KPMG

Doing Business in Kuwait

Your guide to the Tax and Regulatory framework in Kuwait

2023

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Foreword

Welcome to the third edition of the Doing Business in Kuwait guide — our yearly publication and a combined effort from our Tax and Deal Advisory teams to summarize the latest updates on Kuwait's Tax and Regulatory framework to help potential investors, existing business owners, and new businesses understand the ecosystem of how business is done in the country.

2022 was the year of recovery for Kuwait. Supported by high oil output and prices, today Kuwait is on its way out of the economic slowdown caused by the pandemic. As we publish this report, the oil price per barrel in USD is twice what it was in 2020. The economic recovery is strongly indicated by the latest numbers from the IMF which estimated that Kuwait's Real GDP grew by 8.7% in 2022, following a decline of 8.9% in 2020 and a modest growth of 1.3% in 2021[1].

Despite oil and gas being the most dominant sector in Kuwait, considering it occupies the biggest share of Kuwait's GDP, we have seen trends change in the last three years owing to the increased contribution from other sectors, such as infrastructure, financial services, and retail. The growth in most of the non-oil sectors was due to the government's initiative to diversify Kuwait's economy and reduce long-term dependence on the oil sector. Furthermore, post the pandemic, we observed the resurgence of many strategic decisions which were previously on hold. Additionally, Kuwait now has a substantial pipeline of projects, especially in the housing and utilities sector, mostly pertaining to the National Vision 2035.

From the compliance point of view, the Kuwait Tax Authority (KTA) and the Ministry of Finance (MOF) continue to build on digitization of processes started during 2020 in the areas of tax return submissions, requesting Tax Clearance Certificates (TCC) for Kuwaiti companies and Tax Residency Certificates (TRC). The process of obtaining advance No Objection Letters for the release of tax retentions on agreements not subject to tax in Kuwait is more common in resolving uncertainty around the taxability of contracts.

As digital payments and the overall e-commerce ecosystem continued to accelerate in Kuwait, the launch of Apple Pay toward the end of 2022 further disrupted the payment landscape, causing ~90% of iPhone users to switch to the new payment system within the first quarter of its release[2]. With an internet penetration of 99%[3] in Kuwait and 33%[4] of the country's population in the age group of 25–44, we expect digital payments and e-commerce to continue their meteoric rise in the country. In the last few years, we also witnessed significant changes being made to tax policies across the GCC region which will impact Kuwaiti businesses.

Through this publication, we aim to provide a high-level view on tax considerations for foreign businesses operating in Kuwait, whether that be under the umbrella of a local sponsor or through shareholding in local companies. This guide incorporates the key developments in the practices of the KTA and the overall tax compliance obligations required to set up a business in Kuwait. Moreover, to help you understand the regulatory aspects of an online business in Kuwait, we have added a special section on guidelines for setting up a business that accepts online payments.

We look to bring further ongoing key updates through various tax alerts, webinars and events, to apprise clients and business in Kuwait of such changes' potential impact on business. We sincerely hope this guide will help you understand the country's business landscape.

