

KUWAIT MINISTRY OF FINANCE ISSUES RULES FOR ELECTRONIC COMMUNICATION

The Ministry of Finance (“MOF”) in Kuwait issued Circular No. 3 of 2020 dated 24 June 2020 (“the Circular”) regarding new procedures for electronic communication with the MOF.

As a result of COVID-19, the MOF now requires all filings including tax declaration, registration, objection, appeals etc. to be done electronically to a designated email address of the MOF as explained below. Previously, all filings were required to be done by physically visiting the MOF. The Circular applies to income tax, Zakat and NLST.

1. Correspondences with the tax department

The MOF shall, starting 28 June 2020, receive all correspondences from companies, individuals, approved audit firms and other parties dealing with the MOF electronically through the central e-mail address of the MOF “registry@mof.gov.kw”.

Further, the MOF will send all correspondences including assessments, retention release letters, tax certificates, etc. electronically in PDF form to the email address provided by companies, individuals, or approved audit firms dealing with the MOF.

2. Notification of official e-mail by taxpayers / approved audit firms

All companies, individuals, approved audit firms and other parties dealing with the MOF are required to designate a specific email address to liaise with the MOF and notify the MOF of the same through an official e-mail to be sent to the central email address of the MOF within 15 days from 28 June 2020 (i.e. latest by 12 July 2020).

Based on the outcome of our discussion with the MOF, we understand that taxpayers with approved audit firms are not required to follow the above process. For BDO’s clients, we will continue to send and receive documents on behalf of our clients. Only those taxpayers that have not yet appointed an approved representative would need to send the aforementioned e-mail.

Further, the MOF has clarified that the date of receiving the e-mail by the recipient shall be considered in calculating the legal periods stipulated in the relevant Kuwait tax law and regulations (such as the period permitted to file tax objections etc.). It is, therefore, advisable that the e-mail address “registry@mof.gov.kw” be added to the safe senders list to ensure that all correspondences by the MOF are actually delivered to the recipient.

Given that this is the first time the MOF requires e-compliance by taxpayers / audit firms, it will be important to liaise with the MOF to ensure that any documents submitted to the MOF has actually been received by them, at least during the initial period. BDO has already provided its email address (bdotax@bdo.com.kw) to the MOF and tested the process.

As per the Circular, in case the e-mail address provided by the taxpayer is cancelled or changed without notifying the MOF, any correspondences sent by the tax department to the original e-mail address shall remain valid and actionable.



The introduction of e-filing process by the MOF is a welcome step. For BDO’s clients, BDO will coordinate the submission of documents electronically and will inform clients upon receiving any MOF document as done in the past.

3. Notification of taxpayers represented by an approved audit firm

Audit firms approved by the MOF are required to submit to the MOF a list of companies they represent, along with copies of the authorisation letters. BDO will handle this for clients we represent.

4. Acknowledgement of correspondence received from the MOF

All companies, individuals, approved audit firms and other parties that receive any notice, assessment, response to objection / appeal or any other letter from the MOF are required to send an acknowledgement of such receipt to the following email addresses:

a. liability@mof.gov.kw in case the letter was issued from the department of planning and tax liability.

b. inspection@mof.gov.kw in case the letter was issued from the department of inspection and tax claims.

The above will only be required to be done by taxpayers in case they do not have an approved audit firm. For all BDO clients, we will continue to liaise with the MOF.

5. Exceptional circumstances

The Circular states that in special and exceptional circumstances, the sending of official letter by the MOF could be done through one of the methods stipulated in the ministerial order No. 61 of 2016 concerning the rules and regulations of notification of tax and financial letters. Under such ministerial order, the MOF is entitled to send correspondences to local / foreign physical address chosen by taxpayers, PO Box number, through fax and / or to publish the notifications in the Kuwait official gazette in certain cases.

“Special and exceptional circumstances” has not been defined. Based on our experience in dealing with the MOF, such cases occur where the MOF is unable to reach the taxpayer through an approved auditor/ local address.

6. Tax payments only through wire transfer

As per the Circular, no cash or cheque payments will be permitted by the MOF. Taxpayers shall comply with settling their taxes and penalties due to the MOF bank account in the Central Bank of Kuwait as follows:

Account Name: Ministry of Finance - Tax Department - Tax Revenue Account
IBAN: KW22 CBKU 0000 0000 0000 0011 0061 70.

CONTACT DETAILS

QAIS M. ALNISF

Managing Partner
Direct: +965 22957777
qais.alnisf@bdo.com.kw

RAMI ALHADHRAMI

Partner- Tax
Direct: +965 22957592
rami.alhadhrami@bdo.com.kw

MNEESH BAJAJ

Associate Director - Tax
Direct: +965 22957594
mneesh.bajaj@bdo.com.kw

AHMED AMIN

Assistant Manager - Tax
Direct: +965 22957578
ahmed.amin@bdo.com.kw

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO to discuss these matters in the context of your particular circumstances. BDO Kuwait, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it.

BDO Al Nisf & Partners in Kuwait is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Copyright © June, 2020. All rights reserved.