

BE PART OF KUWAIT'S VISION **INVEST IN KUWAIT**



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KUWAIT FACT SHEET



Official name of Country

State of Kuwait



Capital City

Kuwait City



Governorates (Administrative Units)

Hawally, Ahmadi, Al Asimah, Jahra,
Farwaniya, Mubarak Al Kabeer



Government

Constitutional Hereditary Emirate
with a democratically elected Parliament



Head of State (Amir)

His Highness Sheikh Nawaf Al-Ahmad
Al-Jaber Al-Sabah



Population

4.8 million (December 2023)



Official Language

Arabic is the official language while
English is also widely used, particularly
as a business language



Area

17,818 km²



Climate

Mean temperatures range between
25°C to 48°C during the dry and hot
summer season and between 11°C to
29°C during the short winter season



Time Zone

GMT +3 hours



Country Code

+965



Currency

Kuwaiti Dinar (KWD or KD), sub-divided into 1,000 Fils 1 USD equals approx. 307.39 Fils (average exchange rate in January 2024)



Nominal GDP

USD\$ 175 Billion (2022)



Value of Total Imports

USD\$ 28 Billion (2020) &
USD\$ 31 Billion (2021)



Annual Inflation Rate

3.59% (2023)



GDP Per Capita

USD\$ 41,079 (Nominal GDP for 2022)



Value of Total Exports

USD\$ 40 billion (2020) &
USD\$ 63 billion (2021)

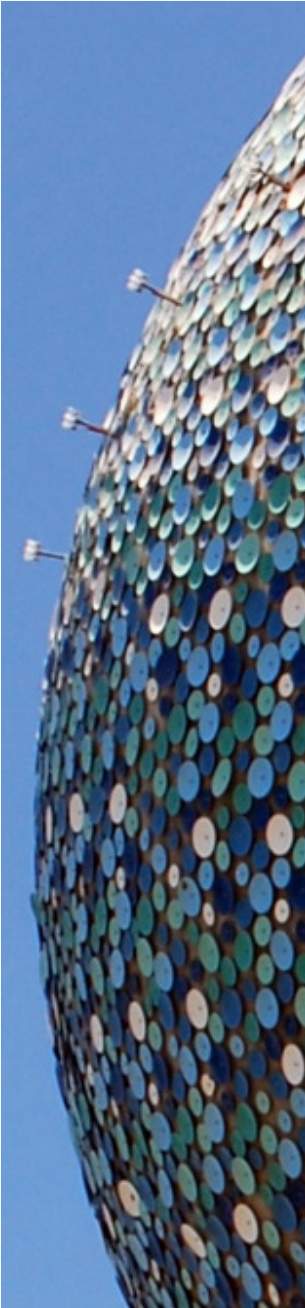
"ABOUT KUWAIT"





INVEST IN KUWAIT

GROWTH DRIVERS



KUWAIT IS TRANSFORMING

Through the Kuwait Vision 2035, the government is seeking to transform Kuwait into a financial and commercial leader in the region, enhancing its global position and developing infrastructure, human capital, public administration, healthcare, economy, and living environment.

5 QUINQUENNIAL PLANS OF KUWAIT VISION 2035

2010 - 2014	Legislatures Activities
2015 - 2019	Infrastructure building
2020 - 2024	Private sector engagement & initiatives
2025 - 2029	Knowledge based economy
2030 - 2035	Towards smart Kuwait

Source: General Secretariat of the Supreme Council for Planning and Development

ECONOMIC DIVERSIFICATION UNDERWAY

The series of medium term 5-year development plans undertaken from 2010 to 2035 have supported the implementation of institutional reforms, infrastructure development 814 million K.D. (2024/2025) and the steady growth of the private sector and the non-oil economy 49.2% (Third Quarter 2023).

MEGA INVESTMENT OPPORTUNITIES

Kuwait presents numerous opportunities across a broad range of sectors including power, water, transport, construction, housing, healthcare, education, cleantech, oil & gas and more.

Source: General Secretariat of the Supreme Council for Planning and Development, Central Statistics Bureau

THE KUWAIT NATIONAL VISION 2035 SETS AMBITIOUS TARGETS ACROSS SEVEN PILLARS



20 DAYS

Public administration

To obtain a business license



+11%

Infrastructure

Investment increase



+3,500

Economy

New small businesses



+15%

Living environment

Renewable energy share



+8,000

Healthcare

Hospital beds



+40,000

Human capital

Student capacity



+1.5%

Global position

GDP for humanitarian assistance

Source: www.newkuwait.gov.kw

KUWAIT ACTIVE PROJECTS BY SECTOR WITH 2021 FORECASTS

CONSTRUCTION

13.1 EXECUTED US\$ BN
51.6 PRE-EXECUTION US\$ BN

ENERGY & INDUSTRY

12.7 EXECUTED US\$ BN
20.2 PRE-EXECUTION US\$ BN

TRANSPORT

12.7 EXECUTED US\$ BN
49.9 PRE-EXECUTION US\$ BN

POWER & WATER

4.2 EXECUTED US\$ BN
33.8 PRE-EXECUTION US\$ BN

Source: MEED

DOING BUSINESS ATTRIBUTES

UP TO 100% FOREIGN OWNERSHIP

Investors can take advantage of Kuwait's Law No. 116 of 2013 which provides several incentives and guarantees including:

Ability to pursue business opportunities as a Kuwaiti company with up to 100% foreign equity; or as a licensed branch of a foreign company; or as a representative office having the sole purpose of preparing market studies or production possibilities.

