



## Business Grant Reinstatement

December 2021

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## Overview

With the recent announcement that the border will be open from January 13 for vaccinated visitors from New Zealand, the Cook Islands Government is extending a second and final iteration of the Business Grant. This support has the aim of supporting the continuing employment of staff in the private sector and providing additional cash-flow support to help businesses prepare for the reopening of our borders and meet ongoing obligations which were previously covered by other more specialized support measures.

The following document outlines the financial support provided via the Business Grant Reinstatement which is effective from 1 December 2021.

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## Estimated total cost

The estimated total cost of the reinstatement of the Business Grant is \$4.1 million for the December 2021 payment.

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## Business Grant

### Objective

The aim of the Business Grant is to provide a further cash injection to all registered businesses that continue to be affected by the temporary border closure, to better enable businesses to keep operating during this period and improve their chances of getting back on their feet afterwards.

### About the business grant

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

- \$5,000 for those businesses with a turnover of less than \$50,000
- \$10,000 for those business with a turnover between \$50,000 and \$300,000
- \$15,000 for those businesses with a turnover between \$300,000 and \$5 million
- \$20,000 for those businesses with a turnover greater than \$5 million

There will be one grant payment, in December. This grant amount has been maintained at the increased level of October 2021 to account for some of the more specialized support previously provided.

The cash grant scheme will be administered by the Revenue Management Division. Applications for the business grants will commence from 1 December 2021 unless an update is announced.

### 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 31 July 2021 and you must be able to provide evidence of this.
- If your business received the business grant during the Phase I or Phase III of the ERP, you are eligible to apply for the Reinstated business grant if you meet the loss in revenue requirement.
- If you have not previously received a business grant, your business is now able to apply for the support as long as they meet the loss in revenue requirement. Your business must be registered with RMD and CINSF by 31<sup>st</sup> December 2021 in order to access this support.
- VAT returns must be submitted monthly prior to payment where your business is registered for VAT.



- Your business must have paid its PAYE payments for all months since May 2021 including the month immediately prior to receiving the business cash grant, where your business has employees.
- Your business must have paid its CINSF employer and employee contributions prior to receiving the business cash grant, where relevant.
- Your business must have suffered a 30% loss of income in October or November 2021 when compared to October or November 2019, respectively, to receive the business grant. You must have proper business records to show the loss of income. If you were not operating during the same period of 2019, or your business has been substantially restructured, your income will be compared with the last full calendar month of operation, in which the border was open.
- You cannot claim these business cash grants if you have been receiving the sole trader business grants under the reinstated business support measures.

Income tax and VAT will not be deducted from the business grant, nor will CINSF contributions. Any business grant received as part of the Reinstatement in December 2021 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 December 2021 and apply for the business grant online, providing all necessary information as instructed.
- Eligibility will be assessed by Revenue Management.
- Once verified, payment will be made directly to the nominated account.

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## For further information contact

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