



Kuwait: Voluntary Advance Tax Payment Mechanism applicable to MNE Groups

May 2026



In brief

The Kuwait Ministry of Finance (“MoF”) issued Circular No. 1 of 2026 dated 29 April 2026, introducing a voluntary advance tax payment mechanism applicable to Multinational Enterprise (MNE) Groups subject to the Tax Law on MNE Groups (Decree Law No. 157 of 2024). The Circular establishes a voluntary mechanism enabling eligible taxpayers to make advance payments toward their estimated tax liabilities through the submission of a provisional tax statement, ahead of the statutory deadline for filing the tax declaration.

The mechanism is introduced under the framework of the Tax Law on MNE Groups and the Executive Regulation issued under Ministerial Resolution No. 55 of 2025, reflecting a continued effort by the Kuwait tax authorities to enhance tax administration and encourage early engagement by in-scope taxpayers.



Issuing Authority
Kuwait Ministry
of Finance



Legal Basis
Decree Law
No. 157 of 2024



Effective Date
29 April 2026

In detail

Background – tax law on MNE groups

Kuwait enacted the Tax Law on MNE Groups under Decree Law No. 157 of 2024, establishing a Domestic Minimum Top-up Tax (“DMTT”) regime applicable to in-scope multinational enterprise groups. The Executive Regulation, issued under Ministerial Resolution No. 55 of 2025, provides the detailed procedural and computational framework for the application of the law.

The introduction of the voluntary advance tax payment mechanism represents a further administrative development under this framework, enabling taxpayers to demonstrate early compliance and settle estimated liabilities on an accelerated, voluntary basis.

Key highlights of Circular No. 1 of 2026

- 29 April 2026** ● Circular issued
- 31 May 2026** ● Application deadline
- 30 June 2026** ● Payment & statement deadline

Scope of applicability

The voluntary advance payment mechanism applies to taxpayers subject to the provisions of the Tax Law on MNE Groups, for any tax period ended on or before 31 March 2026. The Circular is effective as of its date of issuance, i.e. 29 April 2026.

Application and participation

Participation in the advance payment mechanism is achieved through submitting a request to the Ministry of Finance – Department of Inspection and Tax Claims no later than 31 May 2026.

Provisional tax statement and payment

A taxpayer that has expressed its intention to participate shall undertake to provisionally compute the tax liability due for the relevant tax period. The computed tax shall be settled as a lump sum by virtue of a provisional tax statement to be submitted to the Tax Department no later than 30 June 2026.

Amounts paid under the mechanism will be considered as an advance payment toward the tax liability due and will be reconciled upon filing the tax declaration.

Benefits and voluntary nature of the system



Priority processing

Inspections, assessments, refunds, objections & appeals



Tax card priority

Issuance and renewal of tax cards

Benefits for participating taxpayers

Taxpayers who comply with the mechanism and meet the prescribed timelines will receive the following benefits:

- Priority in completing inspection procedures, issuing tax assessments, tax objections and appeals and considering refund requests, for the tax periods for which an advance payment is made.
- Priority in issuing and renewing the tax card, in accordance with established procedures.



Participation is voluntary

Voluntary nature of the system

Participation in the advance payment mechanism is voluntary. The Circular does not alter existing deadlines for filing the tax declaration or settling the final tax liability. Taxpayers who do not participate remain subject to the standard filing and payment timelines under the law.

Key Considerations and next steps for MNE groups

This Circular signals the Kuwait tax authorities' continued commitment to strengthening the administrative infrastructure around the DMTT regime and encouraging proactive compliance by in-scope taxpayers. As the first DMTT filing cycle approaches, the advance payment mechanism provides an early opportunity for taxpayers to engage with the Tax Department and demonstrate readiness.

01 Evaluate the group's readiness for and accuracy of the provisional DMTT computations for the relevant tax period.

02 Assess cash flow implications of making an advance payment ahead of the statutory deadline.

03 Consider the administrative benefits of priority processing in the context of ongoing or future interactions with the Tax Department.

Let's talk

For a deeper discussion on how this development may affect your business, please contact your usual PwC representative.



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