Tax incentives for up to ten years with respect to non-Kuwaiti shareholders' share of profits from qualifying projects.

Exemptions from customs duties.

Allocation of land for the proposed projects.

Investors are guaranteed protection from seizure or expropriation without compensation equivalent to the true economic value of the expropriated project at the time of expropriation; guaranteed free transfer or remittance of capital & profits and disposal of the ownership in the Investment Entity in any time without restrictions.

Avoidance of double taxation and benefits under bilateral treaties for the protection and encouragement of investment.

Investors who have obtained Investment License from KDIPA, will be classified at Kuwait Central Agency for Public Tenders "CAPT" according to their previous work outside Kuwait and without any limitation on the period of their registration.

INVESTOR GRADE SOVEREIGN RATINGS

All the three leading rating agencies consistently confer an investment grade rating for Kuwait, indicating their confidence in the country's ability to meet its sovereign obligations, backed by its considerable financial reserves serving as financial cushions.

KDIPA ACTS AS A ONE-STOP SHOP FOR INVESTORS



Coordinates with relevant governmental ministries and authorities to attend to needs of foreign investors.



Provides decision on merit of duly completed applications within 30 days of submission.



Grants attractive incentives to qualifying projects.



Identifies and promotes investment opportunities.



Communicates with investors and provides requested information.

**KUWAIT ENJOYS HIGH RATINGS
FROM LEADING RATING AGENCIES**

MOODY'S

A1 / November 2023

S&P Global

A+ / 2022

FitchRatings

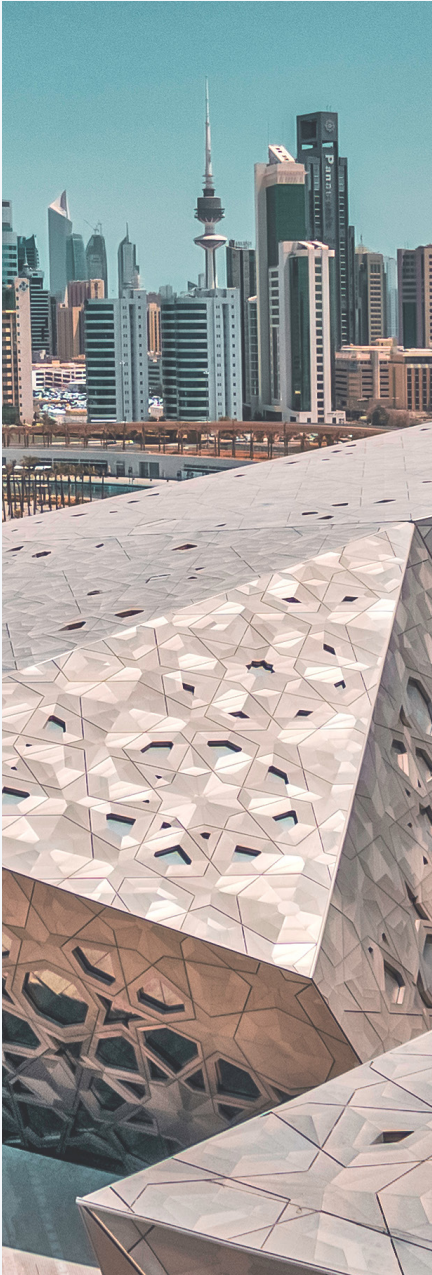
AA- / March 2024

Source: Moody's, Kuwait News Agency and Central Bank of Kuwait

LOW POLITICAL RISK



(Coface ascending scale A1-A4, B, C, D)



