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An Act to amend the Income Tax Act 1997 to change how the place of residence of a company is determined.

The Parliament of the Cook Islands enacts as follows—

(6 December 2021)

- 1 Title**
This Act is the Income Tax (Company Residence) Amendment Act 2021.
- 2 Commencement**
This Act comes into force on the day after the date on which it is assented to by the Queen's Representative.
- 3 Principal Act amended**
This Act amends the Income Tax Act 1997.
- 4 Section 82 amended (Place of residence, how determined)**
Replace subsections (2) and (3) with:
 - “(2) A company is deemed to be resident in the Cook Islands within the meaning of this Part if—
 - “(a) the directors of the company, in their capacity as directors, exercise control of the company in the Cook Islands, even if the directors' decision-making also occurs outside the Cook Islands; or
 - “(b) the place of effective management of the company is in the Cook Islands; or
 - “(c) the company is a Cook Islands company and, at any moment in time during the income year, 3 or more of its directors are resident in the Cook Islands.

- “(3) **Subsection (2)** applies to all companies on and from 1 January 2023.
- “(4) **Subsection (2)** applies to a company on and from 1 January 2022 until the close of 31 December 2022 if the company notifies the Collector that it elects to be subject to **subsection (2)**.
- “(5) A company’s notification and election under **subsection (4)** must be made—
 - “(a) before the close of 1 May 2022; and
 - “(b) in accordance with any prescribed notification and election procedures.”

This Act is administered by the Revenue Division of the Ministry of Finance and
Economic Management.

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