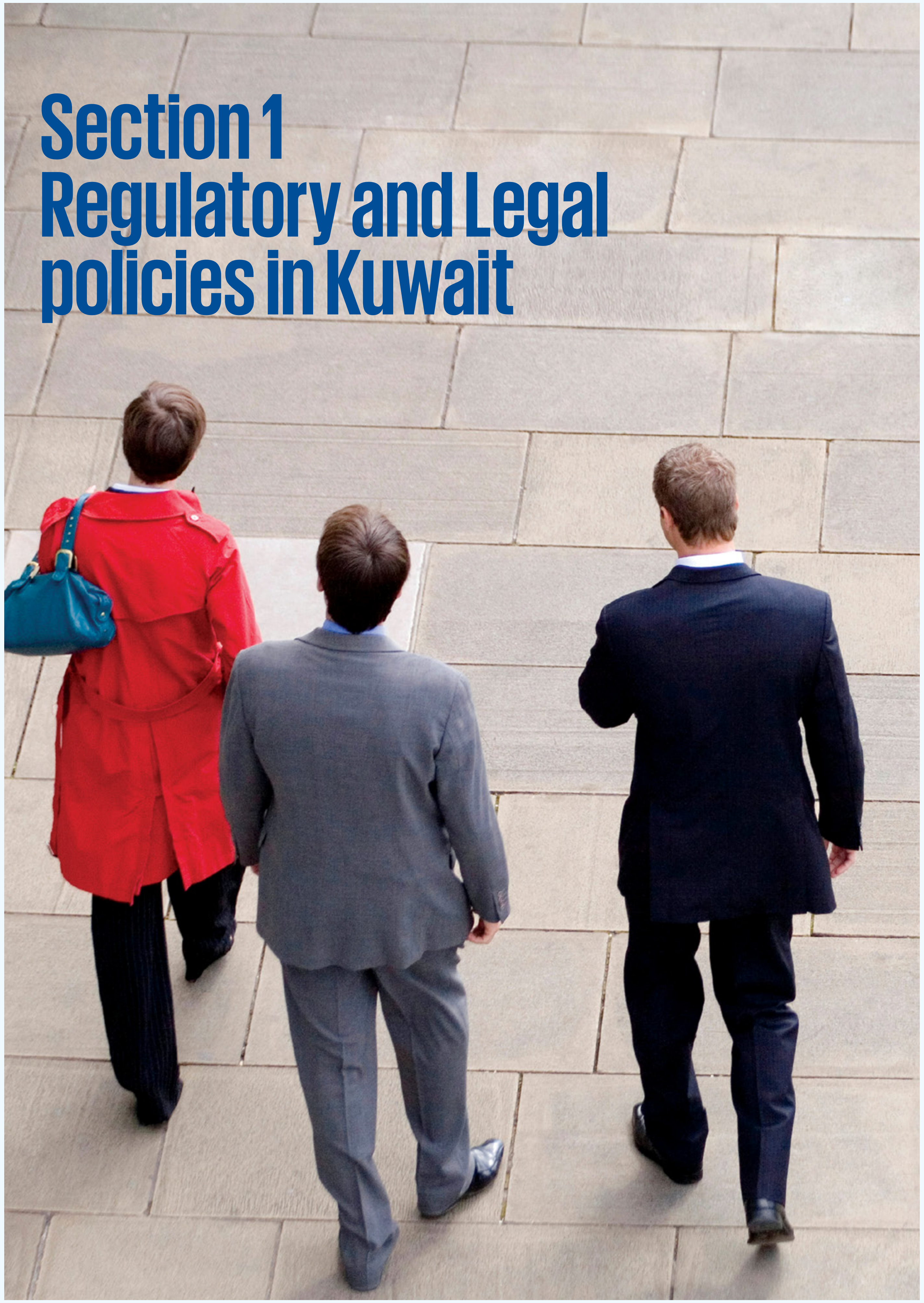
As we are continuously improving our guidebook, your feedback is highly valuable to us.

Please feel free to reach out to our team to further discuss your specific circumstances and how we can help.

1. https://www.imf.org/en/Countries/KWT
2. https://bit.ly/3HJyge2
3. https://bit.ly/3jGQzIF
4. KPMG research

Zubair Patel, Partner and Head of Tax, KPMG Kuwait

Section 1 Regulatory and Legal policies in Kuwait



Regulatory/Legal

Setting up business

Generally, foreign ownership in Kuwaiti companies is restricted to a maximum of 49%. We understand that local regulations allow foreign shareholders to have an economic interest which is greater than 49%. This aspect should be confirmed from a legal counsel in Kuwait.

The Foreign Direct Investment Law (Law No. 116 of 2013) allows foreign entities to own up to 100% of the shares in a Kuwaiti company, provided that the foreign investor undertakes a permissible activity in a permissible sector. The Kuwait Direct Investment Promotion Authority (KDIPA) implements and administers the provisions of Law No. 116 of 2013.

This is an initiative by the Kuwait Government to attract foreign investment in almost all the sectors of the economy with only limited exclusions. It offers up to 100% of foreign ownership, tax credits, and custom duty exemption for foreign companies intending to set-up business presence in Kuwait.

The Foreign Direct Investment Law allows the following options to foreign companies setting up operations in Kuwait:

- Kuwaiti company with up to 100 percent foreign ownership;
- commercial branch of a foreign company; or
- representative office without engaging in commercial activities.

Foreign companies that do not want to incorporate an entity in Kuwait have an option to conduct their operations under the umbrella of a Kuwaiti agent or sponsor. In practice under agency arrangements, foreign companies operate in Kuwait as an extension of their head office.

Commonly used set-up options for doing business in Kuwait

Foreign companies have the option to carry on a business in any of the following forms:

- through a joint venture; and
- by establishing a Kuwaiti Shareholding Company, i.e.
  - Limited Liability Company (W.L.L.)
  - Closed Joint Stock Company
  - Public Joint Stock Company.

Companies law includes certain other forms of companies in Kuwait, including:

- General Partnership Company;
- Limited Partnership Company;
- Partnership Limited by Shares;
- Professional Services Company;
- Single Person Company; and
- Holding Company.

