

<b>Cook Islands</b>	
<b>Policy responses</b>	
<b>Containment</b>	<ul style="list-style-type: none"> <li>• March 15, 2020: Partial Border Closure (except New Zealand).<sup>1</sup></li> <li>• March 18, 2020: Cancellation of non-essential surgeries &amp; dental care.<sup>2</sup></li> <li>• March 27, 2020: Social distancing rules and punishment on violation.<sup>3</sup></li> <li>• April 2020: School closures.<sup>4</sup></li> <li>• April 22, 2020: Borders remain closed to incoming passenger flights.<sup>5</sup></li> <li>• April 29, 2020: Easing of lockdown by lifting the ban on large public gathering and easing restrictions on sale of alcohol.<sup>6</sup></li> <li>• August 9, 2020: Phase One in the establishment of quarantine-free travel between New Zealand and the Cook Islands is completed.<sup>7</sup></li> <li>• August 25, 2020: Extension of border closure until 23:59 August 25, 2020 (CKT), at which time border closure will be further reviewed.<sup>8</sup></li> <li>• September 1, 2020: Cook Islands restrictions loosened, nationals with work and resident permits are able to return and undertake mandatory quarantine<sup>9</sup></li> <li>• October 30, 2020: 14-day supervised quarantine on arrival requirement lifted</li> <li>• March 19, 2021:<sup>10</sup> <ul style="list-style-type: none"> <li>- Travellers partially allowed</li> <li style="padding-left: 40px;">Masks are recommended</li> <li style="padding-left: 40px;">Mandatory quarantine to 14 days required for all countries</li> <li style="padding-left: 40px;">COVID-19 test required for all countries.</li> <li>-Lockdown in effect</li> <li>-Events partially allowed (No more than 10 people)</li> <li>-Transport operational with restrictions</li> <li>-All shops open</li> <li>-Tourist attractions are open</li> <li>-Restaurants and bars are open with restrictions.</li> </ul> </li> </ul>
<b>Fiscal</b>	<ul style="list-style-type: none"> <li>• March 2020: Total stimulus: NZD 61 million (11.1% GDP)<sup>11</sup> <ul style="list-style-type: none"> <li>○ Breakdown as follows: (i) NZD5 million, Ministry of Health; (ii) NZD2.3 million support for self-isolation; (iii) NZD2 million small capital works program; (iv) NZD12 million major capital projects; (v) NZD0.97 million unemployment benefit; (vi) NZD22.51 million wage subsidy; (vii) NZD1 million child benefit payment; (vii)</li> </ul> </li> </ul>

<sup>1</sup> [www.cookislands.travel/news/increased-border-measures-covid-19](http://www.cookislands.travel/news/increased-border-measures-covid-19)

<sup>2</sup> [www.rnz.co.nz/international/pacific-news/412054/cook-islands-ramps-up-covid-19-prevention-and-mitigation](http://www.rnz.co.nz/international/pacific-news/412054/cook-islands-ramps-up-covid-19-prevention-and-mitigation)

<sup>3</sup> [www.newsroom.co.nz/2020/03/27/1103536/fiji-struggling-with-social-distancing-rules](http://www.newsroom.co.nz/2020/03/27/1103536/fiji-struggling-with-social-distancing-rules)

<sup>4</sup> [www.intaff.gov.ck/covid19-response-package/family-elderly-children/school-closure-support/](http://www.intaff.gov.ck/covid19-response-package/family-elderly-children/school-closure-support/)

<sup>5</sup> [www.smartraveller.gov.au/destinations/pacific/cook-islands](http://www.smartraveller.gov.au/destinations/pacific/cook-islands)

<sup>6</sup> [www.garda.com/crisis24/news-alerts/337401/cook-islands-government-eases-some-covid-19-restrictions-from-april-29-update-3](http://www.garda.com/crisis24/news-alerts/337401/cook-islands-government-eases-some-covid-19-restrictions-from-april-29-update-3)

<sup>7</sup> [www.cit-covid19.s3-ap-southeast-2.amazonaws.com/PM+Puna+Release+re+Air-Bridge+Sunday+9+August+FINAL.pdf](http://www.cit-covid19.s3-ap-southeast-2.amazonaws.com/PM+Puna+Release+re+Air-Bridge+Sunday+9+August+FINAL.pdf)

<sup>8</sup> [www.cit-covid19.s3-ap-southeast-2.amazonaws.com/Cabinet+extends+temporary+total+air+border+closure+-+17+August+2020.pdf](http://www.cit-covid19.s3-ap-southeast-2.amazonaws.com/Cabinet+extends+temporary+total+air+border+closure+-+17+August+2020.pdf)

<sup>9</sup> <https://www.rnz.co.nz/international/pacific-news/424950/cook-islands-border-restrictions-loosened>