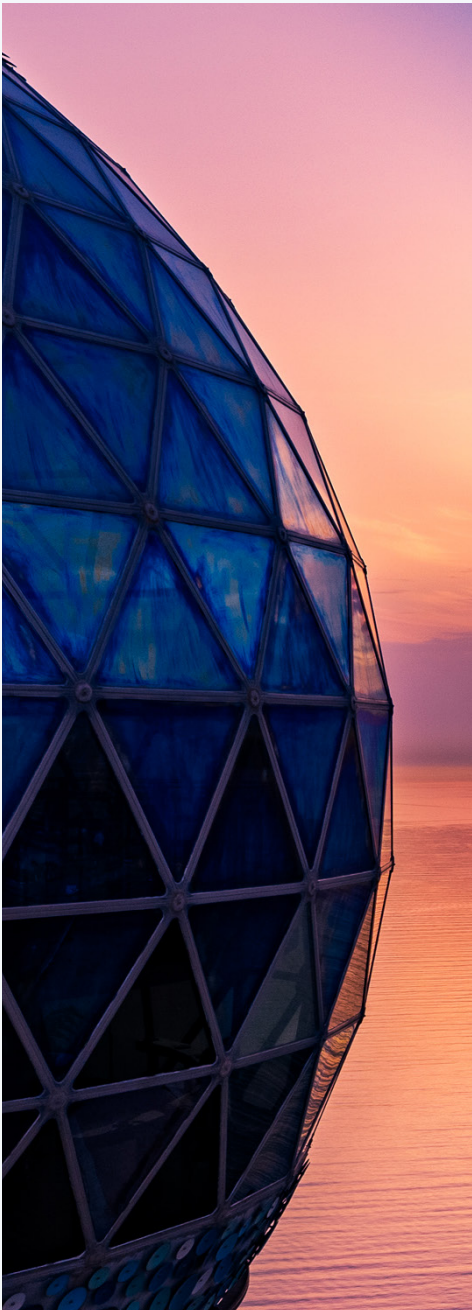
LEGAL FRAMEWORK SYMMETRY

LOW CORPORATE TAX RATES

Kuwait has one of the World's most attractive tax regime with no personal income tax, low corporate tax for foreign companies, limited restrictions on imports and exports, unrestricted movement of funds, including repatriation, a strong and stable currency supported by a prudent monetary policy.

KUWAIT TAX SCHEME

- 0%** **Personal Income Tax**
- 15%** **Corporate Income Tax**
(on share of profit of foreign companies)
- 2.5%** **National Labour Support Tax**
(on profits of listed companies)
- 1%** **Contribution to Kuwait Foundation for Advancement of Sciences**
(on profits of shareholding companies)
- 1%** **Zakat Tax**
(on profits of shareholding companies)
- 5%** **Customs Duties**
(on imports from non-GCC countries)



TRANSPARENT LEGAL SYSTEM

Kuwait's economy is supported by an independent judiciary and a stable legal framework.

The legal framework follows leading international standards and bodies of law governing business and commercial activities including intellectual property protection and environmental regulation.

COMPETITIVE FACTOR COSTS

The Kuwait government provides fuel, power and water at competitive rates.

Industrial and commercial land plots are available to qualifying projects at subsidized rents.

KUWAIT HAS AMONG THE LOWEST RATES FOR FUEL & UTILITIES GLOBALLY

POWER \$0.01

(INDUSTRIAL USE - USD /KILOWATT)

WATER \$2.49

(INDUSTRIAL USE - USD/1,000 IMPERIAL GALLON)

GAS OIL \$38.2

(US CENTS PER LITER)

KUWAIT HAS ENACTED SEVERAL PROGRESSIVE & BUSINESS-FRIENDLY LEGISLATION

- 2013 | Direct Investment Promotion Law
- 2016 | Kuwait Companies Law
- 2010 | Kuwait Labour Law
- 2014 | Public Private Partnership Law
- 2010 | Capital Markets Authority Law
- 2019 | Copyright and Related Rights
- (GCC Law 2015) | Trade Marks Law
- (GCC Law 2013) | Patents Law
- 2020 | Insolvency Law
- 2020 | Right to access information Law

Note: entered into force as of 22 February 2018

Source: www.mew.gov.kw, www.knpc.com.kw

LOCATION ADVANTAGES

STRATEGIC LOCATION

Kuwait is located in the northern Arabian Gulf bordering three major markets of KSA, Iraq and facing Iran across the Gulf. This advantageous location allows for an extended access to markets in various directions including Turkey, Eastern Asia, Commonwealth of Independent States, and into Eastern and Central Europe.

The country also has a coastline spanning 499km in the Arabian Gulf with a well developed port infrastructure. Kuwait is a signatory of the Belt & Road Initiative (BRI) that China had launched as a participatory partner amongst other 140 countries as of January 2021.



MAINTAINING RESILIENCE

Kuwait's near and medium-term challenges and policy priorities were prepared before COVID-19 became a global pandemic. The outbreak has greatly amplified uncertainty and downside risks.

Non-oil growth is expected to strengthen in the near term, supported by government spending, employment, and credit growth.

Prudent regulation and supervision have helped keep banks resilient.

The emergence of a vibrant non-oil private sector that creates jobs for the growing labor force.

The June 2019 announcement of Kuwait's MSCI upgrade from a frontier to an emerging market, as part of the MSCI May 2020 semi annual index review (SAIR), buoyed equities and increased access of international institutional investors.

To further strengthen resilience to shocks, the Capital Markets Authority (CMA) and CBK continue to enhance prudential regulation and liquidity management tools.

