

## SERVING FOREIGN AND LOCAL INVESTORS

Investing in Kuwait: A guide for Investment Opportunities in Kuwait



### 4.1 KDIPA Profile

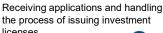
The Kuwait Direct Investment Promotion Authority (KDIPA) was established in accordance with Law No. 116 of 2013 regarding the promotion of direct investment in the State of Kuwait, as a specialized public authority with financial and administrative independence.

> KDIPA is one of the economic implementing arms of the country performing developmental, promotional, regulatory, and advocacy roles.



### 4.2 KDIPA Services

KDIPA's main services include the below:



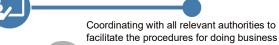
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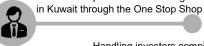


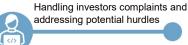
Responding to inquiries and providing available information, and clarifications to investors.



Presenting the incentives, exemptions and guarantees granted to investors.







Fostering more engagement in value added investment opportunities including fulfilling existing offset obligations



Establishing economic zones, allocating and distributing commercial plots in coordination with the concerned authorities



### 4.3 KDIPA Board of Directors

The Board of Directors of KDIPA are provided below:



Members of the Board of Directors of Kuwait Direct Investment Promotion Authority

### 4.4 KDIPA Approved Direct Investments as of March 2020

The cumulative approved Direct Investments by KDIPA as of March 2020 are provided below:



Information Technology USD 1,334.2 Mn



Oil and Gas USD 875.1 Mn



Construction USD 637.9 Mn



**Training** USD 238.9 Mn



Health USD 179.1 Mn



Consulting **Services** USD 126.6 Mn



Energy USD 122.3 Mn



**Electricity and** Water USD 34.9 Mn



**Entertainment** Services **USD 14.3 Mn** 



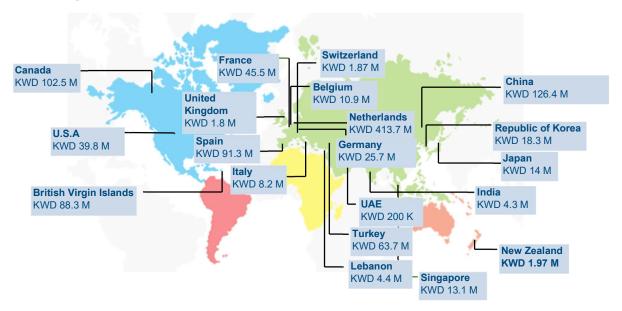
Market Research USD 14.6 Mn



**Environment** USD 5 Mn

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# 4.5 KDIPA Approved Direct Investment flow by county



Cumulative approved Direct Investments Volume is KD 1,075,865,892, i.e., around USD 3.5 Bn, coming from 21 countries.

## 4.6 Prominent International Companies operating in Kuwait under the Direct Investment Law:

Prominent International Companies operating in Kuwait under the Direct Investment Law are provided below:



















































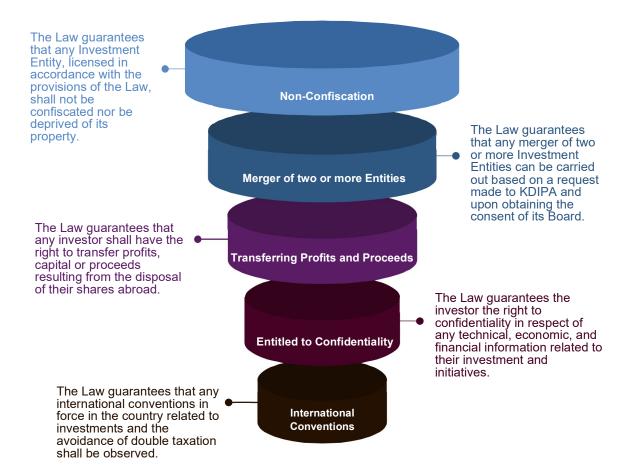






## 4.7 Guarantees provided by the Direct Investment Law

The guarantees provided to international investors under the Direct Investment Law are as follows:



## 4.8 Incentives provided by the Direct Investment Law

The incentives provided to international investors under the Direct Investment law are provided below:

#### Utilization of land or real estate

Land or real estate allocated to KDIPA or that are subject to its supervision can be provided for investors to set up operations in accordance with the principles and rules established by KDIPA Board of Directors.

