



Sole Trader Cash Grants

Temporary financial support for sole traders

Objective

The objective of this measure is to provide an immediate cash injection to all registered sole traders that are affected by the COVID-19 pandemic, to better enable sole traders to keep operating during the crisis and improve their chances of getting back on their feet afterwards.

About the sole trader cash grant

The sole trader cash grant was designed as a one-off cash \$3,000 payment only to each business that qualifies. As the economic effects of the COVID-19 pandemic have extended further sole trader cash grants have been paid to qualifying businesses with each extension to the ERP scheme. The sole trader cash grant scheme will be administered by the Revenue Management Division. Payments to eligible sole traders will be made as soon as processed, after 1 January 2021.

Sole traders who have not previously received a sole trader cash grant and who now qualify to receive a sole trader cash grant will receive their grant in two \$1,500 instalments, one in February and one in April.

Who is eligible?

To qualify for this measure:

- Your business must be structured as a sole trader.
- Your business must be registered with the Revenue Management Division (Revenue Management) of the Ministry of Finance and Economic Management and CINSF by 28 February 2021 and must be operating in the Cook Islands.



- If your business received the sole trader cash grant during the Phase I of the ERP, you may apply for the sole trader cash grant under Phase III of the ERP.
- If you have not received a sole trader cash grant from Phase I of the ERP, your business is now able to access the Phase III sole trader cash grant. (If you have not previously received a sole trader cash grant you are not eligible to receive the Phase I or Phase II grants.)
- VAT returns must be submitted monthly prior to payment where relevant.
- Your business must have paid its PAYE payments for the months of April to December, prior to receiving the sole trader cash grant, where relevant.
- Your business must have paid its CINSF employer and employee contributions prior to receiving the sole trader cash grant, where relevant.
- Your business must have suffered a 30% loss of income in December 2020 when compared to December 2019 and you must have proper business records to show the loss of income.
- The income from your sole trader business must be your primary source of income.
- You must be actively working in your business. For example continuing to sell goods or doing work to promote your business.

Income tax and VAT will not be deducted from the sole trader grant, nor will CINSF contributions. Any sole trader cash grant received as part of the ERP Phase I measures does not need to be included in your income tax return, any sole trader cash grants received as part of the ERP Phase II or Phase III measures must be included in your income tax return.

How to apply

The application process for this measure is as follows:

- If you have previously received a sole trader cash grant you must login to your CINSF account from 1 January 2021 and apply for the sole trader cash grant online, providing all necessary information as instructed.
- If you have not previously received a sole trader cash grant you will have to login to your CINSF account after 1 February 2021 to apply for the sole trader cash grant online, providing all necessary information as instructed to receive the first instalment of your sole trader cash grant. You will have to login to your CINSF account after 1 April 2021 and complete a second application to receive the second instalment of your sole trader cash grant.
- Eligibility will be assessed by Revenue Management.

- Once verified, payment will be made directly to the nominated account.
- All sole trader cash grant applications must be submitted by 31 May 2021. Applications will not be available after this date.

For any queries about this measure please call RMD on 29365 or email tax.info@cookislands.gov.ck.

For further information, contact

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