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# POSITION PAPER TO THE FORMATEUR

RECOMMENDATIONS BY ATIA AND ITS MEMBERS

PRESENTED BY:

ARUBA TRADE & INDUSTRY ASSOCIATION - ATIA

## POSITION PAPER TO THE FORMATEUR

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### INTRODUCTION

During the last few months, ATIA as the largest business membership organization in Aruba has been collecting from its members information about the main challenges that the business community is currently facing. This information was gathered through visits and by forming petite committees involving members on topics that affect the business community.

As ATIA we strive not only to bring forward the challenges, but also to bring viable solutions. This document is intended to bring attention to these challenges and at the same time, present what ATIA and its members wish the new government to implement to improve the business environment for Aruba's business community. It is important to remember that growth in GDP is urgently needed, and the private sector is the only one that can make it happen. However, to realize this goal the business community does need the new government to listen and consider the business community's issues and solutions, and cooperate closely with its representative(s) to improve the business environment and make it more "business-friendly".

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## **PUBLIC SECTOR PERFORMANCE**

ATIA has found that most of the topics discussed present challenges all related through the performance of the departments within the Public Sector. It must be said that some departments have made serious improvements in their service level towards their internal and external customers, through digitalization and training of their staff members (e.g. Censo). However, the same cannot be said of the majority of the public departments. Due to internal inefficiency, redundancy, bureaucracy, and lack of employee motivation, the service level at most departments is poor.

It is important to start at the basics, work on the people, the staff. Create awareness as to the importance of their job to Aruba's economy, provide training to improve service levels and efficiency. This step is important in order to give the employees the chance to improve performance and to give them the right tools to do so. Introducing performance measures for the employees and holding them accountable for their performance should be introduced in conjunction with the investment in the employees' education. The public sector should be managed like the private sector. The departments should be managed by professionals with the authority to make decisions and lead the department in the way that best serves the mission and vision of the department.

Service-level agreements should be signed between departments in order to make information exchange and the internal service optimal.

Where possible, it is advisable to privatize departments, which will mean that the labor laws for the private sector will be applicable. This will lead to improved service, better adherence to corporate governance codes, and an income stream to the government rather than a financial burden.

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## **TAXES**

ATIA has been recommending a shift from direct to indirect taxes for years now. This shift has also been recommended to Aruba by various international agencies. With such a tax reform, direct tax rates can be reduced while also reducing the number of different types of taxes. Such a shift will also make a positive contribution to the income of Aruba, as everyone will contribute to these indirect taxes regardless of whether they comply with all tax liabilities or not. ATIA also wants to insist on a change in the Tax Office's processes and procedures, aiming at simplifying these.

Business, as well as individuals, are severely affected by the current operations of the Tax Administration Office. There is a reluctance to effect tax returns while at the same time pursuing and expecting a stringent collection. An awareness campaign must be realized with customer service as a central theme. It is also remarkable that the auditing officials seem to particularly pay more attention to the companies that have properly organized their administration. ATIA strives for a level playing field for all companies. In addition, ATIA advises to simplify the processes at the Tax Office. The following adjustments could be implemented in the short term:

- Introduce "Fastlanes"
- Submit tax returns digitally
- Uniform policy
- Handle objection and postponement of payment in a timely manner so that no unnecessary collection letters need to be sent out (no unnecessary employment and cost savings)

The most obvious choice for Aruba with regards to a shift from direct to indirect taxes is a tax on the border since Aruba has no wealth and, in which case, the IMF recommends introducing a tax at the border as a form of indirect taxation. ATIA believes that an integrated approach is needed whereby the various indirect taxes are abolished and are reflected in the ABB.