### Other advantages and exemptions

Other exemptions and advantages may be granted to certain investors based on decision taken by the Council of Ministers.

#### Incentives and exemptions for Public Private Partnership (PPP) Projects

All advantages, incentives and exemptions from the law shall apply to PPP projects established for direct investment purposes so long as they are approved by KDIPA Board of Directors.

#### **Exemptions from Taxes**

Exemption from all taxes for a licensed investment entity for a period not exceeding ten years from the date of the actual commencement of operations.

#### Exemptions from Taxes for Expanded Investment Entities

Exemption from all taxes for a period no less than the duration of the exemption granted to the original Investment Entity as of the date of commencement of production or actual operation of the expansion.

Exemptions on taxes, duties on certain items imported for Direct Investment Purposes

Whole or partial exemption from taxes, customs duties or any other fees that may be payable on imports required for the purposes of Direct Investment such as:

- a. Machinery, tools, and equipment and means of transport and other technological devices.
- b. Spare parts and necessary maintenance supplies for what has been described in the previous subsection.
- c. Merchandise, raw materials, partially manufactured goods, wrapping materials and packaging.

#### **Employment of Foreign Labor**

Employment of foreign labor required for the investment so long as the employed labor meets the minimum proportion of national employment that should be provided.

# 4.9 Application and License Processing Services provided by KDIPA

The application process by international investors under the Direct Investment Law are provided below:



Services provided by KDIPA (represented by the Account Manager from the Investors Service Centre) at this stage include the following:

- Receiving potential investor.
- Advising potential investor on how to fill and submit the Application Request Form (ARF).
- Reviewing the project proposal and the expected deliverable against KDIPA's goals and set criteria.
- Providing feedback on the Application Request Form submitted to the potential investor within 3 business days.

Services provided by KDIPA (represented by the Account Manager from the Investors Service Centre) at this stage include the following:

- Advising the potential investor on how to fill and submit the Licensing Application including the type of application form, all required legal documents, power of attorney and board resolution templates.
- Advising the potential investor on clarifications required, if any, while preparing the Business Plan.
- Reviewing the completed applications and enclosures and advising the potential investor on any pending requirements.
- 4. Advising the potential investor on fees that need to be paid.
- Providing a decision on the Licensing Application within 30 Business days from final submission.

Services provided by KDIPA (represented by the Account Manager from the Investors Service Centre) at this stage include the following:

- After the approval of the Licensing Application, the Account Manager will provide the investor with a 'Memorandum of Association Form' according to the type of entity of the prospected company. The same needs to be filed in by the investor
- 2. The Account Manager will first assist in authenticating the 'Memorandum of Association' from the Ministry of Justice and in issuing the needed Commercial License along with the Certificate of Commercial Registry from the Ministry of Commerce & Industry (MOCI) and any other required licenses from competent authorities depending on the activity of the prospected company.

Services provided by KDIPA (represented by the Account Manager from the Investors Service Centre) at this stage include the following:

- After the Commercial
  License is obtained, the
  Account Manager advises
  the investor to first apply
  for the Investment License
  Request Form. The form is
  required to issue the
  Investment License along
  with a Certificate of
  Investment Registry.
- The Account Manager then advises the investor to pay the required fees and submit all the relevant documents.
- The Account Manager then processes the Investment License for the investor, in order to adds the Investment Entity in the Investment Registry of KDIPA and issues a registration certificate.
- The Account Manager assist with opening the labor file in the public authority of manpower (PAM).