

## COUNTRY PROFILE



## Kuwait

## Tax overview

Personal Income Tax	None
Corporate Income Tax	None
Gift Tax (direct line)	None
Inheritance Tax (direct line)	None
Wealth Tax	None

## Legal System

Kuwait is a constitutional sovereign state, which applies a mixture of Civil Law and Sharia in family matters for Muslims.

## Currency and Foreign Exchange Controls

The currency is the Kuwaiti Dinar. Kuwait has no foreign exchange controls.

## Personal Income Tax

Kuwait does not impose income tax on individuals, or gift, inheritance or wealth tax.

## Corporate Income Tax

Kuwait does not impose corporate income tax on companies wholly owned by nationals of Kuwait or the GCC. Foreign corporations are subject to corporate income tax at 15%, except where fully owned by Kuwaiti or GCC citizens. Foreign shareholders (non GCC) are subject to tax to the extent of their ownership. Kuwaiti companies must pay Zakat of 1% of net profits.

## Value Added Tax (VAT)

Kuwait is expected to implement a VAT on goods and services at 5% in April, 2021.

## Anti-Avoidance Rules

Kuwait does not have general Anti-Avoidance Rules (GAAR). In addition, Kuwait does not have formal Transfer Pricing rules, Thin Capitalization rules or Controlled Foreign Corporation (CFC) rules.

## Double Tax Treaties (DTTs)

Kuwait has a broad network of DTTs, including with Austria, Belgium, Canada, China, Cyprus, Denmark, France, Germany, India, Ireland, Italy, Japan, Korea, Lebanon, Malta, Mauritius, Netherlands, Russia, Singapore, Spain, South Africa Switzerland, and the United Kingdom.

## OECD Multilateral Convention

Kuwait has also ratified the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, as amended by Protocol (2010). The Convention requires parties to exchange information "on request," and allows parties to agree spontaneous and automatic exchange.

## Common Reporting Standard (CRS)

Kuwait executed the Multilateral Competent Authority Agreement (MCAA) and has implemented automatic exchange under CRS.

## FATCA

Kuwait has a FATCA Model 1 IGA in effect with the United States.

## Notice

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