The content of the draft ordinance ABB could be formulated differently without releasing the basic principle of levying at the border. In addition, various taxes may be included in the rate of the tax, including import duties and BBO/BAZV according to current design, but also the tourist tax, gaming tax, environmental taxes, foreign exchange commission and stamp duty. This simplifies the (procedure of) import of products, eliminates the thousands of different categories and discussions about it, and simplifies the customs clearance of goods. As a result of this simplification, the Department of Customs and Excise can better serve their customers and make the freed capacity available to improve control and compliance. Furthermore, for services a tax on specific products with few taxpayers but a large number of customers can be considered. An example of this could be a charge on telecom, internet and television services.

The ABB must have as few exemptions as possible. Introducing an ABB requires data to determine the correct rates, however, in the past the necessary data was not available. Data should be available to provide an optimal ABB system.

An additional form of indirect tax is the tax on beverages with a lot of sugar like soft drinks, sports drinks and fruit juices. In different countries, they have already had some experience with such a "sugar tax" or "soda tax". The aim of the "sugar tax" is to reduce the growing number of overweight people due to high sugar intake and the cost of care. Since it also contributes to the optimization of income in the short term, it is also recommended by international organizations. One can think of a per-liter tax which should be paid by producers and importers.

Another issue that needs addressing is the fact that Aruba's income tax rates are very high by international standards. Given the fact that in the neighboring islands a significantly lower top tariff rate is known, maintaining the current rate would mean that Aruba deviates too much from the rest of the region. A reduction of income tax rates, and certainly the top bracket of up to 35%, benefits the business climate for companies, highly skilled migrants and wealthy individuals. The number of brackets can also be reduced from 11 to 5 brackets.

Additional recommendations include the following. ATIA believes that if the dividend withholding tax would be abolished, this could contribute to improving the business climate. According to ATIA, the current dividend withholding tax represents a real barrier to attracting foreign companies. The dividend withholding tax has already been eliminated for IPCs, Free Zone companies and the San Nicolas Special Zone.

In order to stimulate new businesses, it is also recommended to extend the loss compensation to a maximum of 10 years after the loss arises (currently 5 years).

Additionally, a VBA can currently merge and demerge, but is not facilitated by taxation. It is ATIA's recommendation to facilitate such mergers and demergers as well. The possibility of merger and demerger would apply not only to VBAs but also to NVs.

The transfer tax should also be eliminated and the charge for the ownership of a property should be increased by increasing the rate in the land tax. The purchase and sale of houses could thereby be stimulated, while also be connected to the levy (and not when transferring). ATIA has repeatedly requested attention for the fact that the description and collection of land tax is not effective. It is therefore advisable to pay more attention to the registration of land tax, control and collection than is currently the case.

The current motor vehicle and motorboat tax is characterized by a multitude of payments of relatively small amounts that are cumbersome for the Tax Office. The principle of current taxation is that using the public road or the waterway is taxed through the motor vehicle or motorboat. Tax is charged for a period of one year.

In the context of environmental considerations, the taxation of usage is increasingly emphasized and it is also differentiated as fuel is charged more or less with the mileage. A charge through the fuel tax would also have as an advantage that it is less subject to fraud. One disadvantage is that the price of fuel will be higher due to such a tax. However, the principle of "the user pays" is realized in this way. There would also be a recommendation to bring the gas and diesel excise duty to at least the same level. Consequently, the increase in excise duty on gasoline may also be limited.

Another benefit is that the tax authorities do not have to process more than 80,000 payments and therefore can focus more on the levy or compliance with the other taxes.

In addition, Aruba has many old cars, which are not environmentally friendly or use a lot of gasoline. To stimulate the car industry, one can think of a (temporary) cleanup premium on car delivery and purchase of a new one. In the Netherlands, this measure has had the desired effect for the car industry, while for Aruba the environment can be considered as a bonus.

Lastly, In the Netherlands, tax amnesty has resulted in substantial tax revenues. Consideration could be given to introducing a tax amnesty scheme for foreign assets or for unrecognized past deduction items.