Apart from the above options, a foreign company that intends to carry on a business activity but does not wish to incorporate a company may carry on business under the sponsorship of a Kuwaiti registered agent or sponsor.

Main legal formalities for the formation of a company or registration of a branch

Shareholding companies incorporated in Kuwait are regulated by Companies Decree Law No. 25 for the year 2012 which put various restrictions on the minimum amount of share capital, number of shareholders and business sectors available to different kinds of companies formed under the law.

In the case of a wholly owned GCC company, a branch office of the company can be established in Kuwait. A license for the branch office will be issued by - the Ministry of Commerce and Industry (MOCI) based on the license of the GCC entity and in line with current Kuwait regulations.

For non-GCC entities operating in Kuwait, there is no formal registration or separate legal status of foreign branches in Kuwait except under the newForeign Direct Investment Law No. 116 of 2013 regarding the promotion of direct investment in the State of Kuwait (please refer to our comments above in this respect).

However, in practice under sponsorship/agency arrangements, foreign companies operate in Kuwait as an extension of their head office. Under this arrangement, a Kuwaiti merchant or a Kuwaiti entity is appointed as a sponsor/agent of the foreign entity. The agency agreement should set out the authority and responsibility of the principal (foreign entity) and of the Kuwaiti agent.

A joint venture has no separate legal existence under the Commercial Companies Law. The form of joint venture associations could be incorporated (as a company) or unincorporated (through an agreement between foreign partners, where each partner would be operating through a local sponsor). The sponsorship or agency agreement should be registered with the MOCI.

Currency/Monetary restrictions

Currently, there are no foreign currency restrictions in Kuwait.

Regulatory requirements for financial services

Financial services companies are generally governed, licensed and regulated by the Central Bank of Kuwait. These companies must be either Closed Joint Stock or Public Joint Stock in nature.

Accounting/Finance for companies and branches of foreign companies

Audit requirements

Annual financial statements must be prepared under the International Financial Reporting Standards for all incorporated companies. However, no statutory filing of audited financial statements to the Ministry of Commerce and Industry is required for foreign branches.

Foreign companies that are filing tax declarations on an 'actual basis' are required to either file accounts prepared in accordance with the International Financial Reporting Standards or audited income statement and balance sheet prepared for tax purposes only.

Audit requirements (cont.)

In accordance with Article 13 and 15 of the Executive Bylaws of Law No. 2 of 2008, the following books and financial records are required to be maintained by corporate bodies:

— balance sheet and profit & loss;

— trial balance;

— general ledger;

— contracts;

— supporting documents such as invoices, vouchers, custom clearance document, payment advices, etc.;

— stock records showing quantity and value for each item of stock; and

— fixed assets register showing purchase date, its cost, addition, depreciation rate applied, written down value and addition and disposal for each item.

Requirements for foreign investors

A foreign investor operating under a local agency agreement should register its agency agreement with the Ministry of Commerce and Industry to commence business under the sponsorship of a Kuwaiti individual or company.

In addition, a foreign company is also required to register with the Kuwait Tax Authority (KTA) within 30 days of starting the activity or signing the contract.

