



# Advance tax payment provisions under the Kuwait Domestic Minimum Top-up Tax (“DMTT”)

Kuwait Tax Alert  
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## Background

The Ministry of Finance (MoF) has issued Circular No. 1 of 2026 (“Circular”), setting out a mechanism for an optional advance tax payment for taxpayers which fall under the Kuwait Domestic Minimum Top-up Tax (“DMTT”), based on a provisional DMTT return.

On 31 December 2024, the Government of Kuwait published Decree Law No. 157 of 2024 (“DMTT Law”) in the Official Gazette.

This legislation introduced the DMTT effective for periods commencing on or after 1 January 2025, establishing a minimum tax rate of 15% applicable to multinational enterprise (“MNE”) groups with annual revenues exceeding EUR 750 Million, in alignment with the OECD’s BEPS Pillar II framework.

Pursuant to the DMTT Law, the Executive Bylaws were issued in June 2025 (collectively referred to as “Kuwait DMTT legislation” or “Kuwait DMTT regime”).

The Executive Rules are still awaited and are expected to provide detailed procedural guidance and mechanisms for treatment of the DMTT Law and its Executive Bylaws.

The statutory deadline to submit the DMTT return is 15 months after the year end. For example, where a taxpayer had a year end of 31 December 2025, the deadline to file the DMTT return is 31 March 2027.

The Circular allows taxpayers the option to make an advance payment of tax through the submission of a Provisional Tax Return.

It should be noted that this process is voluntary and does not constitute a mandatory requirement for taxpayers falling under the scope of the DMTT.

## Scope of the Circular

The advance tax payment system applies to taxpayers subject to the Kuwait DMTT regime for any tax period ending on or before 31 March 2026.

## Effective Date

**The Circular takes effect from the date of its issuance, being 29 April 2026.**

## Key requirements and procedures

### Application to join the system

- Taxpayers that wish to participate should submit an application to the KTA.
- Applications must be submitted by the deadline of 31 May 2026.

### Preliminary tax calculation and payment

- Participating taxpayers are to prepare a provisional calculation of the tax due for the relevant tax period.
- The calculated amount would then be paid in full as a single instalment as computed in the Provisional Tax Return submitted to the KTA.
- The deadline for submission of the Provisional Tax Return and payment of the advance tax is 30 June 2026.
- No penalties are stipulated for delays beyond above-mentioned deadlines.

### Treatment of advance payments

- Amounts paid under the advance tax payment system will be treated as payments on account of the final tax liability.

### Potential benefits available to participating taxpayers

The Circular provides that taxpayers who elect to participate in the advance tax payment system and comply with the applicable deadlines could be entitled to certain procedural benefits (specific to the Kuwait DMTT legislation) which include the priority consideration and completion of:

- Issuance and renewal of tax cards
- Tax audit processes and issuance of tax assessments;
- Refund requests; and
- Objections and tax grievances relating to the relevant tax periods.

## Matters to consider

Whilst advance payment of tax may potentially give rise to certain procedural efficiencies, it inherently involves a degree of professional judgement in the preparation of preliminary tax computations.

Taxpayers should therefore remain cognisant of the exposure arising from estimates and assumptions that may diverge from the final tax outcome upon submission of the tax return, particularly given the absence of guidance from the KTA on the treatment of any resulting variances.

Further thought on a case by case is required to understand the implications of proceeding with the Provisional Tax Return and companies should consider the matter further in light of their current tax profile.

## How KPMG in Kuwait Can Help

KPMG in Kuwait can support you in managing the impact of these developments through:

- DMTT impact assessment.
- DMTT registration and assistance in obtaining your tax card.
- 5% retention review and optimisation.
- Support with tax clearance certificates.
- Training and awareness.

## Reach out to us

If you would like to discuss how these developments may affect your organisation, please contact your usual KPMG contact or any of the following:



**Zubair Patel**  
Partner and Head of Tax & Corporate Services  
E: [zpatel@kpmg.com](mailto:zpatel@kpmg.com)



**Fahim Bashir**  
Partner — Tax & Corporate Services  
E: [fbashir@kpmg.com](mailto:fbashir@kpmg.com)



**Hanan Tariq**  
Partner — Tax & Corporate Services  
E: [mhtariq@kpmg.com](mailto:mhtariq@kpmg.com)



**Naveen Bohra**  
Director — Tax & Corporate Services  
E: [nbohra@kpmg.com](mailto:nbohra@kpmg.com)



**Changfeng Wang**  
Director — Tax & Corporate Services  
E: [wchangfeng@kpmg.com](mailto:wchangfeng@kpmg.com)



[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



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