

MFEM and Cook Islands Women Entrepreneurs

Introduction:

This section of the report will include a summary and brief description of the types of taxes operational in the Cook Islands. Flowcharts will be used to present the Tax information and guidance tax requirements. Particularly VAT and PAYE.

Method of Research:

1. Information from the MFEM website
2. Interview with key personnel in the MFEM RMD Office.

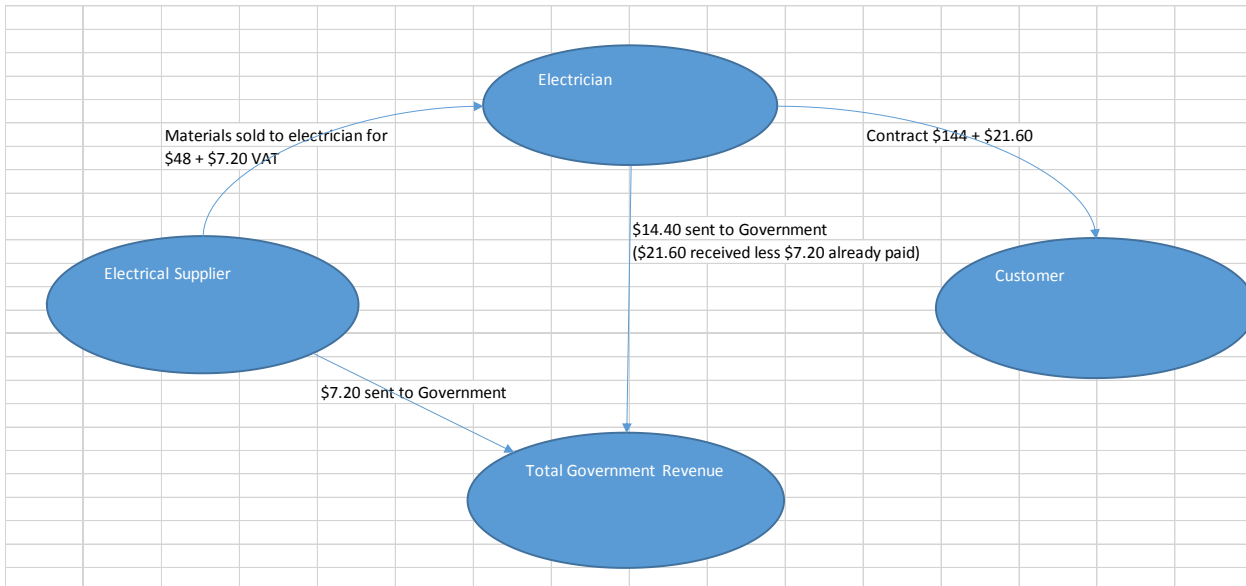
TYPES OF TAXES IN THE COOK ISLANDS

There are seven different types of tax that operates in the Cook Islands and includes the following and brief descriptions is provided in the report;

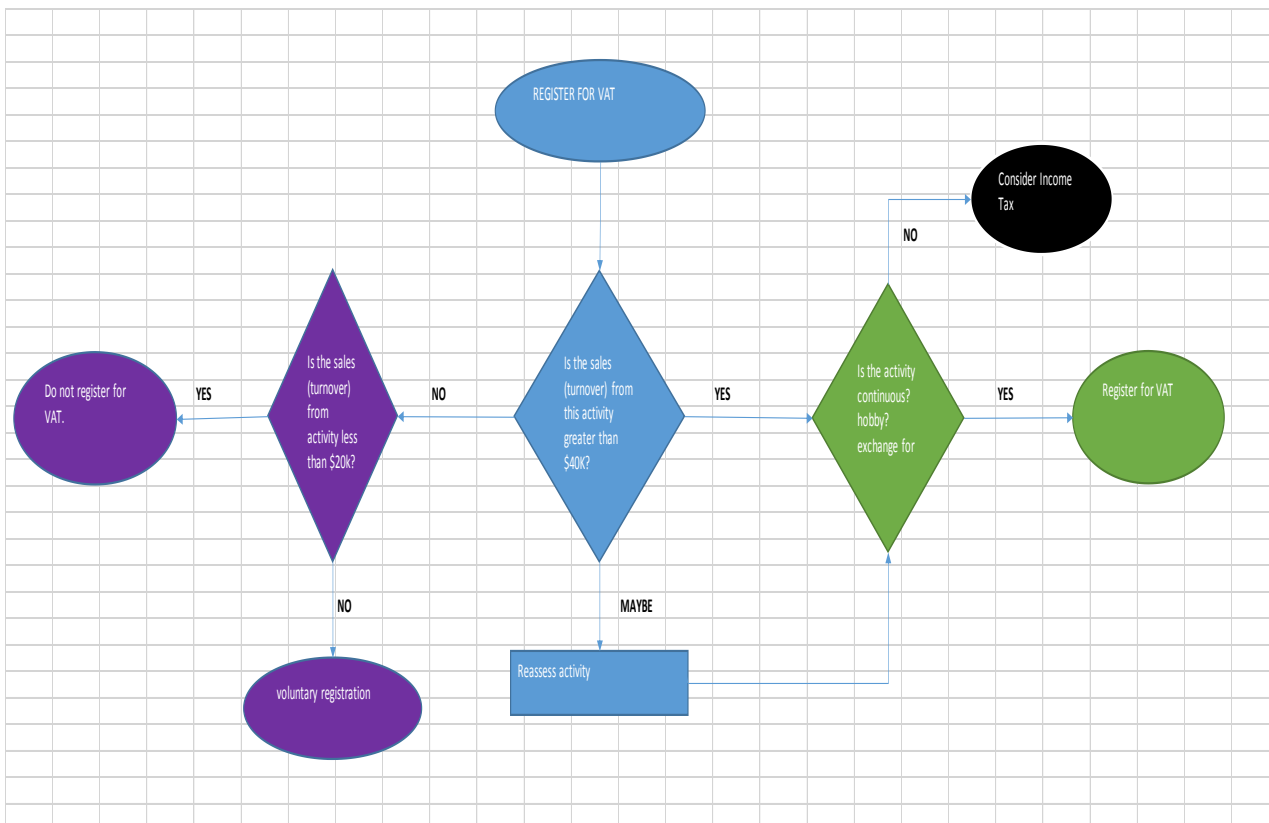
- 2.1 Import levies
- 2.2 Value Added Tax 15%
- 2.3 Income Tax the same as PAYE (Pay as you earn)
- 2.4 Company Tax
- 2.5 Withholding Tax
- 2.6 Trust Income Tax
- 2.7 Departure Tax

