



# Taxation of international executives: Kuwait

January 2024



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**01**

# **Overview and Introduction**

# 1 Overview and Introduction

Kuwait does not impose personal taxes on income earned by individuals including non-Kuwaiti employees. However, the existence of a representative of a foreign entity in relation to a business or contract in Kuwait may trigger the taxable presence of the company in Kuwait for corporate income tax purposes.

The official currency of Kuwait is the Kuwait Dinars (KWD).

Herein, the host country/territory refers to the country/territory where the expatriate is going on assignment. The home country/territory refers to the country/territory where the expatriate lives when they are not on assignment.

**02**

# **Other taxes and levies**

## 2 Other taxes and levies

Are there additional taxes in Kuwait that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, etc.

### 2.1 Airport departure tax

There is an airport departure tax of KWD3 on all air travellers with the exception of children under 12, deportees, diplomats, state guests, and transit passengers. This is incorporated in the ticket price.

### 2.2 Health insurance scheme

Expatriates (or their employers) are required to pay a health care levy (KWD50) or hold basic local health care insurance under a law introduced in early 1999.

### 2.3 Custom duty

Custom duty is imposed on the supply of imported material at 5 percent of assessed value. Collection of custom duty takes place at the point of entry in the Gulf Co-operation Council (GCC) countries/territories comprising of Saudi Arabia, Kuwait, Oman, Qatar, United Arab Emirates and Bahrain. Subsequent movement of the goods within the GCC countries/territories does not attract custom duty.

### 2.4 Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g., foreign financial accounts, securities) to the country's fiscal or banking authorities?

Please note that there is no personal income tax in Kuwait therefore no such disclosure from income tax perspective is required in Kuwait. However, the individuals, while opening a bank account and on periodic basis are required to declare their address in US or details of any person who holds POA in the US to identify the FATCA reporting of the income earned in Kuwait to the US.

**03**

# **Immigration**

# 3 Immigration

**Following is an overview of the concept of Kuwait's immigration system for skilled labor.**

(e.g., which steps are required, authorities involved, in-country and foreign consular processes, review/draft flow chart illustrating the process)

In order to obtain a work visa, before submitting the application the passport of the applicant must be valid for 2 years. However, the passport's validity should be for one year where the applicant is requesting for a commercial visa.

The degree / qualification of the applicant must match with the designation in the visa application of an applicant.

Visa application is required to be initially submitted to the Ministry of Labor & Social Affairs. Once the Ministry accepts designation and qualification/degree then the Ministry would give permission to the Ministry of Interior for issuing an entry visa to the applicant.

Once the applicant comes to Kuwait then the applicant should apply for work permit within 30 days of entry.

After completion of above steps, certain procedures are required for the applicant to go through such as attestation of required documents, fingerprint, medical tests etc.

Following the completion of above steps, the applicant will apply for residence for which the result would be released in 15-20 days.

## 3.1 International Business Travel/Short-Term Assignments

**Describe (a) which nationalities may enter Kuwait as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.**

There are several numbers of nationalities who may enter Kuwait as non – visa national as follows:

- Citizens or residents of Gulf Cooperation Council (GCC) countries – UAE, Saudi Arabia, Bahrain, Oman and Qatar;
- Nationals of UK, USA, Germany, New Zealand and Australia;
- Nationals from most of the Europe countries; and
- Several other countries.

The maximum length of stay is 90 days.

**Describe (a) the regulatory framework for business traveller being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.**

The maximum length of stay is 90 days if a traveller obtains a visa from the local airport, but the traveller won't be allowed to work in Kuwait. However, if the traveller is requesting for a commercial visa, then the maximum length of stay would be 30 days and during this period, the traveller can only work in Kuwait for the Company which has hired him.



**Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.**

- Normal visa application to be submitted to the Ministry of Interior together with passport and degree;
- Translation and attestation of degree in order for the Ministry to accept the documents / application; and
- The duration of the process for commercial visa takes 3 days and whereas the duration to obtain a work visa is 2 months.

**Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?**

No.

## **3.2 Long-Term Assignments**

**What are the main work permit categories for long-term assignments to Kuwait? In this context outline whether a local employment contract is required for the specific permit type.**

- Visa 18 for Private Sector;
- Visa 17 for Government Sector; and
- Visa 14 for Commercial.

**Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validation of the permit).**

For general process, kindly refer to our comments in overview noted earlier. The maximum validity for first time is 3 years

**Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?**

Minimum salary requirement is KD 75. Allowance can be taken into account for the salary.

**Is there a fast-track process which could expedite the visa/ work permit?**

There is no fast-track process as the government authorities are very strict and the applicant must go through full process.

**At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?**

The employee can start working from the day he / she enters Kuwait.

**Can a short-term permit/ business visa be transferred to a long-term permit in Kuwait?**

No.

**Is it possible to renew work and residence permits?**

Yes.

**Is there a quota or system or a labor market test in place?**

No.

### **3.3 General Immigration Related Questions**

**Would it be possible to bring family members to Kuwait?**

Yes.

**Is it possible to obtain a permanent residence permit?**

Yes.

**What if circumstances change after the Work and Residence application process (e.g., change of employment or personal situation, including job title, job role or salary)**

No changes can be done once the application is in process. In case there is a change of employment after stamping the residency then the residency should be transferred under the sponsorship of the new employer.

**How long can a permit holder leave Kuwait without his permit becoming invalid?**

The duration is 6 months.

**Must immigration permissions be cancelled by the end of the assignment/employment?**

Yes, the employee and the representative of the employer both should undergo the process of cancellation of employee's visa.

**Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?**

Yes.

### **3.4 Other Important Items**

**List any other important items to note, or common obstacles faced, in Kuwait when it comes to the immigration processes**

There are no such items to be noted. Kindly refer to overview point for any further clarification.

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