<sup>10</sup> <https://covidcontrols.co/restrictions/cook-islands>

<sup>11</sup> [www.covid19policy.adb.org/policy-measures/COO](http://www.covid19policy.adb.org/policy-measures/COO)

	<p>NZD0.87 million one-off welfare payment; (viii) NZD50 thousand redeployment program; (ix) NZD3.36 million business grants; (x) NZD2.32 million indirect costs (tax relief, TAU, etc).</p> <ul style="list-style-type: none"> <li>○ Local businesses: provisional tax adjustments and tax payment relief, income tax credit of \$2,000 for short-term accommodation providers with up to 10 beds<sup>12</sup>, one-off payment for registered businesses of: \$2,000 for Sole-traders; \$5,000 for those with a turnover less than \$300,000. \$10,000 for those businesses with a turnover between \$300,000 and \$5 million.<sup>13</sup></li> <li>○ Social assistance: one-off welfare payment of \$400 to old age pensioners, care givers and the infirm and destitute.</li> <li>○ Employment: one month of benefits at the minimum wage for all individuals who have become unemployed due to COVID-19, employment Services scheme to assist individuals in finding new employment, reduction in individual employee Cook Island Superannuation Fund (CINSF) contributions from 5 to 3 per cent for a 3-month period.</li> <li>○ Households: 100% electricity subsidy for households on Rarotonga and Aitutaki for 3 months starting from the 19 March 2020, payment of \$100 for each child for every fortnight of school closure,<sup>14</sup> provisional tax adjustments and tax payment relief for individuals.<sup>15</sup></li> <li>○ Income support: NZD11.32 million indirect costs (tax relief, TAU,etc)<sup>16</sup></li> </ul>
Monetary	-
Financial	-
SME measures (last update 22 January 2021)	<p><b>Subsidy:</b></p> <ul style="list-style-type: none"> <li>● The government has allocated USD 11.25 million to support enterprises to provide wage subsidies, cash grants and electricity subsidies for a total of about 6,000 employees.<sup>17</sup></li> </ul> <p><b>Tax exemption:</b></p> <ul style="list-style-type: none"> <li>● On 18 March 2020, the Cook Island Government announced a USD 61 million COVID-19 Economic Response Package with tax payment relief and income tax credit for short-term accommodation providers<sup>18</sup>.</li> </ul> <p><b>Deferral of tax payment:</b></p> <ul style="list-style-type: none"> <li>● In case of tax payment difficulty, the Revenue Management can help set up a temporary payment installment arrangement or adjustment of a current payment installment arrangement.<sup>19</sup></li> </ul>

<sup>12</sup> [www.mfem.gov.ck/images/ECON/COVID19\\_Factsheet\\_3\\_Tax\\_support.pdf](http://www.mfem.gov.ck/images/ECON/COVID19_Factsheet_3_Tax_support.pdf)

<sup>13</sup> [www.mfem.gov.ck/images/Telecommunications/Cook\\_Islands\\_Economic\\_Response\\_to\\_COVID-19.pdf](http://www.mfem.gov.ck/images/Telecommunications/Cook_Islands_Economic_Response_to_COVID-19.pdf)

<sup>14</sup> [www.cit-covid19.s3-ap-southeast-2.amazonaws.com/COVID19\\_Factsheet++1%2C+2+and+3.pdf](http://www.cit-covid19.s3-ap-southeast-2.amazonaws.com/COVID19_Factsheet++1%2C+2+and+3.pdf)

<sup>15</sup> [www.mfem.gov.ck/images/ECON/COVID19\\_Factsheet\\_3\\_Tax\\_support.pdf](http://www.mfem.gov.ck/images/ECON/COVID19_Factsheet_3_Tax_support.pdf)

<sup>16</sup> <https://covid19policy.adb.org/policy-measures/COO>

<sup>17</sup> <https://www.rnz.co.nz/international/pacific-news/413414/cook-islands-cash-reserves-to-last-six-months-of-covid-19-crisis>

<sup>18</sup> <http://www.mfem.gov.ck/rmd-tax/covid-19-tax-updates#electricity-subsidy-2>

<sup>19</sup> <http://mfem.gov.ck/rmd-tax/covid-19-tax-updates#tax-payment-relief>