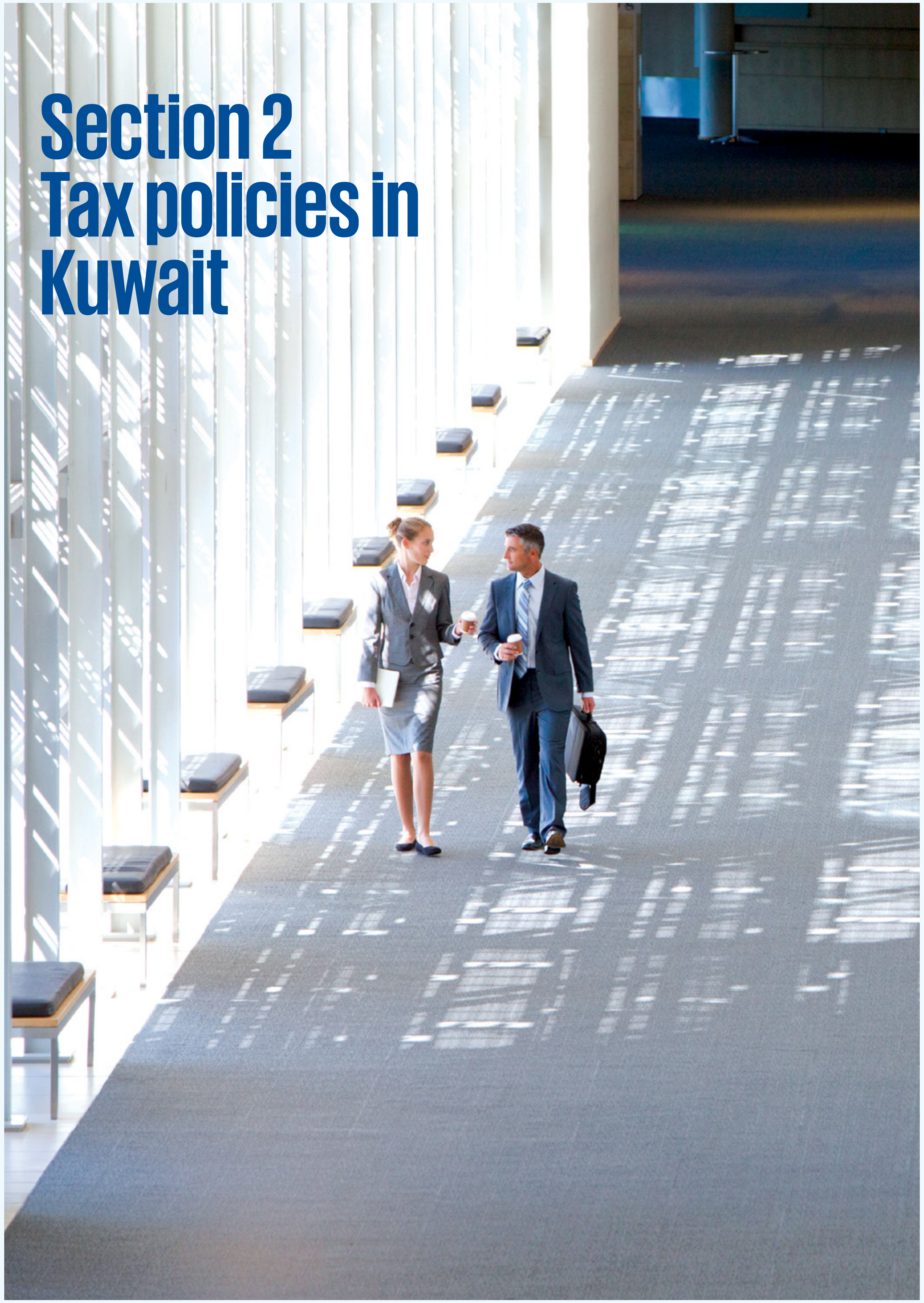
Book year/accounting currency

The KTA does not set the accounting year for entities. A taxpayer may select any accounting year with the KTA's approval.

The duration of the first accounting period can be between 7 and 18 months from the starting date of the activities, and then annually thereafter.

An entity may keep its books of accounts in any currency. In practice, the net taxable profit is calculated in the same currency as that of books of accounts and using- the average exchange rate declared by the Central Bank of Kuwait (CBK), it is then converted to Kuwaiti dinars for determination of the tax liability. However, the KTA requires foreign entities to submit tax declarations in Kuwaiti dinars.

Section 2 Tax policies in Kuwait



Tax

Approval requirements

The KTA's approval is not required for setting up a business. However, an application for tax registration with the KTA should be submitted within 30 days from the date of starting the activity or signing the contract related to Kuwait.

Advance tax rulings/ advance pricing agreements (APA)

The tax law does not include any provisions for obtaining advance rulings or advance pricing mechanism for the proposed agreements/transactions. However, in relation to signed agreements, a foreign company may file a letter with the KTA to obtain a No Objection Letter (NOL), authorizing the contract owner to release or not to retain 5% tax on the payment in relation to the contract which, in principle, confirms that the company is not liable to tax for the contract in Kuwait. In this case, full tax registration and annual filings would not be required.

Income tax compliance

Income tax compliance is governed by Amiri Decree No. 3 of 1955 as amended by Law No. 2 of 2008 along with its Executive Bylaws and circulars (collectively the 'Income Tax Law').

The Income Tax Law is applied only to foreign entities carrying on trade or business in Kuwait and is not applied, in practice, to Kuwaiti entities or entities incorporated in the Gulf Cooperation Council (GCC) countries that are 100% owned by GCC nationals. The tax liability of foreign companies investing in Kuwait for the fiscal years commencing after 3 February 2008 is calculated at a flat 15% tax rate on net taxable profit.

The income tax law does not define a permanent establishment for companies operating in Kuwait. Accordingly, foreign companies earning Kuwait-sourced income are considered by the KTA as subject to tax in Kuwait.

