



The Cook Islands Review

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We Certainly Do Live In Interesting Times!

“Like it or not, we live in interesting times. They are times of danger and uncertainty; but they are also the most creative of any time in the history of mankind.”¹

The origin of the phrase “may you live in interesting times” is not completely clear. Some say it is an old Chinese curse to their enemies. It has however been recited and paraphrased by politicians, authors, journalists and the like many times through the years to reflect times of uncertainty, anxiety, upheaval and danger.

The above quotation is taken from an address given by Robert F. Kennedy over 50 years ago, but could so easily have been spoken today. The threat of global terrorism, the war in Syria, the fluctuating price of oil and its oversupply, Brexit and of course Donald Trump becoming the US president have created interesting times to rival any. From a financial services perspective, the political push by the major world economies for transparency in tax matters (to assist them in managing their own taxpayers and funding their huge deficits) and tighter (many would say suffocating) banking regulations to control the international flow of funds and money laundering, is no less interesting.

As Robert F. Kennedy did his, we would be well justified in regarding our times as “the most creative of any”. We must therefore remain positive that such creativity finds a way to ensure that funds keep flowing and businesses remain in business. Whilst no one denies a government its rightful tax take or wants to encourage those profiting from crime, the consequences of over regulating financial services will benefit nobody.

¹ John F. Kennedy Presidential Library and Museum, Speech title: Day of Affirmation Address, Speaker: Robert F. Kennedy, Speech Location: University of Capetown, Capetown, South Africa, Speech Date On Website: June 6, 1966,

Articles Published

In January the following published articles were available:

“**Wealth Management: The Cook Islands Solution**” by Alan Taylor, FSDA Marketing Director, published in the China Offshore 7th Annual Trusts & Foundations Guide. The article explains why a Cook Islands international trust/LLC structure is an ideal solution for holding, administering, managing and transferring the wealth of the Chinese HNWI. Click [here](#) to read the full article.

“**The South Pacific Bridge to Financial Security**” by Tamatoa Jonassen, FSDA CEO, published in CEO Insight magazine. Tamatoa explained the many advantages of using the Cook Islands for wealth planning. Click [here](#) to read the full article.



Tamatoa Jonassen, FSDA CEO presenting at 2015 China Offshore, Shanghai.

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Special points of interest:

- *CRS reporting to commence in 2018.*
- *The APG will be reviewing the Cook Islands in 2017.*
- *The International Trust Act is being amended.*



Cook Islands Parliament.

Meeting International Obligations:

The global push for tax transparency and the automatic exchange of financial information continues at great pace and jurisdictions, whether offshore, onshore or somewhere in between, are allocating resources to and focusing on complying with the multitude of rules and regulations required to meet their international obligations. The Cook Islands has been very active in this regard over the past few months having:

- Signed the Multilateral Convention on Mutual Administrative Assistance on Tax Matters on 28th October 2016;
- Enacted the Income Tax (Automatic Exchange of Financial Account Information and Other Matters) Amendment Act 2016 (the “Amendment”) on 26th September 2016, in order to incorporate the OECD’s Common Reporting Standard (“CRS”) on the automatic exchange of financial account information into its domestic laws;
- Passed the Income Tax Act (Automatic Exchange of Financial Account Information) Regulations 2016 on 29th November 2016. The Regulations set out the due diligence and reporting obligations on Cook Islands financial institutions to ensure compliance with CRS.

The Cook Islands has implemented FATCA and reporting to the United States IRS has commenced. Financial Institutions are now preparing themselves for reporting in accordance with CRS which will commence in 2018.

The Asia Pacific Group on Money Laundering (an FATF-style regional body) are expected back in the Cook Islands later this year. It will be carrying out a further evaluation to determine the Cook Islands’ compliance with the FATF recommendations for combating money laundering and the financing of terrorism. The last evaluation of the Cook Islands took place in 2009 where the Cook Islands obtained a very favourable report.

“The FSDA is planning an event in Hong Kong in November...”

In the Pipeline:

FSDA is going on the road... sort of! The FSDA is planning an event in Hong Kong in November this year to show case the Cook Islands financial services industry and its participants. Planning is in the preliminary stages so details and time, date and venue will be provided on our website (www.cookislandsfinance.com) and in the future editions of this newsletter as they become available. Watch this space!

The Cook Islands International Trusts Act 1984 will be further amended during 2017. Of the proposed amendments, some are technical and some administrative but each will add to and reinforce the Cook Islands International Trust’s reputation as the premier wealth protection vehicle. A Bill is currently being drafted, so more information will be provided as things progress. Keep an eye on our [website](#) for more details.



Cook Islands voyaging canoe.

A new Financial Transactions Reporting Act will be enacted this year. The Financial Transactions Reporting Bill 2016 is currently waiting for Parliament’s approval and passing into law. The new Act will repeal the existing Financial Transactions Reporting Act 2004 and further enhance the Cook Islands’ laws and regulations to combat money laundering and the financing of terrorism. The new Act will capture the current requirements of the FATF and should be looked upon favourably by the APG on Money Laundering during the Cook Islands next mutual evaluation.



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Rarotonga, Cook Islands.

Visit Our Website

We regularly add topical items under our Industry News webpage and will soon be adding a series of Fact Sheets to highlight the Cook Islands financial services and products to advisors, intermediaries, clients and those with an interest in what the Cook Islands can provide. Please visit our [website](#) for more information.

About Us

The Cook Islands Financial Services Development Authority is a government agency tasked with the development of the financial services industry in the Cook Islands. The FSDA was established in 2009 and functions independently from the Financial Supervisory Commission that regulates the industry. Like similar agencies in other jurisdictions, the FSDA focuses on promoting the Cook Islands, coordinating on industry relevant issues, and developing financial products and services. The FSDA is an important point of contact for any financial institution looking to establish a presence in the Cook Islands.

Key FSDA Staff



Tamatoa Jonassen, Esq., CEO.

Tamatoa graduated with a Bachelor of Science with a double major in Information Systems and Political Science from Brigham Young University—Hawaii, a Graduate Certificate in Conflict Resolution from Matsunaga Institute for Peace and Conflict Resolution, a Pacific and Asian Legal Studies law certificate from University of Hawaii, and Juris Doctor from University of Hawaii. Tamatoa is admitted to the

Hawaii State Bar and the Cook Islands Law Society. He is currently serving his third term as a member of the Law Society Council, which manages the affairs of the Cook Islands Law Society. In his role as CEO, Tamatoa is charged with growing the Cook Islands international financial services industry, promoting the jurisdiction and acting a liaison between government and the private sector.



Alan Taylor, BA LLB TEP, Marketing Director

Alan has degrees in law and economics from Auckland University in New Zealand. He has been admitted to the New Zealand bar and is a member of STEP and the New Zealand Institute of Management. Alan has extensive experience in legal, business development, and senior management positions in both public and private organizations. Prior to joining the FSDA, Alan was based in Singapore heading the

asset management and fiduciary services businesses for a Swiss listed financial services organization. Having returned home to the Cook Islands with his family, Alan was excited with the prospect of contributing to the growth and development of the Cook Islands financial services industry in his role as Marketing Director.

Important Information: The Cook Islands Financial Services Development Authority does not provide advice, recommendations or opinions regarding legal and/or tax matters under any circumstances. To the extent that this communication, or anything referenced herein may concern tax matters, it is not intended to be used, and cannot be used, for the purpose of avoiding tax liabilities or penalties that may be imposed by law, foreign and domestic. The Cook Islands Financial Services Development Authority strongly recommends that before any person makes a decision to create a structure, professional legal and tax advice should be taken in his/her country of residence.