



## Sole Trader Cash Grant

March 2022

# Sole Trader Cash Grants

## Temporary financial support for sole traders

### Objective

As measures around pre-flight testing change and the ability for visitors to transit New Zealand for the Cook Islands is on the horizon, visitor arrivals are expected to grow in April. However, as arrivals have remained slow throughout the period since the border opened in January, the Cook Islands Government is extending the availability of cash grants to all registered sole traders as they get back on their feet. This will better enable sole traders to keep operating during this time and recognises that it will take some time for business to pick up after opening.

### About the sole trader cash grant

The sole trader cash grant was originally operated as a cash payment only to each business that qualifies in a quarter, having been extended from a one-off payment. As the economic effects of the border closure and slow return of visitors are impacting sole traders again, this reinstatement will continue until April 15<sup>th</sup> 2022, where it will end.

The cash payment of \$500 for April 2022 represents support for half of one month, rather than a whole month (as previously).

The cash scheme will be administered by the Revenue Management Division. Payments to eligible businesses will be made as soon as processed, after 1 April 2022.

### Who is eligible?

To qualify for this measure:

- Your business must be structured as a sole trader.
- Your business must have been operating prior to 31 July 2021 and you must be able to provide evidence of this.



- Your business must be registered with the Revenue Management Division (Revenue Management) of the Ministry of Finance and Economic Management and CINSF and operating in the Cook Islands.
- You must be present in the Cook Islands.
- If your business received the sole trader cash grant for February or March 2022, you may apply for the April sole trader grant. That is, each grant must be applied for separately.
- If you have not received a sole trader grant previously, your business is now able to access the Sole Trader Grant, as long as you meet the loss in revenue requirement for March. Your business must be registered with RMD and CINSF in order to access this support by 16 September 2021. VAT returns must be submitted monthly prior to payment where relevant.
- Your business must have paid its PAYE payments for the months of June 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 March 2022 when compared to March 2019. If your business was not operating in March 2019, this comparison will be made with the last full calendar month your business was operating and the border was open (likely July 2021).
- 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 business grant received as part of the ERP Phase I measures does not need to be included in your income tax return, any sole trader business grants received as part of the ERP Phase II, Phase III or Reinstatement measures must be included in your income tax return.

## How to apply

The application process for this measure is as follows:

- The sole trader must login to their CINSF account from 1 April 2022 and apply for the cash grant online.
- Eligibility will be assessed by Revenue Management.
- Once verified, payment will be made directly to the nominated account.
- All Sole Trader Grant applications for April **must be submitted by 31 May 2022**. Applications will not be available after this date.

For any queries about this measure please contact RMD via email [tax.info@cookislands.gov.ck](mailto:tax.info@cookislands.gov.ck).

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## For further information, contact

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