MSCI Kuwait Index covers around 85% of Kuwait equities, and is primarily composed of financial companies (78.8%)

Source: IMF Kuwait report March 2020

MSCI KUWAIT INDEX Sector Weights

17.74% Communication Services

51.33% Financials

16.68% Industrials

14.08% Real Estate

Source: msci.com (June 30, 2021)

SUBSTANTIAL GOVERNMENT RESOURCES

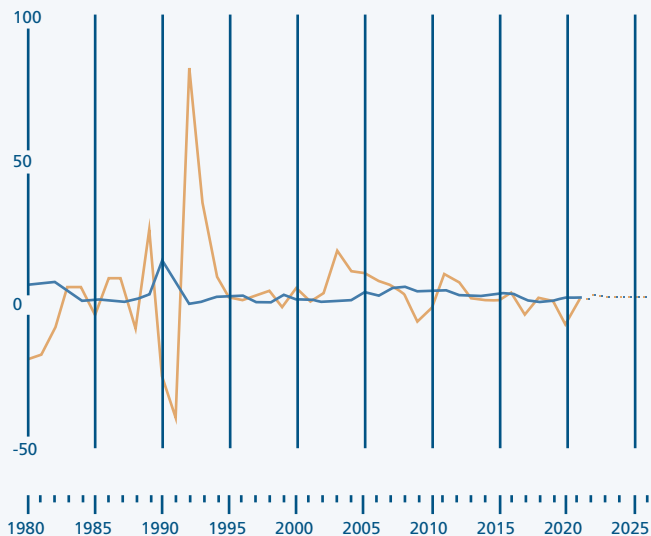
Kuwait has the 6th Largest proven crude oil reserve. (2023)

The Sovereign Wealth Fund Institute ranks the Kuwait Investment Authority 6th out of the wealthiest SWFs.

KIA manages assets estimated at USD 923 billion.

Source: Organization of the Petroleum Exporting Countries
Sovereign Wealth Fund Institute

PROSPEROUS GDP & STABLE INFLATION RATES

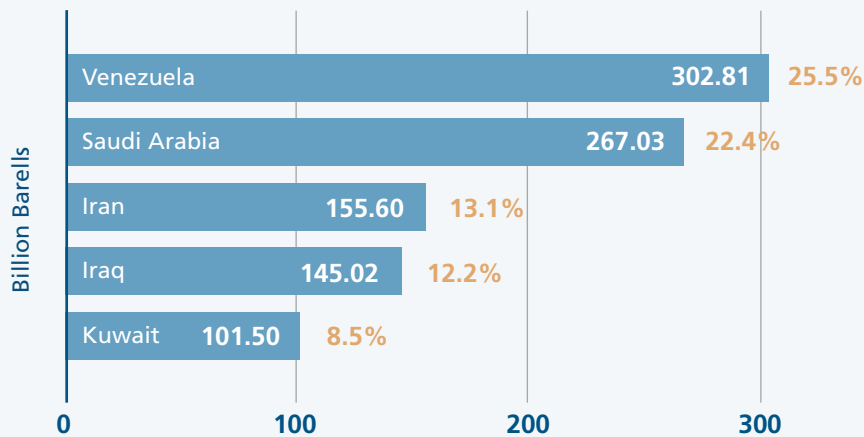


- **0.7** Real GDP Growth (Annual Percent Rate)
- **2.3** Inflation Rate, average consumer prices (Annual Percent Rate)

Source: IMF DataMapper, April 2021

OIL RESERVES

Kuwait has the 5th largest proven crude oil reserves within OPEC



Source: OPEC, Annual Statistical Bulletin

HUMAN & CULTURE ELEMENTS

DEMOCRACY

The State of Kuwait is a constitutional hereditary emirate with a parliamentary system of government. The Kuwaiti constitution was approved and ratified on November 11th 1962 whereby it defined roles, separated powers and called for direct parliamentary elections.

Kuwait entered for the first time in the Brand Finance Global Soft Power Index 2021 holding

rank 42 out of 105 countries.

The Kuwait National Assembly consists of 50 members who are elected by Kuwaiti citizens and hold office for a term of four years

The National Assembly enacts legislation that becomes law after ratification by His Highness the Amir.



YOUNG AND EDUCATED KUWAITI WORKFORCE

Kuwait has a predominantly young population with 60% of its citizens below the age of 40.

The Kuwaiti population is highly educated with an average of 35% of the young working age population (age group 25 to 34) holding either a diploma or a higher education qualification.

HOSPITABLE CULTURE

Kuwait ranked 47 out of 149 in UN World Happiness Index 2021.

Kuwait offers a balanced mix of a moderately conservative society built upon traditional Islamic customs and practices combined with a progressive outlook and acceptance of new concepts.

The low rate of crime and respect for privacy make Kuwait a comfortable place for families. Expatriates are respected for the skills and value they bring to the country.

Though Arabic is the official language, English is widely used as a business language.

TERTIARY EDUCATION ATTAINMENT LEVELS (AGE GROUP 25 TO 34)

51.82%	United Kingdom
50.38%	United States of America
35%	Kuwait
35.33%	Turkey
33.26%	Germany
27.74%	Italy

Source: PACI, OECD

POPULATION BY ETHNIC GROUPS (MARCH 2024)

31.82%	Kuwaiti
26.22%	Arab
40.28%	Asian
1.68%	Others

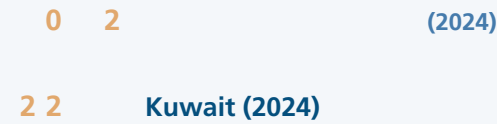
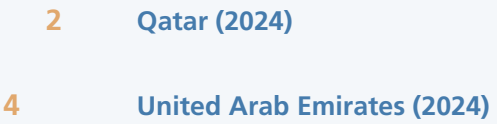
Source: PACI

SOFT FACTORS POWER

HIGH GDP PER CAPITA

Kuwait has a high per capita income reaching around USD 32,000.4 in 2019. This has placed Kuwait amongst the group of high income countries, confirming high pu chasing power.

