



Sole Trader Cash Grants

Temporary financial support for sole traders

Objective

The objective of this measure is to provide an immediate cash injection to all registered sole traders that are affected by the COVID-19 pandemic, to better enable sole traders to keep operating during the crisis and improve their chances of getting back on their feet afterwards.

About the sole trader cash grant

The sole trader cash grant was designed as a one-off cash \$3,000 payment only to each business that qualifies. As the economic effects of the COVID-19 pandemic have extended further sole trader cash grants have been paid to qualifying businesses with each extension to the ERP scheme.

The cash scheme will be administered by the Revenue Management Division. Payments to eligible businesses will be made as soon as processed, after 10 May 2021.

Who is eligible?

To qualify for this measure:

- If you have previously received a sole trader grant (\$3,000 or \$1,500) you are able to apply for this latest sole trader grant.
- Your business must be structured as a sole trader.
- Your business must have been operating prior to 30 April 2020 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 business grant during the first phase of the ERP, you may apply for the extension of the subsidy.
- Your business must have paid its PAYE payments for the months of April 2020 to April 2021, 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 April 2021 when compared to April 2019. You must declare in your application that you have suffered a loss of more than 30% in April 2021 when compared to April 2019 and provide estimates of your income for each of these months.
- The income from your sole trader business must be your primary source of income. If you have not filed tax returns you will have to provide estimates of your sole trader income for 2019 and 2020 as well as details of all other income you received in these years.
- You must be actively working in your business. For example continuing to sell goods or doing work to promote your business.
- You must have an accounting system in place and be keeping proper business records.

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 or Phase III 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 10 May 2021 and apply for the cash 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.
- All Sole Trader 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 RMD on 29365 or email tax.info@cookislands.gov.ck.

For further information, contact

Pim Borren, Director
Economic Planning Division
Ministry of Finance and Economic Management
PO Box 120, Avarua, Rarotonga, Cook Islands

Telephone: +682 29511 ext. 8326

Email: MFEM.Economics@cookislands.gov.ck

Website: www.mfem.gov.ck

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