

(Unofficial Translation)

Director General Decision No. (173) of 2020

Director General of Kuwait Direct Investment Promotion Authority:

- After perusal of Law No. (116) of 2013 regarding the Promotion of Direct Investment in the State of Kuwait, and its Executive Regulations thereto;
- And the Minister of Commerce and Industry Decision No. (502) of 2014 Regarding the Issuance of Executive Regulations Implementing Law No. (116) of 2013 for the Promotion of Direct Investment in the State of Kuwait;
- And the Director General Decision No. (16) of 2016 on the Mechanism for Granting Tax Exemption and its amendments;
- And the Director General Decision No. (329) of 2019 Regarding the Mechanism for Evaluating Investment License Applications and Granting Benefits;
- And the Council of Ministers Decision No. (455) of 2020;
- And the Decision of the Board of Directors of Kuwait Direct Investment Promotion Authority, taken at its meeting No. (1/2020) held on 16/4/2020, to approve some recommendations and measures to reduce the effects and repercussions of the Corona Covid-19 pandemic;
- And based on the work interest,

It is decided

Article (1): Subject to the provisions of Clause 3 of Article (2) of Decision No. (329) of 2019 regarding the Mechanism for Evaluating Investment Applications referred to, investors who apply for investment licenses and receive an evaluation from 30% - 80%, are granted the exemptions shown hereunder until 31 December, 2020:

- 1- **Exemption for income tax** in accordance with the granting tax exemption mechanism referred to, for the licensed investment entities for the following financial reporting year from the date they started operations.

- 2- **Total exemption for customs duties** on the list of imports required for direct investment purposes of the licensed investment entity, for a period of one year from the date of issuance of the customs exemption certificate, such that the exemption value does not exceed the total investment volume.

Article (2): Extending all grace periods to start actual operations for licensed investment entities scheduled to operate in 2020 to 1st January, 2021.

Article (3): Granting the following exemptions for the existing investment entities:

- 1- Total exemption from customs taxes on the list of imports needed for direct investment purposes in the licensed investment entity, which is submitted to the Authority during the year 2020, for a period of one year from the date of issuance of the customs exemption certificate, such that it does not exceed the value of the total amount of investment recorded in the investment license.
- 2- Income tax exemption for the financial reporting year 2020, in accordance with the provisions for granting tax exemption mechanism referred to, for investment entities that started actual operation before the year 2020.
- 3- Exemption from income tax for the first financial reporting year of the investment entities that started actual operation during the year 2020 or whose effective operating date has been extended in accordance with the provisions of Article (2) of this decision.

The stated conditions for the investment entities to benefit from the mentioned exemptions are as follows:

- 1- Not to have obtained before any of the mentioned exemptions.
- 2- Not to have been subjected to any of the sanctions stipulated in clauses 2 and 3 of Article (32) of Law No. 116 of 2013 referred to, unless the violation has been already addressed.

Article (4): Responsible officials, each in the area of concern, shall execute this decision and publish it in the Official Gazette.

Dr. Meshaal Jaber Al Ahmad Al Sabah

Director General for Kuwait Direct Investment Promotion Authority