Under current practices of the KTA, even a single day's visit of the company's official to Kuwait creates a taxable presence for a foreign company in Kuwait. In cases where a contract provides for services in Kuwait, the entire contract, including income from supply of material/equipment to Kuwait and services provided outside Kuwait would be considered as subject to tax in Kuwait.

Irrespective of the physical presence of a foreign company, the following streams of income under the domestic tax law are taxable:

Royalties/License fees earned from Kuwait

— Management fees

— Commission income

— Interest earned from lending to Kuwait borrowers

— Rental/Lease earned from Kuwait.

Income tax compliance (cont.)

Tax Retentions

The Ministry of Finance enforces tax retention regulations. Articles 16, 37 and 39 of the Executive Bylaws of Law No. 2 of 2008 (the 'Tax Retention Regulation') require contract owners to retain 5% from payments to contractors/subcontractors or any beneficiary and to release tax retention only on the provision of a Tax Clearance Certificate (TCC) or an NOL obtained by the beneficiary from the KTA. Article No. 39 of the Executive Bylaw to Law No. 2 of 2008 states that the violating contract owner can be held responsible for paying taxes otherwise payable by the contractors/subcontractors or any beneficiary.

The TCC/NOL is obtained from the KTA following the submission of tax declarations, completion of the tax inspection process and settlement of tax, as stated in the final tax assessment for each year.

The KTA continuously reviews and changes its practices with respect to tax retentions and other tax matters, which are at times enforced retrospectively.

Capital Gains

Gains derived by a foreign company on the disposal of assets and shares are taxable as normal business profits. However, capital gains derived by a foreign company from mere trading in shares listed on the Kuwait Stock Exchange (KSE) (provided no other activity or presence in Kuwait) are exempt from tax.

Please note that there is currently no Kuwait income tax imposed on individuals.

Zakat

According to Law No. 46 of 2006, Kuwaiti shareholding companies are required to pay Zakat at 1% of the net profits. The KTA, by reference to Ministerial Order (MO) No. 3 of 1989 concerning equality between citizens of Kuwait and the GCC in terms of tax matters, requires non-Kuwaiti GCC companies (similar in nature to Kuwaiti shareholding companies) with activities in Kuwait to register for Zakat and file annual Zakat declarations. The KTA has become very active in this respect and has issued letters to such entities to enforce compliance in this respect.

In the past, the KTA had accepted exemptions related to the share of profits attributable to partial Kuwait Government share ownership when computing Zakat. However, under current practices, the KTA levies Zakat on the entire income, i.e. including the share of profits attributable to the Kuwait Government.

However, wholly owned entities of the Kuwait Government are exempt from Zakat.

National Labour Support Tax (NLST)

According to Law No. 19 of 2000, all public Kuwaiti shareholding companies listed on the KSE are subject to NLST at 2.5% of their annual net profit, excluding the share of profits attributable to a foreign body corporate and after certain allowable deductions.

Ministry of Finance Online Portal

Previously, the KTA would require in-person hard copy submission of documents at the KTA premises.

As a result of the restriction on visiting the KTA imposed due to the COVID-19 pandemic, the KTA has established an online portal for all submissions. This includes submission of registration requests, tax declarations, objections, appeals and requests for NOLs for the release of tax retentions.

Tax advisors now have a specific registered e-mail ID with the Ministry of Finance to which system-generated e-mail acknowledgement of submissions are sent. Any correspondence issued by the KTA is now sent to the taxpayer's tax advisor through e-mail. This includes tax assessments and NOLs addressed to contract owners for release of tax retentions.

Annual Tax Card for Corporate Income Tax

Tax cards will be issued annually, valid up to 31 December of each year. The MoF has issued tax cards for tax registered companies from the year ended 31 December 2017 and onward.

Tax cards will be renewed each year by submitting an application issued by the MoF for this purpose. The MoF has confirmed that government entities, and public and private companies are prohibited from dealing with any corporate body that does not hold a valid tax card.

A temporary concession is provided for companies that are starting up their business in Kuwait and are in the process of registration with the MoF and obtaining their tax card. Tax card holders are required to return their tax cards to the MoF when they cease activities in Kuwait.

Tax cards are not to be considered as approval for the release of tax retention amounts or evidence for clearance of tax liabilities. The MoF does not require public and closed Kuwaiti shareholding companies to apply for tax cards for Zakat and the National Labour Support Tax (NLST) purposes. Accordingly, tax cards will not be issued to Kuwaiti companies.

Kuwaiti companies are now able to register with the MoF through the tax portal and receive a tax ID number.