The high levels of disposable income contribute to demand appetite and affordability for high quality goods and services.



STRONG FINANCIAL SECTOR

Kuwait’s banking system is characterized by a robust financial profile and strong regulatory support, making it one of the most stable and resilient banking markets in the Middle East and North Africa (MENA) region.

The Central Bank of Kuwait (CBK) is widely respected as one of the most proactive and sophisticated regulators in the region.

The Capital Markets Authority (CMA) has strengthened investor confidence in the financial services industr .

Established in 1983, the Kuwait Stock Exchange (KSE) was the first stock exchange in the GCC region and in April 2016 privatized to become Boursa Kuwait.

Kuwait inclusion was completed in MSCI Index and reclassified from frontier to emerging market with expected more inflow of portfolio investments.



Source: EIU and World bank

ESTABLISHED BANKING INDUSTRY

- 1 Foreign Islmaic Bank
- 5 Local Conventional Banks
- 5 Local Islamic Banks
- 10 Foreign Conventional Banks

Source: Central Bank of Kuwait

DEVELOPED ICT AND TRANSPORT INFRASTRUCTURE

Kuwait has the highest mobile subscriber penetration rates in the world and also ranks high in terms of internet penetration.

The country has an advanced transport system with well developed port, road and air transportation.

Projects are underway to further develop the transport infrastructure including development of the new Mubarak Al Kabeer port on Boubyan Island, capacity expansion of existing ports, a new airport terminal and several road projects.

Kuwait has High Subscriber Penetration Rates and among the Highest Average revenue per user in the World



158%

Mobile subscriber penetration rate (most recent update 2020)



126.2

Marine freight throughput (mn tons) (2022)



11.1

Passengers at Kuwait airport (mn) (last update 2022)

Source: Communication and Info. Technology Regulatory Authority, Central Statistical Bureau, PACI



ATTRACTIVE INVESTMENT OPPORTUNITIES ACROSS DIVERSE SECTORS



Infrastructure

Kuwait has earmarked more than USD 1.3 billion in Kuwait Development Plan (2024/2025) and has earmarked a similar amount for the new five-year development plan for infrastructure development in sectors such as power, water, transport, infrastructure (ports, aviation and rail) providing opportunities for international investors. Kuwait is the first country in the region to adopt a Public Private Partnership (PPP) framework to attract foreign developers.



Downstream - Chemical Manufacturing

Kuwait plans to double its chemical production capacity for ethylene and polyethylene providing room for international investors to forge partnerships / strategic alliances with leading local players.



Environmental Services

A number of projects have been initiated to address the current and future capacity constraints in critical environmental segments such as sanitation and waste management with the government seeking active private sector participation.



Education & Training

Kuwait's education expenditure is expected to increase from USD 6.7 billion in (2022/2023) to USD 7.6 billion by (2023/2024). Kuwait is seeking to attract leading global educational institutions to reach international enrollment levels and standards of education. Kuwait allocated USD 8.7 billion to the education sector, equal to 12.3% total expenditure for the fiscal year 2020/2021, somewhat higher than the allocation allotted in 2019/2020.



Healthcare

Kuwait has the third largest total healthcare expenditure in the GCC. Private sector investments are expected to reach USD 1.3 billion by 2019 (4.4% annual growth between 2022-2027) providing opportunities to establish specialty hospitals and lifestyle clinics catering to an affluent, growing population. Kuwait allocates 4% of its GDP and 11% of the total government budget on healthcare, estimated at USD 8.23 billion in 2019. compared to other GCC countries, Kuwait is one of the highest contributors to healthcare followed by Saudi Arabia.



Culture, Media & Marketing

High affinity for entertainment and media on digital platform such as smartphones and tablets and high affordability are opening new markets and business opportunities in the digital media and marketing sector.



Urban Development

Kuwait has a pipeline for several large housing projects including integrated townships. These projects provide opportunities for international investors to participate across the real estate value chain including development planning, construction contracting and property and facilities management.



Banking, Financial Services & Insurance

A robust financial sector, proactive regulatory regime and rising personal and institutional wealth make Kuwait an attractive destination for international BFSI institutions to offer specialized products and services.



Tourism, Hotel & Entertainment

Tourist arrivals are expected to grow from 4.1 million in 2023 to 7.9 million in 2033, creating need for greater hotel capacity. Limited presence of international budget hotel brands present and opportunity for concepts targeting business travelers.



Storage & Logistics Services

Kuwait is developing its transportation infrastructure across ports, airport and rail with a view to position the country as a hub for regional trade. This, combined with Kuwait's reliance on imports, logistics and warehousing presents considerable opportunities for international players.



Air, Maritime & Rail Passenger Transport

Kuwait is developing over USD 60 billion of transport infrastructure projects in aviation and rail which will facilitate increasing passenger transport activity in the country and augment demand for services allied to the transport sector.



