



ANALYSIS

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1990, No. 9

An Act to provide for the cancellation suspension and bar of Registration under section 12 and 13 of the Turnover Tax Act 1980

(6 December 1990)

BE IT ENACTED by the Parliament of the Cook Islands in Session assembled, and by the authority of the same, as follows:

1. Short Title and commencement - (1) This Act may be cited as the Cancellation, Suspension, and Bar of Registration Act 1990.

(2) This Act shall come into force on such day as the Minister may appoint by notice in the Gazette.

2. Interpretation - In this Act, unless the context otherwise requires -

"Collector" means the Collector of Inland Revenue appointed under the Income Tax Act 1972;

"Department" means the Inland Revenue Department constituted under the Income Tax Act 1972;

"Person" or "Company" includes every individual, incorporated company, partnership, society, unincorporated association, group, corporation sole, personal representative, trust, or other entity whether such persons are doing business for themselves or in a fiduciary capacity, and whether the individuals are residents or non-residents of the Cook Islands, and whether the Company or other association is created or organised under the laws of the Cook Islands or elsewhere;

"Principal" means, in the case of an activity not conducted by a Company, the Person or Persons controlling the activity, and in the case of a Company, a controlling shareholder or a group of shareholders exercising effective control on the Company, a director, an officer of the Company, or the Person or Persons having effective control of the Company;

"Registration" means registration as a wholesale purchaser or registration as a wholesale service user pursuant to sections 12 or 13 of the Turnover Tax Act 1980;

"Taxpayer" means any Person or Company liable for any Tax under the Turnover Tax Act 1980;

"Tax year" means either the calendar year, or the Taxpayer's fiscal year when the same constitutes the tax period instead of the calendar year pursuant to section 11 of the Turnover Tax Act 1980.

3. Cancellation and Suspension of Registration - The Collector may cancel or suspend the Registration of a Taxpayer where, on reasonable grounds, he believes that -

- (a) the Taxpayer has filed fraudulent turnover tax returns with the Department;
- (b) with respect to the current or any past Tax year or years, the Taxpayer owes the Department for a period exceeding three months at least 20% of the Turnover Tax due or anticipated to be due for that year.

4. Bar of Registration - The Collector may refuse to issue a Registration to a Person or Company where on reasonable grounds he believes that the Principal of such Person or Company is substantially the same Principal of a Person or Company which within the two years preceding the application for Registration, was subject -

- (a) to a cancellation or suspension under section 3 of this Act; or
- (b) to a winding up under the Companies Act 1970-71 for debts due to the Department pursuant to the Turnover Tax Act 1980.

5. Appeal - Any Person or Company affected by a decision of the Collector pursuant to this Act may appeal against the decision to the High Court of the Cook Islands.

This Act is administered by the Inland Revenue Department