Kuwait approves the CbC MCAA: Further step toward implementation of Country-by-Country Reporting

Kuwait Tax Alert
October 2026

Background

On 18 October 2026, Kuwait published Decree-Law No. 116 of 2026, approving the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports ("CbC MCAA"), following Kuwait's signing of the agreement on 22 June 2026. The Decree-Law took effect from the date of its publication.

The CbC MCAA establishes the international framework under which competent authorities may automatically exchange Country-by-Country Reports annually, subject to the applicable conditions and exchange relationships being in effect. The CbC MCAA operates alongside a domestic Country-by-Country Reporting ("CbCR") framework under which applicable Reporting Entities are required to file CbC Reports.

What does this mean for Kuwait?

Decree-Law No. 116 of 2026 does not, by itself, introduce CbCR filing or notification obligations for MNE Groups. However, approval of the CbC MCAA represents an important step toward establishing the framework for the future exchange of CbC Reports and paves the way for Kuwait to develop its domestic legal and administrative framework for CbCR.

This development is particularly relevant in light of the recently published OECD Country-by-Country Reporting — Compilation of 2026 Peer Review Reports[1]. The OECD has recommended that Kuwait implement a domestic legal and administrative framework to impose and enforce CbCR requirements as soon as possible.

The OECD also identifies having qualifying competent authority agreements, exchange procedures and appropriate use controls as further areas for implementation.

KPMG observations

Taken together, Kuwait's approval of the CbC MCAA and the OECD 2026 Peer Review provide a clear indication of the direction for Kuwait's CbCR implementation. The next key development for MNE Groups is expected to be the introduction of Kuwait's domestic CbCR rules, setting out the scope, effective date and associated filing and/or notification requirements.

The development also has broader relevance in the context of Kuwait's Domestic Minimum Top-up Tax ("DMTT") / Pillar Two framework, particularly in relation to the Transitional CbCR Safe Harbour. Accordingly, MNE Groups should continue to monitor Kuwait's CbCR developments and consider the consistency of CbCR, transfer pricing, financial and Pillar Two data, particularly where reliance is placed on the Transitional CbCR Safe Harbour.

OECD Reference Link:
1 Country-by-Country Reporting – Compilation of 2026 Peer Review Reports

Read our previous Tax Alert alongside this latest update.

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