Indirect tax compliance

Sales tax/value added tax (VAT) is currently not levied. The Kuwaiti Government has proposed the introduction of value added tax in line with other GCC countries. However, the precise introduction and implementation date has not been confirmed.

Goods imported are subject to customs duty at 5% of the invoice/assessed value of the goods.

Other tax compliance

Taxpayers are required to submit a tax declaration to the KTA on or before the fifteenth day of the fourth month following the end of the taxable period. Taxpayers have a choice to pay the amount of income tax due either in one lump-sum payment along with the tax declaration filing, or in four equal installments. The installments shall be due on or before the fifteenth day of the fourth, sixth, ninth and twelfth month, following the end of the taxable period.

In certain circumstances, it is possible to obtain an extension of up to a maximum of 60 days for the purposes of filing a tax declaration. Where such an extension is granted, no tax payment is necessary until the declaration is filed.

The tax law requires that a tax declaration must be prepared on an actual net profit basis by maintaining proper books of accounts for Kuwait operations.

Other tax compliance (cont.)

In practice, tax declarations may be prepared on a deemed profit basis which has been accepted by the KTA. The profit percentage currently applied by the KTA for companies for a varied line of business ranges from 30% to 40% of the resultant taxable profit. The KTA has issued Circular No. 1 of 2014 requiring companies to file a tax declaration on deemed profit at a profit percentage accepted by the KTA as per theS latest assessment or minimum at 30% of the deemed profits.

The KTA may apply an aggressive approach against companies that do not comply with the requirements of Circular No. 1 of 2014, resulting in a higher deemed profit percentage being applied and potential delay in completion of the tax assessment.

Failure to file a tax declaration by the due date results in a penalty at 1% of the tax as per the final tax assessment for each period of 30 days or fraction thereof until the tax declaration is filed. In addition, failure to pay tax by the due date results in an additional penalty at 1% of the tax for each period of 30 days or fraction thereof from the due date to the date of settlement.

The tax law provides for a statute of limitation for five years from the date of submission of a tax declaration or from the time the KTA becomes aware of the income earned by foreign companies in Kuwait. The KTA argues that such statute of limitation does not apply where the taxpayer has not filed a tax declaration. In such instances, the KTA could levy tax and penalties from the commencement of activities of such taxpayers in Kuwait.

A key additional requirement introduced by the Circular No.1 of 2014 is that companies which file their tax declaration on an actual basis are also required to formally submit a report to the KTA within three months of submitting the said tax declaration. The report should provide a computation of tax and incorporate adjustments applied by the KTA in its most recent tax assessment (provided it is for 2009 or later) of the company.

Following the tax inspection, an assessment letter is issued. If additional taxes are assessed, the foreign body corporate has the option to either pay the additional taxes and obtain a TCC from the MoF or contest the assessment by submitting an objection letter within 60 days from the date of the tax assessment letter. If the tax objection is not satisfactorily resolved within 90 days of submitting the objection letter, the foreign body corporate has the right to have its case heard by an Appeals Committee.

The tax appeal has to be filed within 30 days from the date of issuance of the tax department’s letter in response to the tax objection. In case no response is received from the tax department, the tax appeal has to be filed within 30 days after the end of the 90-day period from the date the objection letter was filed. If the foreign body corporate is not satisfied with the decision of the Appeals Committee, it has the option to refer the case to civil courts.

Director’s liability to tax

There is no specific liability on the director under the tax laws. However, any person responsible for mis-statement, on conviction, may be liable to imprisonment of two years or to a fine or both.

Double Taxation Avoidance Agreements (DTAA)

Kuwait has executed DTAA with a number of countries in which ‘permanent establishment’ has been defined. Accordingly, the taxpayer may avail treaty benefits by applying the beneficial provisions. However, the taxpayer is still required to file a tax declaration first and thereafter claim treaty protection.

There are 68 countries with whom Kuwait has executed DTAA, including Austria, Belgium, Bulgaria, Canada, China, Germany, Greece, Hungary, India, Iran, Italy, Japan, Lebanon, Malaysia, the Netherlands, Portugal, Russian Federation, South Africa, Spain, Tunisia, the United Kingdom, and Yemen.

On 7 June 2017, Kuwait and 67 other jurisdictions signed the Multilateral Convention to Implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting (MLI). The MLI modifies the application of thousands of bilateral tax treaties concluded to eliminate double taxation. Kuwait submitted a list of 45 tax treaties entered into by Kuwait (40 in force) and other jurisdictions that Kuwait would like to designate as Covered Tax Agreements (CTAs), i.e. tax treaties to be amended through the MLI.