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## EASE OF DOING BUSINESS AND ENTREPRENEURSHIP

The ease of doing business is not only relevant to new enterprises, investors and entrepreneurs, but also to the existing business community in Aruba. Bureaucracy and lengthy processes are not conducive to maximizing Aruba's economic potential. ATIA believes that by creating leaner processes, thereby eliminating redundancy and introducing efficiency, Aruba will be able to boost economic activity, growing GDP and generating additional investments and funds for Aruba.

In the same light, ATIA believes in placing emphasis on entrepreneurship. Entrepreneurship contributes to economic growth and employment creation. Entrepreneurs can potentially inject the current economy with innovation, new goods, services and technologies which can lead to improved quality of life. The government should stimulate entrepreneurship in Aruba by facilitating the processes, and provide certain incentives.

The process for approval of permits, whether it concerns building permits, work, and residency permits, takes too long. When it comes to building permits, it creates an obstacle to projects and their investors. Projects have been known to have investors lined up to invest and take over two years to receive the approval and necessary documentation after it has been submitted at the correct government department. Building permits for houses are also known to take long to be issued, which also represent funds that are not being injected into the economy.

The same challenge arises for work and residency permits, and in addition, the policy regarding granting work and residency permits does not match the reality of the labor market in Aruba at the moment. Many companies cannot find either skilled employees or lower level employees on the island (locals), but at the same time are not allowed to bring in labor from outside of the island. There is not only a problem on the island finding skilled employees within certain specific areas of expertise, but also lower-level employees. The hotels for example, have large problems finding e.g. housekeeping personnel. The ones that are working are getting older and there does not seem to be any interest from the younger generations to enter that particular level of work.

ATIA is aware that DIMAS is working on protocols concerning specific areas of expertise and levels of work, to make the approval process more efficient. This is a positive development for the business community. As ATIA, we would also like to see digitalization of all permit-related processes. This would not only make the process more time-efficient, but it would also make the process more transparent and less susceptible to fraudulent practices.

Furthermore, a level playing field should be created by making sure that processes are clear and transparent, and adhered to by everyone. There should be no special treatment for certain companies. Companies should comply to the "Wet Ketenaansprakelijkheid" (Sequential Liability Act), and to tax obligations. Only if all companies comply to their obligations, can a level-playing field exist. The tax reform proposed by ATIA earlier in this document would ensure better compliance rates.

Also, simplification of the current laws for import duties would greatly improve the ease of doing business. The current system is not only outdated and complicated, but it also poses a major challenge to the business community.

Establishing a company in Aruba is another challenge. The entire process of establishing a company in Aruba is inefficient, time-consuming and extremely lengthy. Information about the process is hard to find, different departments, which are not linked to one another, are involved in the process, which causes many points of potential delay within the process.

Government departments should be linked through technology which provides the necessary access to certain documents throughout a process. This will facilitate the process, make it more efficient, bring transparency to the process, and remove redundancy within departments. In addition, it will facilitate the process for the entrepreneur, requiring him/her to submit all necessary documentation at one single point. Also, if due diligence is performed by the notary, this should be accepted by the Department of Economic Affairs as valid rather than performing their own check and delaying the process.

During the Social dialogue, a One-Stop Shop was proposed but never fully discussed nor implemented in the form it should have been implemented. This central point eliminates the inefficiency, and part of the bureaucracy involved in the process of establishing a company. Digitalization of the process will also improve efficiency and speed.

The time of processing by the notaries is also very lengthy. Since the number of notaries on the island is limited (although candidate notaries are awaiting an opening to become a notary), the government should consider increasing the number of notaries allowed to operate on the island. In addition to decreasing the time to receive the necessary documents from the notary, it will also naturally regulate the notary price, which is currently relatively high.

Aruba's business climate, encompassing a complex tax system, rigid labor laws, and high cost of doing business, is not very attractive to new businesses. Still, it is very important to stimulate new businesses to enter the economy. Especially when the business offers innovative solution to a problem, or, a new kind of product. Incentives should be introduced focused towards local new businesses in order to stimulate entrepreneurs to enter the market and contribute to economic growth.

