

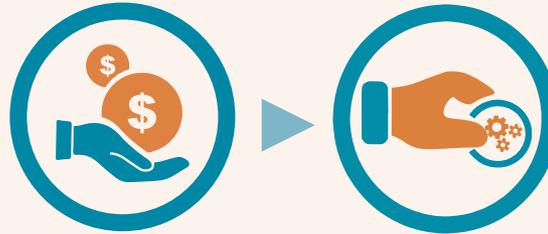
# Business Continuity Credit Facility offers short term financial relief for private sector

The Cook Islands Government is introducing the Business Continuity Credit Facility – an initiative that will assist businesses with short-term liquidity issues and better position businesses for future growth.

The COVID-19 pandemic has had a detrimental effect on many businesses, as border restrictions remain in place keeping tourists from visiting the country. Entities of all sizes have experienced a loss of actual or expected revenue, creating short-term financing issues and hindering investment for future growth.

The Business Continuity Credit Facility aims to provide fast access to cheap loans for daily cash flow needs, enabling businesses to weather the current economic storm and better position them for the post-pandemic recovery.

The initiative is a collaboration between the Cook Islands Government and the Bank of the Cook Islands (BCI), with the Government approving and financing the loans and BCI responsible for administration of loan disbursements and repayments.



## HOW IT WORKS

Loans offered through the Business Continuity Credit Facility do not require security collateral. They are one-off, low-cost, short-term loans available to businesses that have received support through the wage subsidy or the training subsidy measures.

The maximum size of the loan available depends on the number of full-time-equivalent employees, calculated from wage subsidy funding. The base amount is \$12,500 plus \$2,000 per

full-time-equivalent employee, with a maximum loan of \$312,500. Loan terms are 48 months (4 years), with compulsory repayments after 24 months, at a competitive interest rate.

To be eligible for assistance under this initiative, businesses must be active as of 1 March 2020, be based in the Cook Islands, and with a plan to ensure they remain viable and ongoing. All applicants are strongly advised to seek independent financial advice before applying.

Applications open in early July and close on 30 September 2020.

For more information, including eligibility and application details, on the Business Continuity Credit Facility, please visit [www.mfem.gov.ck/erp](http://www.mfem.gov.ck/erp)