Transfer pricing

There are no explicit transfer pricing regulations in Kuwait for governing related party transactions and/or transactions made outside Kuwait (such as cost incurred by the head office, related parties and third parties). However, in practice, the KTA closely scrutinizes all inter-group transactions in the course of tax inspections.

Accordingly, the KTA would disallow a portion of inter-group transactions and/or transactions made outside Kuwait if it does not consider such transactions to be at arm’s length, based on guidance provided in the executive rules issued by the KTA.

Kuwait has not signed the Base Erosion and Profit Shifting (BEPS) Inclusive Framework (minimum standards); however, Kuwait has signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters on 5 May 2017. While the signing of the convention does not mandate Country-by-Country (CbC) reporting in Kuwait, it could be considered as a step toward agreement of the Multilateral Competent Authority Agreements on the Exchange of CbC reports and the potential introduction of CbC reporting.

It is pertinent to note that while there are no local CbC reporting requirements, the Kuwaiti Multinational Groups of Entities are still required to review their CbC reporting obligations based on their consolidated revenue and the CbC reporting requirement of the jurisdictions they are operating in.

Advance Tax Retention Release letter/NOL

Currently, there is no withholding tax in Kuwait. However, tax retention regulations require a contract owner in Kuwait to retain 5% from all invoices paid to any kind of beneficiaries. These amounts are normally retained with the contract owners and released only when the beneficiary of the amount provides a TCC for Kuwaiti companies/100% GCC-owned companies or NOLs for foreign entities/mixed GCC entities (owned by foreign and GCC shareholders) issued by the KTA authorizing the contract owner to release the amounts retained.

Electronic/Digital payments in Kuwait

Setting up a business

Under Resolution No. 44/430 of 2018, the Central Bank of Kuwait (CBK)* has issued a set of guidance to regulate the electronic payment (e-Payment) activity in Kuwait.

The instructions issued by the CBK shall be applied to electronic payment service providers (EPSPs)[1], electronic money service providers (EMSPs)[2], and all local banks. To perform any activity[3], e-commerce and fintech businesses in Kuwait which have obtained an electronic payment gateway from an EPSP need to register as an Agent[4] with the EPSPs, EMSPs, and other local banks.

The CBK's guidelines toward electronic payments in Kuwait

Any business that intends to engage in the activity of electronic payments and settlement systems must adhere to the below set of guidelines:

— A Register[5] shall be set up at CBK listing all the EPSPs and EMSP. CBK shall not be responsible for any false or inaccurate information contained in such Register.

— Businesses cannot practice electronic payments and settlement systems activity without registration with the CBK.

— Activity providers are categorized into small and large EPSPs and EMSP. These activity providers need to adhere to certain minimum paid-up capital requirements on the role of the organization as given in the table below.

Registered as	Company Type	Minimum Capital
Small Electronic Payment Service Provider License	Shareholding Company or an LLC	KD 50,000 on ongoing basis
Large Electronic Payment Service Provider License	Shareholding company	KD 250,000 on ongoing basis
Small Electronic Money Service Provider License	Shareholding Company or an LLC	KD 100,000 on ongoing basis
Large Electronic Money Service Provider License	Shareholding Company	KD 1,000,000 on ongoing basis

— An application for registration needs to be submitted to The CBK via Service Providers (such as any local bank), with the required documents, as explained in the next section.

— The Service Provider should set up a system to monitor the activities of the Agents. The Service Provider must ensure that the agent complies with supervision and oversight of the Activity issued by the CBK, as well as with the requirements of AML/CFT.

— Large EPSPs and large EMSPs should create separate management functions for risk management, internal audit, compliance, information security, anti-money laundering and terrorist financing and define related powers and tasks.

1. E-Payment Service Provider (EPSP): Any company registered in the registry to conduct electronic payments in the State of Kuwait in accordance with these instructions.
2. E-Money Service Provider (EMSP): Any company registered in the registry to conduct electronic payment and electronic money services in the State of Kuwait in accordance with these instructions
3. Activity: Electronic payments and electronic money services.
4. Agents: Any financial institution with the status of a shareholding company or with limited liability included in the Register to carry out all or some of aspects of the activity.
5. Register: A Register to be maintained at the CBK for Service Providers and their agents.

Documents required by the CBK

— A final and unconditional letter of guarantee issued by a local bank in favor of the CBK with a value no less than 10% of the capital valid for a period of three years renewable for similar periods.

