

Decision No. 388 of 2024 Concerning the rules and regulations for granting incentives and exemptions for investment entities

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Director General of Kuwait Direct Investment Promotion Authority:

- Based on Law No. (116) of 2013 regarding the Promotion of Direct Investment in the State of Kuwait and its Executive Regulations;
- And the Decision of the Deputy Prime Minister and Minister of Commerce and Industry No. (502) of 2014 Regarding the issuance of the Executive Regulations of Law No. (116) of 2013 regarding the Promotion of Direct Investment in the State of Kuwait;
- And the Director General Decision No. (16) of 2016 on the Mechanism for Granting Tax Exemption and its amendments;
- And Decision No. 329 of 2019 regarding the Mechanism for Evaluating Investment License Applications and Granting Incentives;
- And the Decision of the Board of Directors of Kuwait Direct Investment Promotion Authority taken in its meeting No. (2/2024) held on 3/6/2024 regarding the proposed the rules and regulations for granting incentives and exemptions to licensed investment entities and new applicants;
- And based on the work interest,

It is decided:

Article One: It is permissible for the investor to apply for an investment license and request incentives in accordance with the provisions of Law No. (116) of 2013 mentioned above, provided that the investor applying for establishing investment entity satisfy the criteria set by the Authority approved scoring mechanism.

Article Two: It is permissible for licensed investment entities, according to the provisions of Law No. (116) of 2013 mentioned above, which operation date is not less than one year, to apply to the Authority to request incentives and exemptions according to the following rules and regulations:

1. The Authority approved Scoring Mechanism for Evaluating Investment Licensing and Granting Incentives shall be implemented.
2. Submitting a periodic report which shows the commitment of the licensed investment entities to the specified obligations and criteria within the provided business plan according to the timeline.
3. Submitting a detailed business plan highlighting the accomplished achievements from the date of operations of the licensed entity as well as its future objectives.
4. The exemption is calculated from the date of submission of the application for granting incentives (D) after fulfilling the required documents and paying the required fees. This exemption does not include any amounts previously paid for taxes and customs duties.

Article Three: The specified rules and regulations for investors or investment entities applying for obtaining investment license with incentives or licensed entities applying for granting incentives, in accordance with the provisions of Law No. (116) of 2013, simultaneously with the investment license application or subsequent to the investment license, which have ongoing contracts or projects for which bids were submitted before the application was submitted, whether with the government or the private sector.

1. Commitment to meet the criteria set by the Authority, contrary to what the investor or investment entity committed to in the contract terms.
2. The exemption granted by the Authority will not cover ongoing contracts or projects that submitted their bids before the application submitted. Additionally, these exemptions do not apply to any contracts and projects even if they are later transferred or assigned to another entity.
3. The investment entity that obtains the investment license and benefits from the incentives must maintain separate financial accounts for the investment entity distinct from any contracts that have been signed.
4. The incentives and exemptions granted by the authority will not cover any contracts exempted from taxes and fees.

Article Four:

It is prohibited for companies and investment entities benefiting from the offset program in the State of Kuwait to take advantage of the benefits and exemptions issued under Law No. 116 of 2013, during the period of obligation.

Article Five:

All those responsible for executing this decision must implement it, and it will be published in the official gazette.

Dr. Meshal Jaber AlAhmad AlSabah

Director General for Kuwait Direct Promotion Authority