



Business Cash Grants

Further cash-flow support for businesses

Overview

Phase III of the Cook Islands Government's COVID-19 Economic Response Plan will continue to include measures targeted at businesses, individuals, their livelihoods and their skills base, with the aim of supporting the continued employment of staff in the private sector and providing additional cash-flow support to help businesses stay afloat and prepare for the reopening of our borders.

Estimated total cost

The estimated total cost of the business cash grant is \$5.5 million

Business Grant

Objective

The aim of the Phase III business cash grants is to provide a further cash injection to all registered businesses that continue to be affected by the pandemic, to better enable businesses to keep operating during the crisis and improve their chances of getting back on their feet afterwards.

About the cash grant

The value of the grants for eligible businesses are as follows:

- \$2,500 for micro businesses with a turnover of less than \$50,000
- \$5,000 for those businesses with a turnover between \$50,000 and \$300,000
- \$7,500 for those businesses with a turnover between \$300,000 and \$5 million and have less than 10 employees



- \$10,000 for those businesses with a turnover between \$300,000 and \$5 million and have 10 or more employees
- \$12,500 for those registered businesses with a turnover greater than \$5 million and have less than 20 employees
- \$15,000 for those registered businesses with a turnover greater than \$5 million and have 20 or more employees

There will be two grant payments, in February and in April. The number of employees included in the calculation will be based on the number included in your December 2020 wage subsidy application.

The cash grant scheme will be administered by the Revenue Management Division. Applications for the business grants will commence from 1 February 2021.

Who is eligible?

To qualify for this measure:

- Your business must have been registered with the Revenue Management Division (Revenue Management) of the Ministry of Finance and Economic Management and CINSF and operating in the Cook Islands by 30 April 2020. Businesses operating prior to 30 April 2020 but not registered with CINSF must register by 28 February 2021.
- Your business must have been operating prior to 30 April 2020 and you must be able to provide evidence of this.
- Your business must have suffered a 30% loss of income in January 2021 when compared to January 2020 to receive the February business grant and a 30% loss of income in March 2021 when compared to March 2019 to receive the April business grant. You must have proper business records to show the loss of income.
- If you received a business grant under Phase I of the ERP you are eligible to apply for the Business Cash Grants for February and April.
- If you have not applied for business grants from Phase I of the ERP, your business is now able to access the Business Cash Grants for February and April as long as they meet the loss in revenue requirement. Your business must be registered with RMD and CINSF in order to access this support by 28 February 2021.
- VAT returns must be submitted monthly prior to payment where relevant.
- Your business must have paid its PAYE payments for all months since April 2020 including the month immediately prior to receiving the business cash grant, where relevant.

- Your business must have paid its CINSF employer and employee contributions prior to receiving the business cash grant, where relevant.
- You cannot claim these business cash grants if you have been receiving the sole trader business grants under Phase I, II and/or Phase III of the ERP.

Income tax and VAT will not be deducted from the business grant, nor will CINSF contributions. Any business grants received as part of the ERP Phase III measures must be included in your income tax return.

How to apply

The application process for this measure is as follows:

- The applicant must login to their CINSF account from 1 February 2021 and apply for the business grant online, providing all necessary information as instructed.
- A separate application must be completed for the February and April business grants.
- Eligibility will be assessed by Revenue Management.
- Once verified, payment will be made directly to the nominated account.
- All Business 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 Revenue Management on 29365 or email tax.info@cookislands.gov.ck.

For further information contact

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