



MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT
GOVERNMENT OF THE COOK ISLANDS

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BUSINESS ENVIRONMENT REFORMS GAIN MOMENTUM

The Government with the assistance of the Asian Development Bank (ADB), Pacific Private Sector Development Initiative's technical support continues to progress implementation of important business environment reforms. The reforms consist of drafting of a new modernised Companies Act and a Personal Property Securities Act (PPSA) tailored to meet local conditions. The bills, having been drafted, were presented to stakeholders in a visit in August and are now being finalised and will require final endorsement by cabinet, hopefully later this year.

Once the Companies Act has been passed, NZ Aid Programme funding will allow the implementation of a new on-line company registry. ADB together with the NZ Companies Office will support the full implementation of the new law and on-line registry. The new PPSA will allow for moveable property to be used as collateral for loans. The new system which will be supported by an on-line registry will make it easier for individuals and businesses to access finance.

This will bring significant benefits to all local businesses including lowering the compliance and registration costs for incorporating a company, providing greater transparency in the operations of companies and the Act also has the potential to lower interest rates on loans supported by moveable property.

Financial Secretary Garth Henderson endorses the updating of legislation to reduce the cost of doing business in the Cook Islands and supports the increased access to finance for small businesses. He states "this move to greater transparency and cost reduction has been happening across the region and we are very pleased with progress to date. We look forward to the introduction of this legislation in the Cook Islands and will see it bring significant benefits from 2017 onwards".

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