



TAX ALERT

Kuwait's Tax Landscape: Significant  
Further Changes Expected





## Kuwait January 23, 2025

On December 30, 2024 Kuwait enacted Decree 157 of 2024 which imposes a Domestic Minimum Top-up Tax (DMTT) on large MNE Groups. This DMTT was discussed in detail in our previous tax alert of January 21, 2025 and is expected to result in annual revenues of KD 250 mn (approximately USD 810 mn)<sup>[1]</sup>.



## Corporate taxes to be extended further

Kuwait's Arab Times reported today that at the ongoing **World Economic Forum (WEF)** meetings in Davos, Switzerland, Kuwait's Minister of Finance, Ms. Noura Al-Fassam, revealed that work is progressing on a draft corporate tax law which would extend the **15% Corporate Tax** to other corporations as well. However, Small and Medium Enterprises (SMEs) and vital sectors of the economy will be exempt, in order to encourage growth and innovation[2].



## No imminent imposition of personal income taxes

The Minister also stated that while there is no imminent plan to impose personal income taxes on individuals, discussions on this matter are ongoing together with other countries of the Gulf Cooperation Council (GCC)[3].



## Excise taxes

On **January 15, 2025** the Minister had informed the Kuwait News Agency (KUNA) that the Ministry of Finance is also working on a law to impose excise taxes on those items which are harmful to human health[4]. The imposition of excise taxes is expected to result in additional annual revenues of **KD 200 mn (approximately USD 648 mn)**. In other GCC countries, excise taxes are levied on products which include tobacco, sugary beverages and energy drinks.



## Value added taxes (VAT)

At both Davos, Switzerland and in her conversation with KUNA, the Minister did not refer to Value Added Taxes (VAT). Kuwait and Qatar are the only two GCC countries which do not currently impose VAT. Thus, it would appear that the other changes referred to above, namely the further broadening of the corporate tax base and the imposition of excise taxes shall be implemented before the Ministry turns its attention towards VAT.

## Other economic matters

The Minister also referred to other matters relating to the Kuwaiti economy in Davos, Switzerland, which are briefly summarised below:



**1. Non-oil revenues:** The Government initially aims to raise non-oil revenues to **10% of total revenues**.



**2. New Projects:** Several new projects are expected to be launched soon by Kuwait's **Public-Private Partnership Authority (PPPA)** which will further contribute to GDP growth.



**3. Attracting Investments:** The Government is seeking to attract investments in **renewable energy, infrastructure, technology and family focused tourism**.



## How We Can Assist

At RSM Kuwait we are uniquely positioned to assist our clients in dealing with these requirements. Please contact us in the manner described below.



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#### References:

- [1] <https://www.kuna.net.kw/ArticleDetails.aspx?id=3214725&Language=en>
- [2] <https://www.arabtimesonline.com/news/no-income-tax-for-individuals-in-kuwait-for-now/>
- [4] <https://www.kuna.net.kw/ArticleDetails.aspx?id=3214725&Language=en>

