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KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

# Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait

June 1, 2014-May 31, 2015

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**Submitted to:**

Doing Business Unit, the World Bank Group

**Prepared by:**

Kuwait Direct Investment Promotion Authority (KDIPA)

**Date: May 31, 2015**



## Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait June 1, 2014-May 31, 2015



### INTRODUCTION

1. **Second National Report:** This Report is the second official non-exhaustive update of the reforms in doing business in the State of Kuwait for the period under consideration for preparing DB2016 report. It is submitted to the Doing Business Unit (DB) at the World Bank Group (WBG) by the Kuwait Direct Investment Promotion Authority (KDIPA), whose Director General heads the Permanent Committee for Streamlining Business Environment in Kuwait. *The Reform Update Template for Kuwait in DB2016 is attached separately.*
2. **Staying the Course:** The preliminary findings for this report, as derived from the official responses, networking, open dialogue, one-to-one meetings, and the compilation of related decisions and resolutions issued, showed that the resolve and the direction of improvement in Kuwait doing business environment is maintained in the report period regarding the overall procedures for establishing enterprises, enhancing the utilization and implementation of e-transactions to ensure immediate and speedy response, increasing transparency in announcing fees and procedures on websites and on location, raising the level of awareness of frontline government staff on new laws and procedures adopted, as well as the introduction of One Stop Shop (OSS) concept in more than one government entity to facilitate regulatory processes.



## IMPROVING LEGAL & REGULATORY FRAMEWORK

3. **Issue of Minimum Capital:** The Ministry of Commerce & Industry (MOCI) issued Ministerial Decision No. 234 of 2015, dated May 3, 2015 amending Ministerial Decision No. 425 of 2013 regarding the issuance of the executive regulations of companies Decree Law No. 25 of 2012, as amended by Law No. 97 of 2013, instating the reduction of the minimum capital requirements for all companies depending on their respective legal forms. Excluding from this decision the companies that are established by laws or regulations issued by supervisory authorities or ones that issue licenses for performing activities aside or with MOCI. The decision instated to reduce the minimum capital requirements for companies that are General Partnership, Limited Partnership, Partnership Limited by Shares, Single Person, Limited Liability, and sole proprietorship to KD 1,000; whereas the reduction to KD 10,000 was for closed shareholding companies, and reduction to KD 25,000 to public shareholding companies. The decision entered into force on May 10, 2015, upon its publishing in the Official Gazette. **(Please refer to Attachment No. A)**

Legal form	Amount
1-General Partnership, Limited Partnership, Partnership Limited by Shares, Single Person, with limited liability, sole proprietorship	K.D. 1000
2- Closed shareholding company	K.D. 10,000
3- Public shareholding company	K.D. 25,000
4- Holding company/professional company/Special Purpose Vehicle/not-for-profit company	Minimum capital requirements depend on the one of the legal forms it establishes under the companies law.



4. **E-Services:** A new Law No. 26 of 2015 regarding amendment of the provisions for the Law No. 38 of 1980 related to the Commercial & Civil Pleadings Law was issued on May 10, 2015 and published in the Official Gazette (Kuwait Al Youm) issue No.1237 of May 24, 2015. By virtue of the amended provisions, especially article 1 and the newly added article 8/z, means now Kuwait officially recognizes the "**Method of Electronic Service of Process System**", which would positively add value to the judicial service level. It is stipulated that the new law with its amendments will enter into force six months from the date of its publication, which November 23, 2015, which means that serving notices throughout the electronic medium will be recognized by the judicial system and courts in the State of Kuwait. (**Please refer to Attachment No. B**).
5. **Insolvency Draft Law:** Developments witnessed during the report period included receiving two missions from WBG, one held during September 21-25, 2014, and the second held during the period January 11-15, 2015. KDIPA, MOCI, the Fatwa & Legislation Department (the Fatwa), and the WBG experts met to discuss two of the three draft laws, under the insolvency, creditor and debtor regime (ICR) project. The Fatwa provided their final comments on the two legislative texts and sent them to MOCI, who requested further opinions of both the Ministry of Finance (MOF) and the Ministry of Justice (MOJ) before sending the texts to the Council of Ministers for approval, which is still ongoing. If, and when, the laws go through, there will be a creation of a Specialist Commercial Court too.
6. **Other Laws & Decisions:** MOCI issued Administrative Decision No. 440 of 2015 dated May 25, 2015 regarding launching e-submission of applications to issue commercial licenses online at MOCI website [www.moci.gov.kw](http://www.moci.gov.kw), effective as of May 25, 2015. The other MOCI Administrative Decision



No. 439 of 2015 dated May 25, 2015 regarding allowing holders of power of attorney (general or specific) issued from the Ministry of Justice (MOJ) for serving a specified purpose, to perform the procedures needed at MOCI, Division of Companies & Commercial Licenses or any other department at MOCI, effective as of May 25, 2015. A summary of other relevant new laws or decisions that have been issued during the report period is compiled in a table which reflects a consistent movement towards passing new economic laws or amending old ones to accommodate with best practices and enhance transparency. **(Please refer to Appendix 1).**



## ADVOCAY ROLE BY KDIPA ON BAHLF OF KPC

7. **Membership:** The Permanent Committee for Streamlining Business Environment in Kuwait (PCK), in accordance with the Council of Ministers Decision No. 1551 dated December 18, 2013, and headed by KDIPA, extended its initial membership of four government entities to include three more relevant entities, namely MOF (Tax Dept.), Customs Dept. (KGAC), and the Central Bank of Kuwait (CBK) in accordance the Council of Ministers Decision No. 116 of 2015 dated January 26, 2015.

