

# Route 1

Where a foreign company is only involved in supply of material/equipment (ex-works) and/or offshore services (excluding any management, lending, subscription services, royalty and license arrangements) without any physical presence or agent in Kuwait

Where the arrangement is for pure supply of equipment (this excludes the sale of software/licenses) and/or offshore services (excluding any management, lending, subscription services, royalty and licensing arrangements) as an initial step a foreign entity may write a letter to the KTA requesting a NOL on the basis that there was no physical presence in Kuwait and hence the company should not be subject to tax in Kuwait under the Kuwait domestic tax laws.



The KTA is inconsistent in its practices and it may be that they approve release of retentions on invoices issued to date rather than issue a NOL that covers the duration of the contract, including future payments.

**Please note that the KTA review each NOL application on a case by case basis.** Where the KTA is not satisfied with the documentation to conclude that the company is not taxable for the contracts, the KTA reserves the right not to accept the application for NOL and require company to complete the formal tax compliance requirements and require to register with the KTA and file for annual tax returns as noted below.