For a business the major tax that will have an impact would be the Value Added Tax 15%, Income Tax and Company Tax.

HOW VAT works:

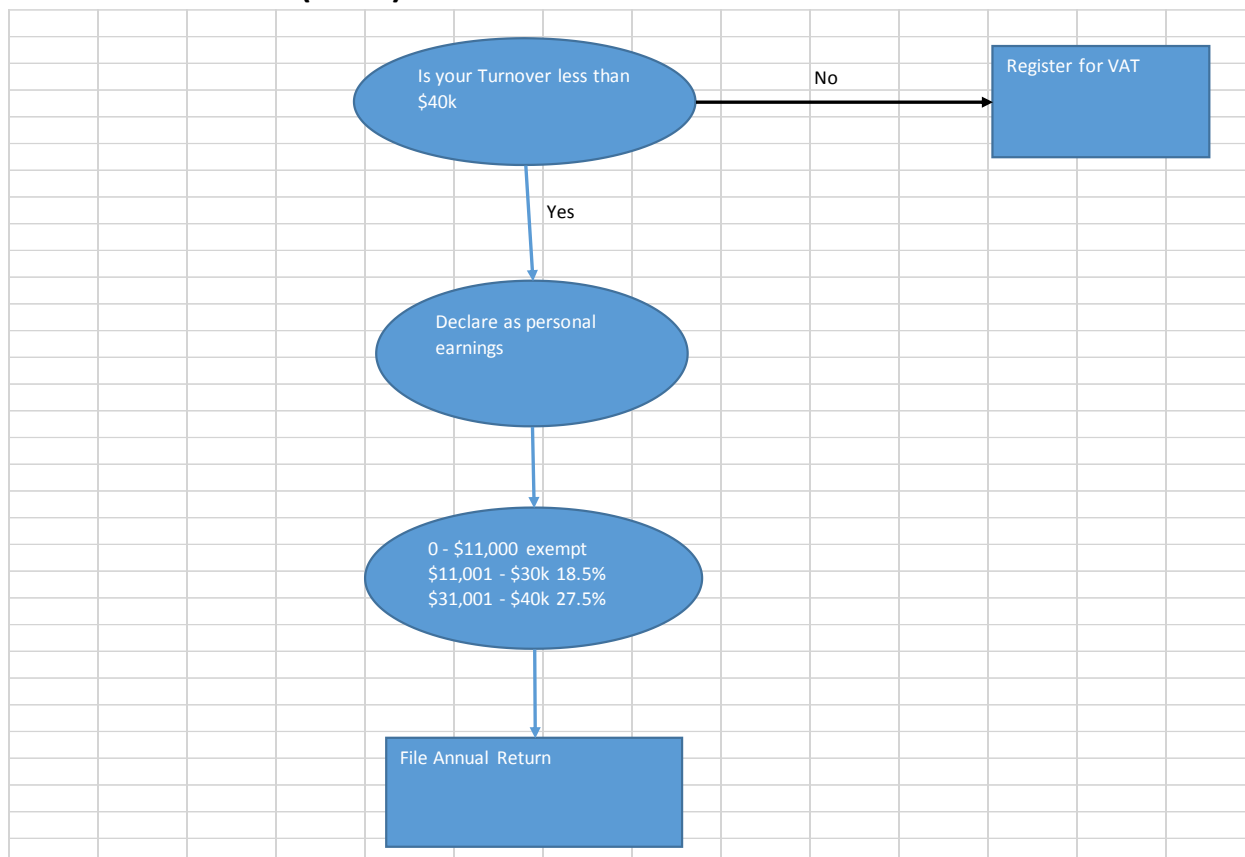


To register or not for VAT



\$20k to \$40k voluntary registration

PAY AS YOU EARN (PAYE) INCOME TAX



Things you should know:

- Tax Advisory Officer
- The aim is to provide support and tax education to small businesses and organizations to assist with meeting tax obligations.
- There are offences and penalties if a registered person does not comply with the VAT Act 1997.
- The advantages and disadvantages of registering for VAT
- Operations of the business is also important when considering the VAT implications
- VAT guide will also be included in the main report.
- It is compulsory for all employers to deduct PAYE from wages, salary and other payments made to employees.

Conclusion:

MFEM requirements is available on the website and also provides assistance and education for Tax requirements. The above was prepared and checked with David Toleafoa Tax Officer at RMD MFEM.

There is a need for all of these information to be simplified further for non-accountants. Through more workshops and publishing of Tax requirements in flowchart.