



COOK ISLANDS LIMITED LIABILITY COMPANY FACT SHEET

OVERVIEW

A Cook Islands Limited Liability Company (LLC) is a corporate entity established under the Cook Islands Limited Liability Companies Act, which was modelled in part on the Nevis LLC. It combines limited liability with contractual flexibility and a separate legal personality, making it a versatile vehicle for international structuring. Cook Islands LLCs are most commonly used as holding, investment, and operating entities, and are frequently employed as underlying companies within Cook Islands trust structures. The jurisdiction is recognised for its stable legal environment, strong professional infrastructure, and long-standing expertise in international wealth structuring.

This structure is suitable for individuals, families, and corporate groups seeking a flexible and tax-neutral company for international asset holding or structuring purposes.

PURPOSE AND USE

Cook Islands LLCs are commonly used for:

- Holding investment portfolios, real estate, and operating businesses
- Acting as underlying entities owned by Cook Islands trusts or foundations
- Asset segregation and operational risk management
- Family investment and joint venture structures
- International private wealth and business structuring

ASSET PROTECTION

- **Sole remedy – charging order:** The sole remedy available to a creditor of a Cook Islands LLC member is a non-renewable five-year charging order over the member's interest in the LLC. The charging order does not permit a creditor to force distributions, interfere in management or voting decisions, or cause the LLC to be liquidated.
 - **Example:** A creditor with a foreign judgment must commence proceedings in the Cook Islands High Court. If a charging order is granted, it is the creditor's sole remedy and only entitles them to receive distributions if and when the LLC chooses to make them. The creditor cannot force distributions, participate in management, or liquidate the LLC, and the charging order expires after a single, non-renewable five-year period.
- **Exclusive Cook Islands jurisdiction, foreign judgments not recognised:** Only Cook Islands law governs matters relating to the LLC and transfers of assets to it. Foreign court judgments are not enforceable, and creditors must commence proceedings in the Cook Islands High Court.
- **Structural use:** While a Cook Islands LLC provides strong statutory and procedural protections, it is most effective when used as part of a broader trust or foundation structure, with asset protection achieved at the trust or foundation level.

KEY CHARACTERISTICS

- A separate legal entity with limited liability for its members
- Flexible internal governance governed by a private operating agreement
- May be member-managed or manager-managed
- No minimum capital requirements
- Members and managers may be individuals or corporate entities
- High level of confidentiality, with no public register of members or operating agreements
- Frequently used as an underlying holding company in multi-jurisdictional structures, including structures combining Cook Islands trust law with offshore LLC legislation
- **Tax:** Cook Islands LLCs are generally tax-neutral, with no local taxation on non-Cook Islands sourced income. LLCs are commonly treated as pass-through entities for tax purposes in the member's home jurisdiction, subject to applicable local tax laws.
- **Confidentiality:** There is no public register of members or operating agreements, and disclosure of ownership or management information is restricted, subject to applicable regulatory, legal, and court-ordered requirements.