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NEWS LETTER REGARDING EXTENSION OF DEADLINES DUE TO COVID-19 DISRUPTIONS

The much awaited guidelines from the Kuwait Tax department regarding extension of deadlines in view of the prolonged closure owing to Covid-19, have been released recently.

The guidelines have been issued through Ministerial order no. 21 of 2020 on 16 June 2020 announcing extension of deadlines for filing of tax returns, objection, appeal and settlement of payment of income tax, National Labour Support Tax (NLST) and Zakat.

A summary of directives provided in the Ministerial order is reproduced below:

1. The deadline for submitting tax returns for the years ended 31 December 2019, and 31 January 2020, has been extended to 60 days from the day tax department resumes its work in the Ministry.
2. The extension for the tax returns for the periods ended before 31 December 2019 shall be only 30 days from the day tax department resumes its work.
3. The payment of income tax shall be made on the same day of submitting the tax returns with the Ministry. It should be noted here that all tax installments which are due till the day of filing the tax returns shall be paid in lump sum on the day of filing of tax return. Similarly, Zakat, NLST full payments shall also be made on the day of submission of returns.
4. The period of submitting objections and appeals for the tax assessments issued before 12 March 2020 shall continue being counted after the disruption period of Ministry's work (The disruption period when the Ministry was closed shall not be counted). For example, an objection should be filed within 60 days of issuance of tax assessment. If the tax assessment was issued on 5 March 2020 and assuming Ministry resumes on 1 July 2020, the due date of filing objection against it shall be 22 August 2020.
5. Similarly, the period of issuing Tax Appeals Committee's decision relating to appeals submitted before 12 March 2020, shall continue being counted after the end of disruption period.
6. The period of settlement of all taxes and financial amounts due as per tax assessment letters (including revised assessment letters) issued prior to 12 March 2020 shall continue being counted after the end of disruption period.
7. In all the above extensions provided in point no. 4, 5 and 6 above, the minimum remaining period after disruption period shall be at least 5 working days. This will be applicable in cases where the remaining period after the disruption period is less than 5 days. For example, if the remaining days left for payment of settlement tax is 3 days after the disruption period, the such 3 days shall be extended by 2 more days and total 5 days will be given after the disruption period for payment of settlement tax.
8. There will not be any delay penalties in case taxes are paid within the revised deadlines mentioned above.
9. The date of Ministry resuming work will be announced formally later by the Ministry and actual deadlines will change accordingly.

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