Web & App Development

Demand from consumer focused sectors like retail and banking along with digital transformation initiatives at the government level are augmenting demand for web-enabled IT services and solutions in Kuwait.

Source: General Secretariat of the Supreme Council for Planning and Development, Ministry of Finance, Alpen Capital, BNC Network: Construction Intelligence, World Travel & Tourism Council

"STARTING A BUSINESS IN KUWAIT"





INVEST IN KUWAIT

KDIPA PROCEDURES AND FACILITATION

KDIPA (LAW NO. 116 OF 2013)

Kuwait Direct Investment Promotion Authority (KDIPA) 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. H.E Minister of Finance, State Minister of Economic Affairs & Investment is the Chairman of its Board of Directors. KDIPA is one of the economic implementing arms of the country performing developmental, promotional, regulatory, and advocacy roles.

KDIPA MAINTAINS A SIMPLIFIED FOUR STEP INVESTMENT LICENSING PROCEDURE TO SERVICE INVESTORS

FILL

Fill the Application Request Form (Your Proposal)

Response time: **3 Days**

SUBMIT

Submit the Licensing Application Form (With your business plan)

Response time: **30 Days**

OBTAIN

Obtain the Commercial License (With KDIPA's help & support)

Response time: **Depends on the Investor**

ISSUE

Issue the Investment License

INVESTORS CAN MAKE THE FOLLOWING TYPES OF APPLICATIONS TO KDIPA:

- A) Application for licensing a Kuwaiti company.
- B) Application for licensing a Branch.
- C) Application for licensing a Representative Office
- D) Application for granting incentives

KDIPA PROVIDES FACILITATION AND AFTERCARE TO INVESTORS BY:

- 1) Continuous assistance during the process of investment license;
- 2) Managing and coordinating with all relevant government entities on behalf of the client;
- 3) Active follow-up and assistance throughout the approval of the investment license; and
- 4) Managing any appeals or queries in case of rejection of applications.

LEGAL FRAMEWORK

Kuwait's legal framework governing business activities provides a range of opportunities to commence a business in Kuwait. Several legislations regulate the Kuwait's business environment, prominently the Companies Law No. 1 of 2016 and Commercial Agencies Law No. 13 of 2016.

LAW: Companies Law (Law No. 1 of 2016)

KEY FEATURES: A new companies law has been recently promulgated in Kuwait, providing a more realistic and practical perspective than the previous companies law.

TYPES OF COMPANIES:

Public and Closed Shareholding Companies: Both Public and Closed Shareholding Companies allows foreign ownership of shares not exceeding 49% of the company's capital.

Limited Liability Companies: Limited Liability Companies allows foreign ownership of shares not exceeding 49% of the company's capital.

Partnerships Limited by Shares: Partnerships Limited by Shares allows foreign ownership of shares not exceeding 49% of the company's capital.

Single Person Companies: The shareholding of Single Person Company is not divisible; the company's capital must be owned by a single investor. If the company's capital is divided between more than one investor then the company will be forcefully converted to a Limited Liability Company by virtue of the law.

Limited Partnership Companies: Limited Partnership Companies include two types of partners, general partners, and limited

partners. General partners are jointly liable with all their personal assets for the company's obligation. Only they can manage the company and they must be Kuwaiti. Limited partners are only liable to the extent of their cash contributions to the company's capital.

General Partnership Companies: The partners of the company are personally and jointly liable with all their assets for all obligations of the company. Any agreement to the contrary is null.

Law No. 116 of 2013 excludes the provisions regarding the limitations of foreign direct investor ownership and stipulates that it is possible to own 100% of a company after issuance of a license from the Kuwait Direct Investment Promotion Authority.

LAW: Commercial Agencies (Law No. 13 of 2016)

KEY FEATURES: Kuwait introduced the new Commercial Agency Law, that defines the conditions for carrying out business in Kuwait through the commercial agency route.

TYPES OF COMPANIES:

The commercial agent must be Kuwaiti or a Kuwaiti legal person, which must be 51% owned by a Kuwaiti partner.

LEGAL FRAMEWORK

The importation or provision of any goods or products now cannot be limited to a sole agent or distributor, even if there is an exclusive arrangement in place. All commercial agency agreements must be registered at Department of Commercial Agencies at the registrar. The Ministry of Commerce has 30 days within which they may reject an application.

PROCESSES

Public and closed shareholding companies are incorporated after the issuance of a commercial license by the Ministry of Commerce and Industry and the signing of a memorandum of incorporation and articles of association. The memorandum of incorporation and articles of association must include the name of the company, the purpose for which the company was built for and the name of the founders. Additionally, the memorandum of incorporation and articles of association must include the company's capital, number of shares and the amount of shares held by each shareholder. The company's financial assets must be held in the company's Kuwaiti bank account.

TIMELINES

Once a trade license is requested for a shareholding company from the Ministry of Trade and Commerce, the license may be granted within 30 days of the application. During the pre-licensing period, the company may only carry-out work necessary for the incorporation of the company.

