



Kuwait - Mixed (Common, Civil and Sharia law)

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📞 Consultation

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Incorporating a company in Kuwait

Kuwait taxes

Want to setup a company? This will tell you about tax laws in Kuwait, reading this will help you becoming knowledgeable on the specific tax laws and rates for a LLC which is the most common company type in Kuwait.

Kuwait does not impose income tax on companies wholly owned by nationals of Kuwait or other Gulf Cooperation Council jurisdictions. However, GCC companies with foreign ownership are subject to taxation to the extent of the foreign ownership. Income tax is levied on net profits earned from Kuwait-source. However, the tax law does not clearly state the tax treatment of foreign income and is currently treated on a case-by-case basis. Corporate Income tax rate is 15% in Kuwait. This ranks the country as 47th overall in terms of corporate tax rate worldwide.

Kuwait does not impose value added tax, that ranks the country as 1st overall in terms of VAT taxation rate internationally. In terms of other taxation, an employer will contribute 11.50% to the equivalent of a social security fund and an employee will contribute 10.50%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 98 hours. Contributing to this is the number of yearly labor tax payments, which is 12 in KW.

Thin capitalization standards aren't in effect. Thin capitalisation refers to any sort of requirements on a business and the debt-to-asset ratios. Dividends are generally exempted from taxation. A dividend is a distribution of a portion of a company profit, passed by the board, to a class of its shareholders. Dividends can be issued as cash payments, shares of stock, or other property. Capital gains on the sale of assets and shares by foreign shareholders are treated as normal business profits and are subject to 15% tax. Capital Gains from the disposal of securities on the Kuwait Stock Exchange are exempted. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

There are no withholding taxes on payments on interests, dividends or royalties to non-residents. There is no known tax on wealth in Kuwait. There are not known inheritance, real property and transfer taxes in Kuwait. There are no well known R&D initiatives that provide breaks on taxation in Kuwait.

The above is not tax or legal advice for your company's situation. Incorporations.io can point you to an accountant in Kuwait who can get you an answer. Ready to get started? Click the free consultation button above.

The vat rate in Kuwait is 0% which ranks 1 in the world.

- ✗ **Patent box**
- ✗ **RND credit**
- ✗ **Wealth tax**
- ✗ **Estate tax**
- ✗ **Transfer taxes**
- ✗ **Asset taxes**
- ✗ **Capital duties**

- 51** Tax treaties
- 0%** Offshore Tax
- 15%** Corp rate
- Loss carryback years
- 98** Corporate time
- 0%** VAT rate
- 15%** Capital gains
- 2018** AEOI planned

Kuwait Legalese

The underlying legal code in Kuwait is mixed (common, civil and sharia law) law. You will want to get some local advice as to how to best structure a company in Kuwait. E-signatures are allowed.

The letters KW is for Kuwait and the most common company type in Kuwait is a LLC.

When setting up, budget about 3 months to put together the paperwork and file a LLC in KW. The types of currencies you can use to capitalize your company is often any legal tender.

Yes, one is allowed to re-domicile a LLC from KW. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least This means it is not possible for you to own a LLC in Kuwait as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is encouraged, up to 100% of the total equity of the company.

A company is only required to have one director. Additionally, corporate directors are permitted. Directors data is typically not exposed publicly. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered agent is normally required, which means the company will have to pay a fee on a yearly basis, for a legal services company which can receive a service of process on behalf of the company. A related requirement, a company secretary is not always necessary, at least not by law.

There is a requirement to file accounts to relevant authorities. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Kuwait is a ok option and have given it a score of 50 as an IO score, using the Incorporations.IO proprietary formula.

- ✓ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 2 Shareholders required**
- 1 Directors required**
- 3 months to form**



KUWAIT

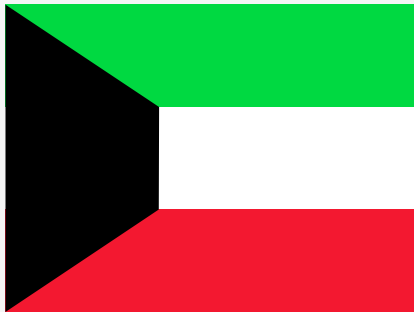
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Country Info



🏴 National Flag of

دولة الكويت (ara)

\$ Currency

KWD

☎ Area Code

+965

🏰 Capital

Kuwait City

✈ Region

Western Asia

🌿 Native Languages

Arabic