

COOK ISLANDS

VALUE ADDED TAX AMENDMENT ACT 1997

ANALYSIS

Title

1. Short title, principal Act and commencement
2. Keeping of records
3. Exempt supplies
4. Exempt Importations
5. Zero-rated supplies

1997, No. 20

An Act to amend the Value Added Tax Act 1997

(27 November 1997)

BE IT ENACTED by Parliament of the Cook Islands in Session assembled, and by the authority of the same, as follows:

1. Short title, principal Act and commencement – (1) This Act may be cited as the Value Added Tax Amendment Act 1997.

(2) This Act shall be read together with and deemed part of the Value Added Tax Act 1997, referred to in this Act as "the principal Act".

(3) This Act comes into force on 1 December 1997.
2. Keeping of records - Section 42 of the principal Act is amended by deleting from subsection (6) the figure "7" and substituting it with the figure "5".
3. Exempt Supplies - After item 3 of the First Schedule to the principal Act, the following item is inserted:

"4. Attendance dues paid to private schools for educational services provided".
4. Exempt importations - (1) Item 4 of the Second Schedule to the principal Act is repealed and the following item is substituted -

"4. Goods imported

(a) by or on behalf of any overseas government for its use in the Cook Islands whether in an office established by that overseas government or in any approved aid project; or

(b) by or on behalf of the United Nations, South Pacific Forum Secretariat or the South Pacific Commission or any agency of those organisations for an approved project in the Cook Islands; or

(c) for use in any approved aid project in the Cook Islands; or

(d) by or on behalf of the University of the South Pacific for use at its centre on Rarotonga; or

(e) by a non-profit body as donations for use in any project in the Cook Islands; or

(f) by any religious organisation, for its own use or for a specific church activity or project in the Cook Islands (except motor vehicles and motor cycles); or

(g) by any organisation for use in public projects in the Cook Islands, being projects designed primarily for the benefit of a particular island, vaka or village community; or

(h) by any school for educational purposes in the Cook Islands; or

(i) by or on behalf of any person or organisation being uniforms or sporting equipment to be donated to any sporting group in the Cook Islands;

(j) by or on behalf of any person requiring life saving medical supplies."

(2) Item 5 of the Second Schedule to the principal Act is amended by repealing paragraph (a) and substituting the following paragraph:

"(a) bona fide gifts sent from abroad to persons in the Cook Islands, the value of which does not exceed \$65 in any one importation."

(3) After item 6 of the Second Schedule to the principal Act, the following item is inserted:

"7. Dead persons transported from overseas to the Cook Islands for burial, and headstones."

5. Zero-rated supplies - (1) Item 3 of the Third Schedule to the principal Act is amended:

(a) by repealing "Any supply of services being the transportation of passengers or goods (including ancillary insurance)-" and substituting the following:

"Any supply of services being the transportation of passengers or goods (including ancillary insurance or the arranging of the insurance or the arranging of the transport of passengers or goods)- " and

(b) by repealing paragraph (c).

(2) The first item 5 of the Third Schedule to the principal Act is repealed and the following item is substituted:

"5. Any supply of services to a person who is not a resident of the Cook Islands and who is outside the Cook Islands at the time the services are performed, not being services which are –

(a) supplied directly in connection with tangible property situated in the Cook Islands at the time the services are performed; or

(b) supplied in relation to the establishment or administration of any entity registered or to be registered under the Off-shore Insurance Act 1981-82, the Off-shore Banking Act 1981, the International Partnership Act 1984, the International Trusts Act 1984, or the International Companies Act 1981-82."

(3) The second item 5 of the Third Schedule to the principal Act is repealed.

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