KDIPA	Ministry of Commerce & Industry (MOCI)	Ministry of Justice (MOJ)
Ministry of Electricity & Water (MEW)	Kuwait Municipality	Ministry of Finance (MOF)
Kuwait General Administration of Customs (KGAC)		Central Bank of Kuwait (CBK)



8. **Meetings:** PCK held two follow up meetings during the report period, one on November 10, 2014, in the aftermath of the release of DB Report 2015 on October 28, 2014, whereby it assessed Kuwait's position in it, and used it to develop the next action plan, delivery timeframe, seeking more engagement by various stakeholders. The other PCK meeting was held on May 15, 2015, whereby the new members were welcomed and introduced to all the developments that took place on the ground, and to the technical assistance engagement with the WBG, which was signed on February 10, 2015 upon holding a scoping workshop with the DB Unit and support of WBG and its Kuwait office, and identified the way forward.
  
9. **Open Dialogue:** KDIPA, on behalf of PCK, called for the first open Public Private dialogue series was launched on January 7, 2015 with the attendance of more than 40 people from the contributors of DB2015 report, the Chairman of the National SMEs Fund, the Chairman and members of the Thukhur organization<sup>1</sup>, a representative from Kuwait Chamber of Commerce & Industry (KCCI), and members of PCK, as well as the WBG Kuwait office. In holding this event, KDIPA on behalf of PCK established the "open channels" concept with both the private sector (law firms, consulting firms, local and foreign companies etc) and the civil society sector (KCCI, Thukhur...). KDIPA provided a presentation to inform audience of issues at hand and explain the importance of understanding the recent developments and changes that re taking place, and at the same time come forward with any complaints or suggestions. (**Please refer to Attachment No. C for a copy of the presentation**).

<sup>1</sup> <http://www.thukhur.com/About-Thukhur.php?p=Executive-Director-Message>



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## Overview of Kuwait Position in Doing Business 2015 Issues & Remarks

Open Meeting with DB2015 Contributors

Wednesday January 7, 2015

Permanent Committee for Streamlining Business Environment in Kuwait (PCK)

10. **Field Visits:** KDIPA, on behalf of PCK, conducted 13 field visits during the period March 23, 2015 till April 8, 2015, to selected contributors to raise awareness of PCK mandate and KDIPA's role, enhance coordination and engagement, detect issues and barriers, and formulate collective advocacy initiatives. A list of all the issues, suggestions, complaints received was adequately documented and integrated in the overall action plan to be followed through with relevant government entities, including members of PCK. Other four field visits were conducted for concerned government entities in the same period.

11. **Technical Support:** KADIPA engaged with the WBG to “Support Investment Environment Reform” on February 10, 2015, which was composed of three components: Indicator-Based Reform Advisory, Investment Reform Map, and developing KDIPA's strategy and action plan, which will be conducive to



initiate the needed reforms to create a more enabling business environment for local and foreign direct investment including local SMEs. The first mission is scheduled on June 7-11, 2015.

12. **Courtesy Visit:** Head of PCK, Director General of KDIPA and accompanied delegation, with the presence of Country Executive Director at the WBG, met with the manager and staff of the Doing Business Unit, Global Indicators Group, on May 12, 2015 in the Head Quarters of the WBG in Washington D.C. The courtesy visit touched upon issues of mutual concern, including the current position of Kuwait in doing business report, and the efforts exerted by KDIPA as the focal point in charge of preparing the national report on doing business and being the party assigned to coordinate local efforts for streamlining business environment and initiating a public private dialogue, as well as clarifying some issues and discussing the way forward.

**(Please refer to Appendix 2 for the full List of Steps taken by KDIPA in support of PCK Mandate).**

13. **SMEs:** Kuwait continued to support the local SMEs in this report period as the Executive regulations of Law No.98/2013 establishing Kuwait National Fund for SME Enterprise Development (Fund) were issued on December 25, 2014. Furthermore, the Fund established its own supporting Permanent Committee for Organizing Work Environment & Building Institutional Relations (Committee) on January 25, 2015 to address obstacles facing SMEs and to speed up processes. The committee met on April 8, 2015 and on May 18, 2015. The Fund entered into various cooperation agreements with commercial local banks (Gulf Bank) and other parties to support its business like Techstar, a well known accelerator from Chicago, Kuwait Fund for the Advancement of Science (KFAS), and the



Korean Ministry of Micro, Small & Medium Enterprises (MSME). The committee members are from the following government entities:

Public Authority for Industry (PAI)	Kuwait Municipality	Civil Service Commission
Ministry of Social Affairs	Public Authority for Labor Force	Public Institute for Social Security (PIFSS)
Public Authority for Civil Information (PACI)	MOCI	KDIPA
Manpower & Government Restructuring Program (MGRP)		SME National Fund

14. **OSS**: The Fund continued to cooperate with KDIPA and MOCI to utilize the One Stop Shop (OSS) concept intended to be established within MOCI and KDIPA. During the report period, the fund developed a draft unified application form and distributed it to its Committee members (see above) to review it both legally and administratively and then to sign an MOUs with the Fund to formulate the acceptance of this unified form and its implementation. This is developed as part of the Fund engagement with the WBG to provide enterprise survey, develop a framework for supporting local SMEs (including a kind of OSS), foster entrepreneurship, develop data collection system to assess performance, and establishing a functional IT system.