— A copy of the Memorandum and Articles of Association, the Commercial Registration of the company, list of board of directors, and audited financial statements by an approved auditor for a period of three financial years[1]

— Five-year business strategy and action plan for large EPSPs and EMSP and a three- year business strategy for small EPSPs and EMSP. These plans to include

- objective and scope of activities of the Company and payment services provided
- feasibility study for establishing the Company including operating procedures
- organization structure for the Company
- company's strategy, business model and SWOT analysis
- corresponding Risks and mitigating measures
- future financial projections corresponding to the strategy
- Exit plan to include the driving factors for exit, governance and contingency plans

— Policy and procedure document containing:

- Key functional policies
  - information technology (incl. access, back up policy and contingency plan) corporate governance structure and AML plan
  - finance (incl. reconciliation mechanism, dispute resolution mechanism and reports)
- Risk management framework
  - risk analysis policy (Operation, Legal, Credit, Cyber, Market, IT, Security, etc.)
  - governance Framework
  - risk register covering company functions and operations
  - Internal controls policies

— Corporate governance structure and CFT/AML plan

— Customer protection, data protection and security threat plans

— Describe the procedures of the Risk Management System and the Accounting System, including the relevant reporting system.

*The CBK has the right to request any other records or information deemed necessary for Registration. The service provider has to provide the same set of documents in case of registering for an agent.

1. If the applicant has worked less than three financial years, it must submit the audited financial statements for the period which it has worked.

*The CBK reserves the right to make any addition, deletion, or update on the guidelines. The draft guidelines are subject to approval from the Central Bank of Kuwait. Please refer to the CBK website for the latest update on the guidelines.

Please note: The requirements are subject to change as per the Central Bank of Kuwait's evolving guidelines and can also vary depending on the sponsoring bank's policies.

The tax function at KPMG Kuwait

The issues surrounding tax are constantly evolving both locally and globally. Changes in law, practice, or in the approach of tax authorities, can have major ramifications.

A business approach to tax can be subject to public scrutiny and is now a major driver of reputation.

We provide expert advice on domestic and international corporate tax issues with the objective of sharing our experience and industry knowledge to help make your commercial objectives a reality.

OUR SERVICES

We address a variety of business needs and help organizations align their businesses in a more tax-efficient manner.

Corporate Tax

- Tax Compliance and Inspection Services
- Tax Retention Compliance
- Applying for advance NOLs

Indirect Tax

- Trade and Customs
- Value Added Tax
- Excise Tax

Corporate Services

FATCA and CRS Advisory and Certification Services

Transfer Pricing Solutions

Zakat Tax Compliance Services

International Tax Services including support on BEPS initiatives

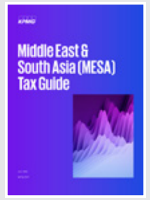
Managed Services

China Business Desk

Korea Business Desk

PUBLICATIONS

Kuwait Tax Guide **2023**



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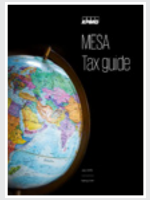
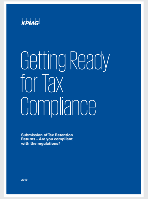
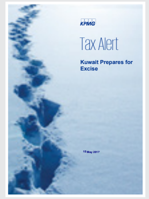


MESA Tax Guide **2018**

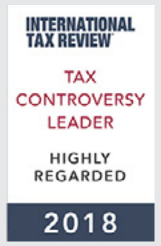


Tax Retention Regulations



Excise Tax in Kuwait

AWARDS



Source: International Tax Review Magazine

OUR CLIENTS

- GOVERNMENT ENTITIES
- FINANCIAL SERVICES
- TELECOM & MEDIA
- EDUCATION
- INDUSTRIAL MARKETS
- RETAIL AND CONSUMER MARKETS
- HEALTHCARE
- TECHNOLOGY

KPMG in Kuwait

Who We Are

KPMG in Kuwait operates through its member firms KPMG Al-Qenae & Partners and KPMG Advisory W.L.L., providing a full range of audit, tax and advisory services to a portfolio of clients which includes major corporations, government institutions, public sector agencies, and not-for-profit organizations.

With over 175 employees and eight partners based in Kuwait, we form part of a global network of KPMG firms that operates in 145 countries and territories with more than 236,000 partners and employees working in member firms around the world, drawing on global industry insights to complement our strong local knowledge.

Our People

We believe in inclusiveness and diversity in the workplace represented by our workforce. **We have employees from 20 different countries with the ability to communicate in 12 different languages providing a true global outlook.**

KPMG is committed to promoting gender equality at all levels of the organization, including the executive committee responsible for strategic decision-making

Corporate social responsibility (CSR) is at the heart of KPMG's culture, and we embrace our corporate citizenship through our community service.

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