Finally, it is very difficult to gain access to capital for entrepreneurs through the traditional financial institutions. There are some new alternatives, such as the Qredits program, however, additional options should be introduced, like a guarantee or investment fund, or crowdfunding.

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## SAFETY AND SECURITY

There is general concern in the community at the perceived increase in criminality and the KPA's own numbers indicate an increase in certain kinds of criminal activity. Given that Aruba depends so heavily upon its tourism industry which, in turn, depends upon visitors feeling confident that they will be safe when they visit Aruba, such an increase, should it go unchecked, can and will have a devastating negative effect on the economy of Aruba.

If Aruba wants to increase tourist spend on the island, the visitors need to feel safe to venture further into the island and spend their money throughout the local community. At the same time, local residents need to feel safe and free to visit local activities, local businesses, or dine out without having to worry about being directly impacted by crime. Employers are also concerned about the safety and security of their personnel, not only on the work floor, but also in their personal lives.

ATIA recommends assigning a task force to the business community. Because of the recent increase in criminality local businesses have had to double or even triple their spend on security measures to protect their businesses and employees. This task force can maintain the business community informed, but also educate the business community of new methods of criminal activity and how to be prepared, how to avoid, or how to handle these.

The types of crimes committed on the island have changed into more violent ones and often include the use of weapons. One of the causes can be found in the great number of illegals currently on the island. There is no indication that these illegals are being sent back once caught or if they commit a crime. The law, that recently resurfaced dating back to 2008, seems to complicate the efforts to find these illegals and deport them. Consequently, the government should put in place much tighter control of our borders at the airport and on the coasts. The current legislation which hinders the police from searching residencies on suspicion of housing illegals, should be evaluated and if necessary, changed to provide the police the authority to act in the case of illegality. Tighter procedures to repatriate illegal residents should also be put in place.

A lot of contraband and illegals are being brought in with small boats (so-called barkitos) from Venezuela. The original purpose of the boats was to bring fruits and vegetables from Venezuela, however they are also being used to bring in weapons, drugs, and illegal immigrants to Aruba. In addition, the operators of these barkitos do not comply to local health and safety regulations for the produce they import into the island, whereas local importers have to comply to strict 'cold chain' regulations. Therefore, ATIA's opinion is that the operation of the barkitos should be prohibited, unless stricter control systems are implemented for illegal merchandise and/or people, and for health and safety regulations that they are required to meet.

One of the main causes of increased criminal activity is a social problem. Although it is a problem that needs to be addressed at the roots, there are ways to stop the vicious cycle that results from certain individuals growing up in and/or being part of an environment that is conducive to certain criminal

behavior. One of the prevalent problems is addiction, be it to alcohol, drugs or other substances. Companies report increasing numbers of positive testing on the work floor. Another problem, is the level of unemployment (approximately 19%) among youth (15 to 24 years) that no longer attend school. With no future perspectives, these youngsters are more susceptible to engaging in criminal activity.

In order to involve the business community in solving part of the social “problems”, the government should introduce incentives for companies that employ, or, reintegrate, people that have a background of social problems. This could include people with a criminal past, but also the unemployed youth not currently attending school. ATIA proposes that newly hired employees with such a background be given a longer trial period (minimum 6 months) than currently permitted by local labor laws, that businesses willing to hire such individuals be given tax incentives and that such employees be allowed to work under the terms of a fixed term contract. With regards to the problems of addiction, the government should start an awareness program for addiction and its consequences.

Another issue is that police officers are not paid enough in comparison to the importance of their jobs and the risks they have to take. As a result, the best police officers, or those in higher command are leaving the police force to join the private sector. The government should make public security and safety one of the priorities since the effect is felt in all areas of the community. Therefore, ATIA suggests increasing the budget for crime prevention and control. Budget should be used towards the necessary training, equipment, uniforms, vehicles, etc.