REGULATORY BODIES

In the State of Kuwait, there are authorities for granting licenses and regulators to supervise the business activities:

Ministry of Commerce and Industry (MOCI)

Kuwait Direct Investment Promotion Authority (KDIPA)

ACCOUNTING POLICIES, REGULATIONS AND STANDARDS

Statutory Requirement

All companies must maintain adequate accounting standards of their financial records as required by law.

Accounting Standards

The Ministerial Resolution No. 110 of 1991 requires all companies to comply with International Financial Reporting Standards (IFRS) for the preparation of their financial statements.

Audit Requirement

Shareholding companies, must be audited annually by an auditor registered with the Ministry of Commerce and Industry and the Capital Markets Authority. The auditors must be appointed by the general meeting. Membership of the auditors in the Association of Accountants and Auditors is required. Publicly listed companies must be audited by two separate firms on a joint audit basis

TAX REGULATION

TAXATION

OVERALL STRUCTURE:

Each tax is regulated by a separate legislation which is governed by the Amiri Decree. The tax system is comprised of the following main taxes:

Taxation of Foreign Business Entities

Kuwait Foundation for the Advancement of Sciences (KFAS)

Zakat (Islamic Tax)

National Labor Support Tax (NLST)

FOREIGN ENTITY TAX:

Taxable profits are determined after deducting allowable expenses and costs incurred and will take into account any relevant provisions of any applicable Double Tax Treaty Agreements subject to the practices of the Kuwait Tax Authority (KTA). 15% flat rate on the net taxable income for fiscal periods commencing after 3 February 2008. Prior to this, tax rates were up to a maximum of 55%. Capital gains are treated as normal business profits. Losses may be carried forward for a maximum of three years provided the foreign entity has not ceased its operations in Kuwait. No definition of a Permanent Establishment (PE). Taxable presence created by even a single day visit to Kuwait triggering the requirement for registration and annual tax filing. Kuwait differs in this aspect when compared with other countries in the region.

ZAKAT:

Law No. 46 of 2006 regarding Zakat is applicable on all Kuwaiti shareholding Companies at 1% of their annual net profit after the permissible deductions. In practice, the KTA has recently requested not only Kuwaiti entities but also GCC companies and Banks to submit Zakat declarations based on the Ministerial Order No.3 of 1989 which refers to the equalization of tax treatment of Kuwait and GCC Nationals / Companies. There is no delay penalty for late submission of Zakat Declaration or late settlement of Zakat amount up till now. Zakat Law does not allow previous year's losses to be carried forward to subsequent years.

NATIONAL LABOUR SUPPORT TAX (NLST):

Law No. 19 of 2007 regarding NLST is applicable on all Kuwaiti Companies at the Kuwait Financial & Tax Affairs Division at the Ministry of Finance, which is Kuwait tax authority (KTA) at 2.5% of their annual net profit after the permissible deductions. NLST Law and applications are similar to Zakat law in the following:

- Compliance procedures.
- Delay penalties.
- Allowed deductions for the purpose of computing NLST due, however, there are certain exceptions. Recently the KTA has sent formal letters for all GCC companies listed on the KSE requesting them to submit their NLST declarations even if they do not have any activity in the state of Kuwait.

TAX REGULATION

TAXATION

KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS):

Pursuant of Amiri Decree issued on December 12, 1976 incorporating KFAS, Public and closed Kuwaiti Shareholding Companies are subject to a contribution to the Kuwait Foundation for Advancement of Sciences (KFAS) of 1% of profits after transfer to the statutory reserve and the offset of any losses carried forward. In practice, KFAS is computed on Profit (loss) for the year before Zakat, NLST, Contribution to KFAS and Directors Remunerations after taking into account transfer to statutory reserve (even though this is not reflected in the P&L)





"KUWAIT DURING THE COVID-19 PANDEMIC"





INVEST IN KUWAIT

KUWAIT LOCAL AND GLOBAL ROLE DURING COVID-19 PANDEMIC

LOCAL ROLE

Activating Fiscal Measures

Approving extra KD 500 million to support government budget in dealing with COVID-19 pandemic.

Expediting government payments cycle to the private sector vendors & Contractors.

Exempting impacted economic institutions & cooperative societies from certain government fees and dues.

Supporting SME's

Postponing payments of bank loans & facilities for 6 months, and canceling its interests.

Suspending fees on point of sales devices & ATM for 3 months.

Raising limit for TAP to KD 25 from 10.

Postponing loan instalments funded by the Kuwait SME Fund & Industrial bank.

Postponing social security contributions for 6 months.

Availing Liquidity

Central Bank regulatory stimulus package to raise domestic banks lending capacity by KD 5 billion (US \$16 Billion) to impacted sectors by COVID-19.

Protecting Workers

Securing minimum income for impacted workers by COVID-19 crisis.

Paying salaries of public sector employees during work suspension.

Measures taken by the Central Bank of Kuwait

The CBK instructions included:

Discount rate reduced to 1.5%.

Capital adequacy ratio lowered from 13% to 10.5%.

Risk weight for SMEs lowered from 75% to 25%.

Limit of financing increased from 90% to 100%.

