



Kuwait joins the Inclusive Framework on BEPS and participates in the agreement to address the tax challenges arising from the digitalisation of the economy



Tax News Alert

On 15 November 2023, the OECD [announced](#) that Kuwait joined the OECD/G20 [Inclusive Framework](#) on BEPS, an international collaboration with 145 member countries.

As indicated in the announcement, Kuwait has agreed to participate in the [Two-Pillar Solution](#) to reform international taxation laws and ensure that multinational enterprises pay their fair share of taxes wherever they operate.

Kuwait will participate in the implementation of the [BEPS package of 15 measures](#) to tackle tax avoidance, enhance the coherence of international tax laws, and provide a more transparent tax environment.

This will include the Pillar One and Pillar Two initiatives (BEPS 2.0). Specific to Pillar Two, this seeks to introduce a global minimum corporate tax rate set at 15%. The new minimum tax rate will apply to multinational enterprises with consolidated revenues above EUR 750 million. Another component of Pillar Two is the Subject to Tax Rule (STTR), a tax treaty based rule applicable to intra-group payments from source countries that are subject to low nominal rates below 9% in the country of the payee.

A number of OECD Inclusive Framework Member countries have expressed their support towards Pillar Two and have committed to implement this proposal into their domestic laws, as early as 1 January 2024 for a number of locations.

Please feel free to reach out to us with any questions or comments you may have as we will be more than happy to support and facilitate further conversations.

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