Another problem is the perceived ‘revolving door’ principle. Criminals are arrested, only to be set free within a few days or maybe even on the same day. Criminals need to be penalized; they need to feel that there are consequences to the criminal acts committed. ATIA supports the previous’ Government’s proposal to create specific geographic areas in which certain (criminal) individuals who are known offenders are not allowed. This would work best with the (functional) camera project.

In addition, the consequences for committing certain specific crimes should be re-examined and, if necessary, adjusted. Suggestions include community work, increased jail time, and rehabilitation programs.

ATIA is concerned that the National Camera Surveillance project does not appear to be fully functional. Such projects should be delivered consistently, efficiently and in a timely manner. It was understood that the intention was also to involve the business community in this project and to allow them to hook their surveillance systems into the national system to allow enhanced capabilities.

A different type of crime is non-compliance by certain companies. There is no comprehensive monitoring process in place for compliance of companies with Government laws, rules and regulations. There are too many companies that 1. employ illegal immigrants, and/or 2. do not comply with payment of the financial obligations such as BBO, BAZV, SVB, or taxes in general. This has led to disappointing income from taxes for the government (see CAFT), which in turn means that there are insufficient funds to be invested in safety, security, and crime prevention.

Better control systems need to be put in place to monitor compliance within companies. Companies that do not comply need to feel the consequences (fines, shut down). Government departments must be linked in order to be able to effectively penalize companies that either employ illegal immigrants and/or do not comply with their financial obligations.

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## EDUCATION

There exists a gap between the education on the island and the labor market. This gap manifests itself in areas such as the attitude towards further training or lifelong learning, poor (written) communication skills, lack of critical thinking skills, lack of creativity, innovation and out-of-the-box thinking of the newly graduated students.

In order to not only develop the educational skills of a student but also soft skills such as communication, presentation, critical thinking, etc. it may be an idea to introduce a work and learn program, in which students are in school a few days a week and work the other days. This will provide them with the opportunity to put theory in practice but also develop the necessary soft skills and develop the appropriate attitude necessary in the workplace.

Another challenge is the lack of certain areas of expertise. Since certain studies are not available on the island, part of the secondary school graduates decides to enter a college or university abroad. However, many graduated students abroad, do not return to the island due to the lack of opportunities on the island, or better payment abroad. The curriculum should be reviewed regularly based on the market's needs and adjusted accordingly. Students should also be better informed of the market needs so that they make an informed decision about their further studies.

Finally, there is no unified policy stating certain goals for education (e.g. digitalization of education within the next ten years). Also, the different school foundations on the island form scattered islands within the educational system. There are differences in the educational systems/methods used among the different foundations, and even among different schools that fall within the same foundation, differences in educational systems/methods can be identified. There is no clear mandate from the government or the Minister of Education regarding one method. It is important to form a policy, valid for the entire educational system and set long-term goals for the future of education on Aruba.

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## LABOR

The changes introduced in the new labor laws in 2008 and 2013 have substantial financial (negative) consequences for the employers. ATIA has been advocating for more flexibility within the labor laws for many years, which in ATIA's opinion will contribute to continuity and quality within the labor market, which in turn will lead to the realization of general socio-economic goals, such as guaranteed employment.

One of the recommendations is to adjust the current exceptions for a fixed-term labor contract. For this purpose, contracts should be allowed for a certain period of time, under conditions already in force in the Netherlands, Curacao and Sint Maarten. In the opinion of ATIA, this works much more efficiently. Obviously, it should be emphasized that fixed-term labor contracts cannot follow each other infinitely.

As of April 1st, 2013, the clause that provided the employer the right to unilaterally make changes was annulled. Aruban labor law protects the interests of employees well. The point of departure in the legal system is that when an employee has acquired a particular right, the employer cannot, in principle, amend or withdraw this right unilaterally. However, as this provision has already been recognized by the legislature, it must be possible for the employer (in special circumstances) to change the rights of the employee.

