



The Cook Islands is a cooperative jurisdiction for tax purposes

The EU Council has announced today that the Cook Islands has been removed from its “grey list” of jurisdictions that have made commitments to comply with EU’s tax governance principles, but are still working to meet them. This follows the Cook Islands passing legislation in December 2019 to address the concerns raised by the EU regarding preferential and harmful tax regimes.

In March 2019 the Cook Islands was placed on the EU’s “grey list” with legislative changes to be enacted by 31 December 2019. Those changes were made, primarily removing tax exemptions for Cook Islands international companies, resulting in the Cook Islands now being regarded by the EU as a cooperative jurisdiction for tax purposes.

Upon the passing of the amending legislation in December 2019, the Deputy Prime Minister and Minister of Finance of the Cook Islands, the Hon. Mark Brown, stated that *“the Cook Islands has at all times worked openly, honestly and constructively with the European Union in order to meet the commitment it made. By passing this legislation the Cook Islands expects not to be listed as a non-cooperative tax jurisdiction and has again demonstrated its overriding commitment to meet all of its international obligations”*. The Deputy Prime Minister also announced that *“in 2020 the Cook Islands will be undertaking a thorough review of its taxation system including the taxation of company income. In addition, we will be exploring the introduction of a territorial tax system, consistent with those currently implemented in many jurisdictions, as well as other measures to ensure the Cook Islands remains internationally competitive and attractive to those wishing to do business here.”*

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