

BUSINESS SUPPORT LOAN GUIDELINE

1.0 Introduction

The Government considers economic growth as a critical factor in reducing economic disparity, improving welfare and increasing national development. This is reflected in Goal 1, 2 and 15 of the National Sustainable Development Goals. The focus on small to medium size business is intentional as the majority of indigenous Cook Islands people in business are in this sector.

The Business Support Loan (BSL) Scheme is a pool of money allocated by Government to provide financial assistance for new, existing or expanding businesses. The Business Trade & Investment Board provides soft loans to Small-Medium Enterprises in the hope to support local small business grow and expand. Applicants must be eligible by meeting the requirements, conditions and criteria set below.

- The Business Trade & Investment Board (BTIB) manages and processes all applications to present to the Board for a decision. This means that BTIB staff gather all credible information about the Applicant and their business and submits them to the Board for consideration. The final decision on these applications is made by the Board.
- The Bank of the Cook Islands (BCI) administers, disburses and manages the loan and loan repayments from the Applicant. This includes managing arrears clients and applying their arrears procedures to them.

2.0 Eligibility

- Must be an indigenous *Cook Islander* as defined under the Cook Islands Constitution
- The loan must be for business purposes only
 - The purchase of airline tickets, alcohol and vehicles are not entitled under this loan scheme.
- Applicants must agree that the use of the loan must be for the purpose stated in the application;
- BTIB reserves the right to decline any application if information provided is not factual.
- BTIB may approve any amount it considers appropriate;
- BTIB owns the asset until it is fully paid. BTIB reserves the right to repossess the asset to resell if the client falls into arrears;
- Any conflicts of interest between the Board members and Applicants must be declared.

3.0 Conditions of Loan

- Maximum borrowing: \$10K
- Minimum borrowing: \$2K
- Loan term: Max of 24 months. Can be extended if Board approves a higher amount than \$10k
- If product is being purchased from overseas, invoice must include cost of product plus insurance and freight costs.
- If client is in the outer islands, sea or air freight cost must be included.
- An interest rate of 5% per annum will apply

4.0 Requirements

4.1 Please note, the client is required to provide the following when applying for a loan with BTIB:

- Completed Business Application Form
- Business Plan (Only if you are borrowing more than \$5,000.00)
- Business bank statement for the last 3 months (Only if you are an existing or expanding business). If the Client doesn't have a business bank account, he/she needs to show that one will be opened.
- Payslips for the last 4 weeks (Only if you have a part-time or full-time employment)
- Cash-Flow Forecast (Your business' expected income and expense over the next coming months)
- Profit & Loss Statement (If an existing or expanding business)
- Invoices/Quotes (for all products and services to be purchased by the funding)
- Guarantor Letter (refer to Guarantor requirement)
- 2x Current forms of ID for both Applicant and Guarantor
 - Either passport, driver's license or birth certificate.

4.2 All clients are to submit all documents by the 14th of each month to allow for time to vet application before submitting board papers.

4.3 The Client is required to organise payment to the Business Support Funds BCI account (78801 S7) once loan has been processed by the Bank of the Cook Islands

Please note that regarding approval of applications:

- **BTIB decision:** The Board meets every end of the month to assess all applications for approval.
- **BCI:** Once approved, the BTIB will notify BCI and submit all documents required. BCI will manage and administer the loan disbursement and repayment according to the schedule provided in the application. **Funds not used for the agreed purpose must be repaid to BCI immediately.**

To apply, contact:

Email: btib@cookislands.gov.ck

Ph – 24296

The Business Trade Investment Board