The employer may only rely on a written clause giving him the power to change a working condition prevailing in the employment contract if he has such a substantial interest in the change that the employee's interest, which would be adversely affected by the change, should be according to standards of reasonableness and fairness be modified.

ATIA is of the opinion that the new law should be revised in view of the fact that case law has already established clear clues for the legally valid application of the unilateral amendment clause. Moreover, this unilateral amendment clause is being applied in the Kingdom and the case-law developed in other parts of the Kingdom is codified. Thus, the annulment of a unilateral amendment clause in 2013 was not necessary. ATIA therefore recommends that art. 1613h is revised.

Another topic of interest is the Cessantia. The Cessantia Ordinance stipulates that the employee is not entitled to Cessantia pay by the employer if he will receive an enterprise pension which is twice the amount of the Old Age Pension as determined by mentioned Ordinance. This is an antiquated requirement however, which assumes a much lower AOV amount and which can result in a required pension which added to the AOV amounts to a larger sum than is fiscally allowed. To correct this, ATIA proposes to: 1) change subparagraph 5 to read that the subparagraph 4 will only apply if the employer has entered into a pension arrangement in which the employer's contribution is 6% of the pension base, and 2) in deviation of subparagraph 1, the employee will also be entitled to mentioned compensation immediately if the labor agreement ends due to the employee's reaching the agreed upon pensionable age. If parties have not agreed upon a mandatory pensionable age, the labor agreement ends in mutual consent after the employee reaches the pensionable age in accordance with the Old Age Ordinance without an attributable grave reason from the part of the employee.

With reference to the simplified Working Time Act as it applies in the Netherlands, ATIA also wishes to create greater flexibility in Aruba through simplification of working time regulation, which will benefit employment and the business environment. Legislation should provide employers and employees with more opportunities to agree on working and rest periods. The proposal of ATIA is to include - the same regime as applied in the Netherlands - in the law, which is a) an average of 55 hours per week in each

period of four consecutive weeks without exceeding 60 hours a week, b) an average of 48 hours per week in each period of 16 consecutive weeks.

For both provisions, employee and employer must agree on how the employee completes working hours per day and per week.

For collective/individual dismissal due to reorganizations, the principle of seniority is applied, "Last in, First Out" (LIFO). ATIA's opinion is that in order to maintain valuable manpower, the decision must be left to the discretion of the employer. After all, it is not only important to look at work experiences and knowledge of the relevant staff member, but also at his or her productivity and motivation. An assessment should be made as to which employees will be more suitable to function in accordance to the enterprise's needs.

Additionally, ATIA believes that the guidelines for the dismissal committee should be reviewed. In particular, the duration of the applications and the motivation in the decision. ATIA proposes to maximize lead time to 1 month, so within four weeks, a decision regarding the request should be made. In addition, decisions must be appropriately motivated. To this end, ATIA wants to propose a few criteria that a decision must meet. Furthermore, ATIA wants to see how policy can be implemented consistently and how agreements can be met.

With regards to Social Security, ATIA has some recommendations as well. In order to better manage the short-term absenteeism, entitlement to sick pay should start six weeks after reporting sick while simultaneously reducing the health insurance premium for short-term sick leave. In other words, payments out of the Health Insurance Fund to the benefit of short-term sick leave, cease to apply. This will lead to significant reductions of the employer's contribution, rehabilitation of the Health Insurance Fund, and reduced administrative burden for the SVb and the employers.

The introduction of the personal contribution period and the adjustments to the allowance percentages have an effect on the amount of funds to be paid and the premiums must therefore be adjusted accordingly.

Also, for employees above the wage limit, the Old Age Ordinance is no longer applicable, and the SVb should continue to take care of long-term sick leave and reintegration in the event of long-term illness or disability. It should also monitor compliance of the employer's obligations regarding the requirements for the personal contribution (eigen risico).

