



MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT
GOVERNMENT OF THE COOK ISLANDS

To: Standard Practice Statement
From: Xavier Mitchell, Collector, Revenue Management Division (“RMD”)
Subject: External Standard Practice Statement - Guidelines on granting an extension of time for filing tax returns for: VAT, PAYE monthly schedules and PAYE reconciliations, Income Tax and Withholding Tax
Date: 1 June 2018

Introduction

1. This Standard Practice Statement provides guidelines on when the Collector may grant an extension of time for filing tax returns for: VAT, PAYE monthly schedules, PAYE reconciliations, income tax and withholding tax (“Tax Returns”).
2. The Collector has discretion to grant an extension of time for filing of Tax Returns under provisions of the Value Added Tax Act 1997¹, and the Income Tax Act 1997².

Extension of time to file Tax Returns

3. The Collector may extend the time for filing a Tax Return if satisfied that:
 - 3.1 The extension of time arises as a result of an event or circumstances beyond the control of a taxpayer; and
 - 3.2 As a consequence of that event or circumstance the taxpayer has a reasonable justification or reason for not furnishing a Tax Return by the due date; and
 - 3.3 The taxpayer corrected the failure to comply as soon as practicable.
4. Without limiting the Collectors discretion, an event or circumstance may include:
 - 4.1 An accident or disaster; or
 - 4.2 Illness or emotional or mental distress.

¹ Section 15 (4) Value Added Tax Act 1997

² Sections 15 (3) and 227 Income tax Act 1997

5. An event or circumstance does not include:
 - 5.1 An act or omission by an agent unless the Collector is satisfied that the act or omission was caused by an event or circumstance beyond the control of the agent -
 - 5.1.1 That could not have been anticipated; and
 - 5.1.2 The effect of which could not have been avoided by compliance with accepted standards of business organisation and professional conduct; or
 - 5.1.3 Relates to the taxpayer's financial position.
6. Nothing in this Standard Practice Statement limits the Collector from exercising the discretion in section 227 Income Tax Act 1997, to extend the time for filing resulting from delays caused by air and sea communications for taxpayers living on Islands other than Rarotonga. Furthermore, nothing in this Standard Practice Statement limits a taxpayer's right to make an application to the Collector for financial relief from additional taxes under Part XII of the Income Tax Act 1997.

Requesting an extension of time

7. A request for an extension of time to file a tax return must be made in writing to the attention of Revenue Management Division prior to the due date for filing of the Tax Return. The written request for an extension of time must contain sufficient details of the event or circumstances relied upon, the proposed timeframe for filing the Tax Return, and provide any supporting documentation.