

## BDO Kuwait Tax Alert

### Update on FATCA & CRS in Kuwait



On 20 August 2017, the Kuwait Ministry of Finance (“the Ministry”) issued Ministerial Resolution No.46 of 2017 (“the Ministerial Resolution”) setting out additional instructions for the implementation of Common Reporting Standards (“CRS”) in Kuwait. The Ministerial Resolution introduces CRS self-certification forms that should be used by financial institutions in Kuwait when dealing with customers, and requires financial institutions to appoint an audit firm to provide CRS certifications as outlined below.

#### CRS Self Certification Forms

Under the Ministerial Resolution, financial institutions subject to CRS in Kuwait are required to use the CRS self-certification forms that were recommended by the OECD (“Organization for Economic Cooperation and Development”) for [Individuals](#) and [Entities](#) customers. Such forms can be found in the OECD’s website [www.oecd.org](http://www.oecd.org). Financial institutions are permitted to add the necessary questions to the above forms as they deem appropriate for their organization.

While the Ministerial Resolution provided links to the OECD self-certification forms for individuals and entities only, we understand that the OECD self-certification form for [Controlling Persons](#) can be used as well.

#### Appointment of CRS Auditor

Similar to FATCA auditor certification requirements, financial institutions subject to

CRS in Kuwait are required, under the Ministerial Resolution, to appoint an audit firm that is not their external auditor to carry out the required review procedures and issue the following reports:

1. Report on the CRS classification of the financial institution;
2. Report on the CRS reporting procedures of the financial institution; and
3. Report on the CRS compliance of the financial institution

The above reports have to be submitted by the financial institution to the Ministry on or before 31 May of each year with respect to the previous year’s CRS reporting. Accordingly, for CRS reporting for the year ended 31 December 2017, the above reports have to be submitted to the Ministry by 31 May 2018.

#### List of Nonparticipating Jurisdictions

The Ministry of Finance intends to regularly publish a list of Nonparticipating Jurisdictions (NPJs). Under CRS, Kuwait financial institutions are required to identify and report the Controlling Persons of Investment Entities established in these NPJs.

#### Effective date of the Ministerial Resolution

As per article 8 of the Ministerial Resolution, the above requirements are applicable from the date of publishing the Ministerial Resolution in the official gazette i.e. on 20 August 2017.

## Contact details:

BDO has a specialized team in FATCA and CRS in Kuwait and is ready to assist financial institutions in getting ready for CRS. For more information, please contact one of the following:

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## Our Services:

- CRS impact assessment
- CRS awareness and training
- CRS implementation
- FATCA health check review
- FATCA reporting assistance
- FATCA training
- Consultancy on FATCA and CRS entity classifications
- Consultancy on systems changes to handle FATCA & CRS requirements



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