Through the introduction of a personal contribution, the responsibility of sick leave is placed on the employer and the employee, which means that the role of the SVb is limited to supervising and guaranteeing adherence to the legal framework.

Finally, the Ordinance for Admission and Deportation also has ATIA's attention. An acceleration procedure for work permits for knowledge migrants should be considered and the regular procedure for work permits in general should be reviewed.

The acceleration procedure for knowledge migrants should only be applied to cases in which vacancies cannot be filled structurally. It is crucial that clear agreements are made and this target group is clearly defined. In principle, the DIMAS should respond to employers' request for admission of a knowledge migrant within 2 weeks. Of course, conditions must be set here such as a minimum salary to avoid 'cheap labor', and the license should be valid for at least three (3) years since few highly qualified workers will accept a job on Aruba with only one year's security.

Finally, the entire regular procedure for work permits should be streamlined. At present, all first applications for a work permit are rejected without any substantiation. In the opinion of ATIA, this appears to be in violation of the Principles of Corporate Governance. ATIA recommends that an issued work permit, at first application, is valid for a period of three (3) years. Only if the employer so wishes may a license be issued for a shorter period and the cost of the license may be subject to the duration. It is important that good employees are attracted and that employers can invest in the training of those employees.

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## ATIA'S RECOMMENDATIONS

### PUBLIC SECTOR PERFORMANCE:

- Train public sector employees
- Set performance measures and hold employees accountable
- Professionals with authority as managers of the departments
- Introduce service-level agreements between departments
- Privatize certain departments

### TAXES:

- Shift from direct to indirect taxes; tax at the border
- Thoroughly address the functionality of the Tax Department:
  - Measure performance and hold accountable
  - Introduce "fastlanes"
  - Electronically submit tax returns
  - Uniform policy
  - Handle objections and postponement of payments in a timely manner
- ABB with some adjustments
- Decrease income taxes:
  - Top bracket to maximum of 35%
  - Number of brackets from 11 to 5
- Eliminate dividend withholding tax
- Increase Loss Compensation term from 5 to 10 years
- Fiscal arrangement for legal mergers and demergers
- Eliminate the transfer tax and increase land tax
- Eliminate motor vehicle tax and increase excise duty on gas and diesel
- Introduce a soda/sugar tax
- Introduce tax amnesty for specific cases

### **THE EASE OF DOING BUSINESS AND ENTREPRENEURSHIP:**

- Digitalization of all permit-related processes
- Update and simplify current import duty laws
- Link government departments through technology
- One Stop Shop
- Increase number of notaries and accept due diligence investigation
- Introduce incentives for local new businesses
- Search for alternative financing options (e.g. guarantee credit fund)

### **SAFETY AND SECURITY:**

- Tighter control at the borders (airport and coast)
- Tighter procedures to repatriate illegal residents
- Assign a taskforce to the business community
- Prohibit the “barkitos” from entering or introduce stricter control systems
- Offer the business community an incentive (e.g. 6-month trial period) to (re)integrate people into the workforce
- Increase the budget for crime prevention and control
- Evaluate the “consequences” for specific crimes (e.g. community work, increased jail time, rehabilitation programs)
- Stricter control on compliance

### **EDUCATION:**

- Introduce a ‘work-and-learn’ program
- Review and adjust the curriculum regularly based on the market’s needs
- Form a unified policy

## LABOR:

- Allow employment contracts for a certain period of time, under conditions already in force within the Kingdom
- Revise article 1613h to reintroduce the unilateral amendment clause as applied within the Kingdom
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- Simplify working time regulation
- Instead of LIFO principle within collective/individual dismissal in reorganizations, leave the decision to the discretion of the employer
- Maximize the lead time for a decision on a dismissal request to one (1) month
- Introduce a personal contribution to the Health Insurance Fund
- Entitlement to sick pay should start six weeks after reporting sick
- Reduce the health insurance premium for short-term sick leave
- Introduce an acceleration process for work permits for knowledge migrants