



PARLIAMENT OF THE COOK ISLANDS

BANKING AMENDMENT BILL 2019

EXPLANATORY NOTE

This note does not form part of the Bill, but is intended to identify the more important aspects of the Bill.

- Clause 1** sets out the Title of the Bill.
- Clause 2** provides that the Bill comes into force on 1 January 2022.
- Clause 3** provides that the Bill amends the Banking Act 2011 (the **principal Act**).
- Clause 4** amends section 4 of the principal Act by inserting 3 new definitions. These include the definition of “account”, which has the same meaning as in the Financial Transactions Reporting Act 2017, the definition of “interest”, which has the same meaning as in the Income Tax Act 1997, and the definition of “withholding income”, which has the same meaning as in the Income Tax Act 1997.
- Clause 5** replaces section 55 of the principal Act. The new section provides that any interest income derived from an account operated by a licensee solely for the purpose of an international banking business under an international banking licence is not withholding income.
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Hon. Mark Brown

Banking Amendment Bill 2019

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An Act to amend the Banking Act 2011.

The Parliament of the Cook Islands enacts as follows—

- 1 Title**
This Act is the Banking Amendment Act 2019.
- 2 Commencement**
This Act comes into force on 1 January 2022.
- 3 Principal Act amended**
This Act amends the Banking Act 2011 (the **principal Act**).
- 4 Section 4 amended (Interpretation)**
(1) Section 4 is amended by inserting the following definitions in their appropriate alphabetical order:
“**account** has the same meaning as in section 4 of the Financial Transactions Reporting Act 2017
“**interest** has the same meaning as in section 2 of the Income Tax Act 1997
“**withholding income** has the same meaning as in section 98 of the Income Tax Act 1997”.
- 5 Section 55 replaced (Certain income not withholding income)**
Replace section 55 with:

“55 Certain income not withholding income

Despite section 98 of the Income Tax Act 1997, where an account is operated by a licensee solely for the purpose of international banking business under an international banking licence, any interest income derived from that account is deemed not to be withholding income.”

This Act is administered by the Financial Supervisory Commission.
Printed under the authority of the Cook Islands Parliament—2019.
