



# Thinking beyond borders: Management of extended business travelers – Kuwait

January 2025

# Contents

|          |                               |           |
|----------|-------------------------------|-----------|
| <b>1</b> | <b>Key message</b>            | <b>4</b>  |
| <b>2</b> | <b>Income Tax</b>             | <b>6</b>  |
| <b>3</b> | <b>Social Security</b>        | <b>8</b>  |
| <b>4</b> | <b>Compliance obligations</b> | <b>10</b> |
| <b>5</b> | <b>Immigration</b>            | <b>12</b> |

**01**

**Key message**

# 1 Key message

Tax in Kuwait consists primarily of Corporate Income Tax, which is governed by Decree No. 3 of 1955 as amended by Law No. 2 of 2008 (the income tax law).

Starting 1 January 2025, per the Decree Law No. 157 of 2024, Kuwait has introduced the Domestic Minimum Top-up Tax (“DMTT”) Law imposing a minimum 15% tax on MNEs with revenues exceeding EUR 750 million in line with BEPS Pillar 2. This is applied for the financial years starting on or after 1 January 2025.

However, foreign corporations out of scope of the above “DMTT” Law will continue to be subject to the Corporate Income Tax Law - Decree No. 3 of 1955 as amended by Law No. 2 of 2008 and the Executive Regulations enforcing these (together, the “Kuwait Tax Legislation”). The income tax law imposes tax on the income of any corporation, wherever incorporated, carrying on trade or conducting business in Kuwait. In practice, no income tax is imposed on companies incorporated in the GCC and entirely owned by citizens of the GCC as corporate income tax is only imposed on foreign corporations. However, depending on the nature of the incorporated vehicle, a Kuwaiti or a GCC entity with activities in Kuwait may be subject to certain other levies such as Zakat / National Labor Support Tax (NLST) and Kuwait Foundation of Advancement of Science (KFAS) by certain types of local entities.

The income tax law does not impose personal taxes on income earned by individuals irrespective of nationality. However, the existence of a representative of a foreign entity (non-Gulf Cooperation Council (GCC)) in relation to a business or contract in Kuwait may trigger the taxable presence (PE) of the company in Kuwait.

Social security contributions are however, required for employees having Kuwaiti and GCC nationality only.

**02**

# **Income tax**

# 2 Income Tax

## 2.1 Liability for income tax

Kuwait does not impose income tax on income earned by individuals.

## 2.2 Tax trigger points for employment income

There is no personal tax in the state of Kuwait. Furthermore, the Kuwait tax law does not define the concept of resident/non-resident and permanent establishment (PE). Accordingly, there may be corporate tax implications where representatives/employees of the supplying/invoicing foreign entities are present in Kuwait. In practice, the Kuwait Tax Authority (KTA) considers even a single day's visit in Kuwait to create a taxable presence in the absence of a double tax treaty between the corporation's country/territory of tax residence and Kuwait.

However, PE has been defined as per the new Decree Law No. 157 of 2024 ("DMTT Law"), which is only applicable to MNEs with revenues exceeding EUR 750 million. The law is effective for the financial year starting on or after 1 January 2025.

## 2.3 Types of taxable income

There is no personal tax in the State of Kuwait. However, foreign body corporates are subject to the Corporate Income Tax Law – Decree No. 3 of 1955 as amended by Law No. 2 of 2008 and the Executive Regulations enforcing these (together, the "Kuwait Tax Legislation").

## 2.4 Tax rates

Not applicable on employment income.

**03**

# **Social Security**

# 3 Social Security

## 3.1 Liability for social security

Social security contributions are only required for employees having Kuwaiti and GCC nationality. Rates for social security contributions for Kuwaiti nationals are as follows:

|  |           |
|--|-----------|
| <b>Employer's contribution</b>   | 11.5%     |
| <b>Employee's contribution</b>   | 10.5%     |
| <b>Monthly ceiling in Kuwait dinar (KWD) for employee's contribution</b> | KWD 2,750 |

Rates for social security contributions for GCC nationals vary and depend on the countries'/territories' rates.

**04**

# **Compliance obligations**

# 4 Compliance obligations

## 4.1 Employee compliance obligations

There are no compliance obligations for employees in Kuwait as there is no personal tax in Kuwait.

## 4.2 Employer reporting and withholding requirements

There are no compliance obligations for employers in Kuwait in respect of personal tax. However, there are social security contribution to be completed by both employee/employer for Kuwaiti/GCC employees as highlighted previously.

**05**

# **Immigration**

# 5 Immigration

## 5.1 Work permit/visa requirements

A visa must be applied for before an individual enters Kuwait. However, certain nationalities can obtain visit visas upon arrival at Kuwait International Airport. The type of visa required will depend on the purpose of the individual's entry into Kuwait.

[Back to top](#)

### **Disclaimer**

All information contained in this publication is summarized by KPMG Al-Qenae & Partners the Kuwait member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee, based on the applicable provisions of the Kuwait Tax Law, the web site of the Kuwait Public Institute for Social Security and the Ministry of Labor and Social Affairs. Please note that Kuwait Authorities can change their practices at any time without notifications and therefore a formal discussion is necessary with the relevant authorities in person before taking key business decisions. The information provided in this document is based on the best available information and for general guidance purposes.

***Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.***

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



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2025 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit [kpmg.com/governance](https://kpmg.com/governance).

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.