



Sole Trader Cash Grant

December 2021

Sole Trader Cash Grants

Temporary financial support for sole traders

Objective

With the recent announcement that the border will be open from January 13 for vaccinated visitors from New Zealand, the Cook Islands Government is providing more cash grants to all registered sole traders that are affected by the border being closed. This will better enable sole traders to keep operating during this time and improve their chances of getting back on their feet after January 13.

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 are impacting sole traders again, reinstatement will be continuously reviewed as long as the border is closed.

The cash payment of \$1,000 for December 2021 and a further \$1,000 for January 2022 each represent a closure of one month, rather than three months (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 December 2021 (for December grants) and after 5 January 2022 (for January grants).

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 November 2021, you may apply for the December and January sole trader grants, respectively. 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 November. 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 November, 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 November 2021 when compared to November 2019, or December 2021 when compared to December 2019 (for the January 2022 grant). If your business was not operating in November 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 December 2021 and apply for the cash grant online, providing all necessary information as instructed. This process will then apply again from 5 January 2022 for the January 2022 grant.

- Eligibility will be assessed by Revenue Management.
- Once verified, payment will be made directly to the nominated account.
- All Sole Trader Grant applications for December must be submitted by 31 December 2021, and all Sole Trader Grant applications for January must be submitted by 31 January 2022. 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.

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