	<p><b>Tax refund:</b></p> <ul style="list-style-type: none"> <li>To assist short-term accommodation providers with up to 10 beds, an income tax credit of USD 2,000 is available until 30 April 2020.<sup>20</sup></li> </ul> <p><b>Tax reduction:</b></p> <ul style="list-style-type: none"> <li>Reductions in the mandatory employer Cook Island National Superannuation Fund contributions will temporarily provide additional financial support for businesses during the COVID-19 crisis.<sup>21</sup></li> </ul> <p><b>Other fiscal support:</b></p> <ul style="list-style-type: none"> <li>Increase in the provisional tax threshold from USD 2,000 to USD 5,000: This applies to provisional tax for the 2020 and subsequent tax years. If one's provisional tax payable for the 2020 tax year is between USD 2,000 and USD 5,000 this will automatically be reassessed by Revenue Management.<sup>22</sup></li> </ul> <p><b>Loan support:</b></p> <ul style="list-style-type: none"> <li>The Cook Islands Government is launching a suite of credit initiatives designed to assist individuals and businesses throughout the period 1 July 2020 to 30 June 2021. It includes the Business Continuity Credit Facility. The latter aims to provide fast access to cheap loans for daily cashflow needs to enable businesses to weather the current economic storm and better position them to return to normal after the pandemic.<sup>23</sup></li> </ul> <p><b>Employment support:</b></p> <ul style="list-style-type: none"> <li>Wage subsidy: The subsidy payments is made monthly, with three payments covering a three-month period, from 30 March, 2020 to 30 June, 2020. Eligible part-time and full-time employees receive respectively USD 133 and USD 266 per week.</li> </ul> <p><b>Other financial support:</b></p> <ul style="list-style-type: none"> <li>Cash Grant: A payment of up to USD 15,000 is made as a one-off payment to each business that qualifies.<sup>24</sup></li> <li>Electricity subsidy: The subsidy, which applies to all business electricity customers, will commence from the meter reading following 19 March 2020. Monthly electricity bills will be 60 per cent subsidized for business customers in Rarotonga by Te Aponga Uira and 100 per cent subsidized in Aitutaki by Te Mana Uira O Araura. No application is required to access the subsidy.<sup>25</sup></li> <li>The Cook Islands Government is launching a suite of credit initiatives designed to assist individuals and businesses throughout the period 1 July 2020 to 30 June 2021. <ul style="list-style-type: none"> <li>(i) The Business Continuity Credit Facility: aims to provide fast access to</li> </ul> </li> </ul>
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<sup>20</sup> <http://mfem.gov.ck/rmd-tax/covid-19-tax-updates#cash-grants>

<sup>21</sup> <http://mfem.gov.ck/rmd-tax/covid-19-tax-updates#reduced-employer-cook-island-national-superannuation-fund-contributions>

<sup>22</sup> <http://mfem.gov.ck/rmd-tax/covid-19-tax-updates#increase-in-the-provisional-tax-threshold-from-2-000-to-5-000>

<sup>23</sup> <http://www.cookislandschamber.org/>

<sup>24</sup> <http://mfem.gov.ck/rmd-tax/covid-19-tax-updates#cash-grants>

<sup>25</sup> <http://mfem.gov.ck/rmd-tax/covid-19-tax-updates#electricity-subsidy-2>

	<p>cheap loans for daily cashflow needs to enable businesses to weather the current economic storm and better position them to return to normal after the pandemic.</p> <p>(ii) SMART Economy Initiative (SMART): to provide a mix of grants and tax credits to support new commercial business ventures providing innovative ICT applications and services to business and consumers in the Cook Islands and abroad.</p> <p>(iii) SMART AgriTech Scheme (AgriTech): It will provide grant funding to commercial farmers and/or agribusiness ventures to encourage investment in technology and smart processes to improve yield, efficiency and profitability across the agricultural value chain.<sup>26</sup></p>
Other policy measures	<p><b>International cooperation:</b></p> <ul style="list-style-type: none"> <li>• March 2020: NZD7 million from New Zealand in direct budgetary support for Covid-19 response measures</li> <li>• July 7, 2020: Drawn down on NZ\$15.7 million policy-based loan from ADB Disaster</li> <li>• July 30, 2020: The Asian Development Bank (ADB) announced more than \$13 million in grants to help 10 developing members in the Pacific finance their responses to the coronavirus disease (COVID-19) pandemic... \$1 million for the Cook Islands.<sup>27</sup></li> <li>• August 10, 2020: USD0.05 million (ADB) under Knowledge and Support Technical Assistance for Strengthening Water, Sanitation, and Hygiene Practices and Hygiene Behavioral Change in the Pacific; August 12, 2020, USD0.10 million technical assistance under "Support for gender sensitive responses to COVID-19 in the Pacific Developing Member Countries.</li> <li>• December 17, 2020: USD0.25 million technical assistance under "Supporting MSMEs in the Pacific from the Effects of COVID-19 Pandemic".<sup>28</sup></li> <li>• December 25, 2020: A \$20 million loan was approved by the ADB to help Cook Islands respond to COVID-19.<sup>29</sup></li> </ul>

<sup>26</sup> <http://www.cookislandschamber.org/>

<sup>27</sup> [www.adb.org/news/adb-announces-more-13-million-grants-help-pacific-combat-covid-19](http://www.adb.org/news/adb-announces-more-13-million-grants-help-pacific-combat-covid-19).

<sup>28</sup> <https://covid19policy.adb.org/policy-measures/COO>

<sup>29</sup> <https://www.adb.org/news/adb-provides-20-million-help-cook-islands-respond-covid-19>