Increasing the ratio of loans to value (LTV) of the property or the cost of development.

Staying Connected

Kuwait mobile operators offered daily free 5G internet for a month as of March 22nd, 2020 for subscribers in support during COVID-19 crisis.

Free local calls amongst the mobile networks for a month.

Health

Free testing to citizens and resident expatriates.

Free medical treatment for citizens and expatriates.

Free medical supplies such as gloves, facemasks and sanitizers distributed to key outlets.

The five-star Al Kout Beach Hotel and Al Khiran resort have been repurposed as quarantine centers, and the International Fairgrounds in Mishref are being used as a field hospital and testing center.

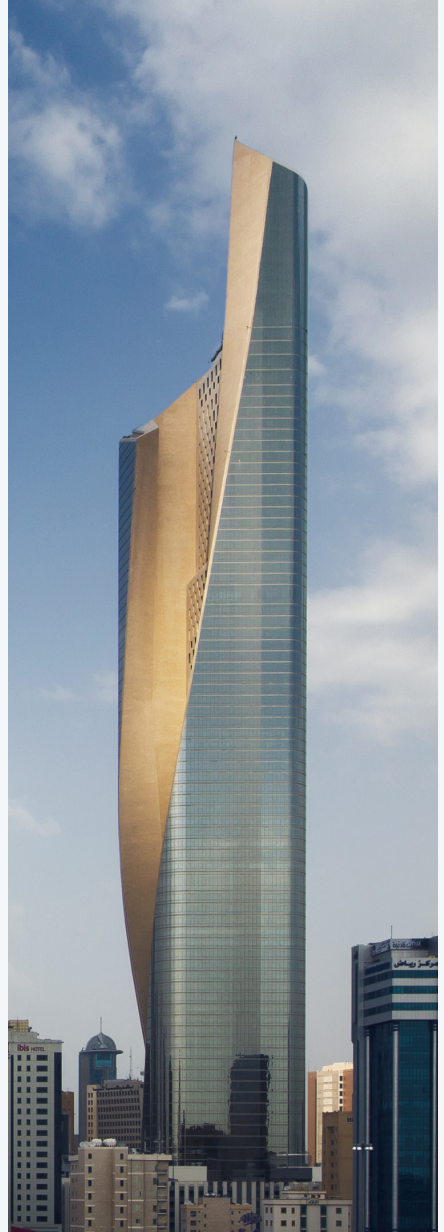
Free COVID-19 vaccinations to citizens and expatriates.

Community Solidarity

National Fund (coronafund.cmgs.gov.kw) setup by the government to support the combat of COVID-19 with contributions reaching more than KD 50 million.

Kuwaiti Charity organizations, Kuwait banks, Kuwait Chamber of Commerce & Industry are amongst those that donated.

+25,000 volunteered as part of the emergency task force with the General Department for Civil Defense to assist in the fight against COVID-19.



KUWAIT LOCAL AND GLOBAL ROLE DURING COVID-19 PANDEMIC

Safety and Security

Daily press conference provided to the public with transparency updated health information and latest measures against COVID-19.

Evacuation plan to bring back home safely Kuwaiti citizens at Corona-hit countries free of charge.

Safe departure of expatriates in Kuwait with ended residency to their homeland without paying fines, nor bearing travel cost

Food Security

Fixing the price of food & essential groceries.

Supporting local producer's capability to ensure stable supply of essential food to all households.

Informing Public

The Kuwaiti Government launched a dedicated website to inform the public on the latest developments of COVID-19, reporting cases, and instructions. <https://corona.e.gov.kw>

Other Measures

Kuwait Ports Authority collaborating with the Ministry of Health to implement screening measures at ports that receive larger ships. The staff on the ship observe social distancing and are well supplied with PPE equipment. When the ship comes to port, medical personnel are deployed to take everyone's temperatures. KPA applied measures relating to PPE equipment 3 months before the International Maritime Organization (IMO) released its regulatory

circular on this issue.

Kuwait being upgraded on three international indexes, the Footsie 100, Dow Jones, and MCSI. This has again been reflected in Fitch Agency's reaffirmation of Kuwait's AA sovereign credit rating amidst a pandemic.

Global Role

Kuwait is committed to comply with the World Health Organization (WHO) precautionary and preventive measures to contain COVID-19.

Kuwait donated US \$60 million to the WHO to support efforts in the fight against COVID-19.

Kuwait made donations to countries in need to support the global combat of COVID-19.

Kuwait made donations to support COVID-19 response measures at points of entry in Jordan.

Kuwait provided financial assistance to regional neighbors (Iraq and Iran) and Palestine to support their responses to combat the COVID-19 pandemic.

The Kuwait Fund contributed US\$4 million to UNICEF's COVID-19 response in Syria, supporting the most vulnerable children and families. Kuwait's contribution will provide the most vulnerable and in need children and families with continued access to essential health and nutrition, protection, education, and water and hygiene services in addition to life-saving information on prevention and protection from COVID-19.

Kuwait rushed oxygen and aid to India to help relieve the suffering of the people there as new COVID-19 infections hit a record high.





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