; transfer duties, business rental values and local tax relief updated; land release capital gains exemption
- ◆ **2026:** LODEOM reformed; DLCP deadline moved to 15 July

When	What
Monthly	TGCA return and payment (quarterly for small amounts); DSN and social contributions
During the year	Personal income tax provisional instalments
Spring (21 June in 2026)	Personal income tax return for the previous year
30 June (15 July in 2026)	DLCP declaration, licence fee and 50% advance
30 November	DLCP balance
Annually	IS return and instalments under the local code
Within 6 months of year-end	Approve annual accounts; file them with the registry
December	Territorial Council sets the next year's rates

Dates change from year to year, and the tax service publishes extensions.

YOUR PARTNER

13 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, supports companies and individuals with the taxes of Saint Martin (French side), from registration to dispute.

Tax compliance

IS, personal income tax and DLCP returns, instalments and filing calendars.

Corporate tax advisory

Structuring, residence under the five-year rule, losses and transactions.

International tax and transfer pricing

The convention with France, cross-border payments and related-party pricing.

Indirect taxes (TGCA and customs)

TGCA registration and returns, foreign suppliers and import formalities.

Payroll and employment taxes

Social contributions, DSN and LODEOM relief.

Tax disputes and authority engagement

Tax audits, claims and engagement with the Public Finance Centre.

Incentives and investment planning

Local tax relief, affordable housing and land release measures.

Private client and expatriate tax

The five-year rule, arrival and departure, property and estates.

Tax technology and reporting

Tax calendars, provisions, data and reporting processes.

Start with a conversation

Tell us about your plans or your tax question in Saint Martin, and we will set out the steps and timeline for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email saintmartin@dawgen.com or info@dawgen.global, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about Saint Martin (French side)

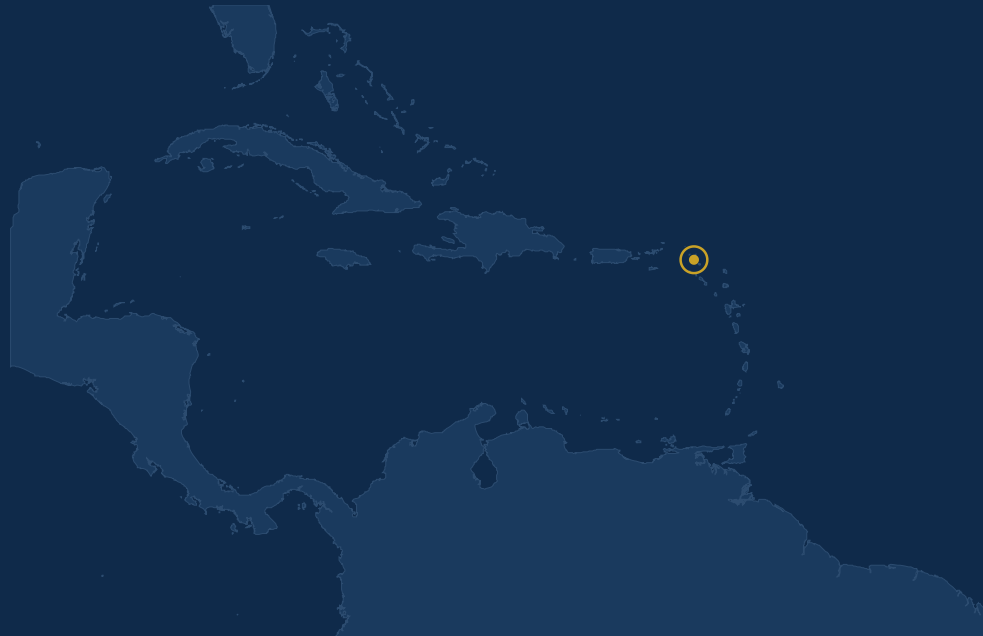
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Key official sources

- Collectivité de Saint-Martin (com-saint-martin.fr)
- Saint-Martin tax service (impots-saint-martin.fr)
- French tax administration, France–Saint-Martin tax convention (impots.gouv.fr)
- Légifrance, official French legal texts (legifrance.gouv.fr)
- URSSAF (urssaf.fr)
- French customs (douane.gouv.fr)
- Préfecture de Saint-Barthélemy et de Saint-Martin (saint-barth-saint-martin.gouv.fr)
- IEDOM (iedom.fr)



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