**(Please refer to Attachment No. D for a copy of the OSS Draft Unified Application Form & Attachment No. E for SME Fund Draft OSS Unified Application Form Matrix).**



## OUTCOME OF MAPPING

15. **Mapping Procedures:** KDIPA, on behalf of PCK, continued to request from PCK members and other related government entities to review existing procedures that were reported in Kuwait DB2015 for the indicators that cover: starting a business, dealing with construction permits, getting electricity, registering property, and trading cross borders as well as other legal oriented indicators including: paying taxes, and getting credit.
16. **MEW:** The Ministry of Electricity & Water (MEW) has provided updated information regarding its procedures for Getting Electricity as compared to the ones mentioned in Kuwait DB 2015 report and showed the following reduction in duration and cost calculations. It is worth mentioning that although the number of procedures is the same, however the order shown in Appendix1 as received from MEW exactly depicts how the steps take place in reality, which should be duly considered.

Indicator	Number of Procedures		Duration of Procedures		Cost of Procedures	
	DB2015	Amended for DB2016	DB2015	Amended for DB2016	DB2015	Amended for DB2016
Getting Electricity	7	7	42 days	24 days Procedures 1 & 4 depend on the client not on MEW.	Procedure 6: KD 150 Procedure:7 The client obtains meter installation and final turn-on of supply from the Ministry of Electricity and Water (MEW): KD 5,567.160/	Procedure 6: No charges. Procedure 7: KD 3,766.750 (for detailed calculation see Appendix 1).

**(Please refer to Appendix 3 for official MEW response and detailed procedures)**



17. **MOF:** The new member in the KPC, Ministry of Finance (MOF Taxation Dept.), has indicated in its letter to KDIPA dated May 6, 2015, that the Paying Taxes questionnaire of the DB Unit is not compatible with the tax system in Kuwait. It clarified that local companies including limited liability companies (100% Kuwaiti ownership) do not pay any form of corporate income taxes, and currently there is no VAT nor GST taxes in Kuwait. The only resemblance to tax is the Zakat which is in compliance with Islamic Sharia rules whereby Kuwaiti shareholding companies are subject to 1% Zakat of their net annual profits payable to MOF. They also explained that there are no administrative costs regarding paying taxes from their side.

**(Please refer to Attachment No. F for a scanned copy of MOF letter on procedures for paying taxes according to DB2015).**

18. **Customs:** The new member in the KPC Kuwait General Administration of Customs (KGAC), has indicated to KDIPA that the costs that are mentioned in the Kuwait DB2015 are more than the actual costs incurred, and the documents requested for imports and exports are also different. However, we could not yet get the official written response yet so we will follow this in our upcoming update. The KGAC published on its website a full list of cost of Handling Services of shipments for both physical and e-services. In the report period, it issued Customs Instructions No. 27 of 2015 regarding e-link with Public Authority for Industry (PAI) to manage customs and customs exemptions effective as of February 22, 2015. Also the Customs Instructions No. 41 of 2015 regarding utilizing e-clearance forms for collecting customs duties within GCC, was issued by KGAC, and effective as of March 1, 2015.



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

19. **MOJ:** Ministry of Justice (MOJ) has provided an official letter dated October 15, 2014, with a report indicating the progress in the current reform undertaken in property registry within the WBG engagement in the Reorganization of State Property project which started in 2012, and entered its second phase. In this context a national land committee was established by a Council of Ministers decision, and a coordinating committee as well to follow up. The WBG mission visited MOJ in the period September 17-23, 2014, and during this period a site visit to the Property Registration Dept. within MOJ was conducted by the WBG experts, whereby they noted improved work environment and utilization of "comprehensive officer" concept. MOJ indicated it fully cooperated to make this reform a success to reduce procedures and ensure availability of land.  
**(Please refer to Attachment No. G regarding the MOJ letter and report)**
20. **Response of KDIPA to DB Unit Comments:** KDIPA sent a response to DB Unit on September 18, 2014 in response to their comments of August 26, 2014 regarding Non-Exhaustive Summary of Reforms for Kuwait DB2015, but was told that no formal response will be provided to the below comments as DB Unit was, at the time, finalizing first time responses for other countries. Thus the response is attached here as it entailed provision of several official schedules that were requested by DB Unit to be re-considered, as well as further explanations as seen hereunder.  
**(Please refer to Appendix 4 for the full response to be considered Parts I & II).**



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY



## APPENDICES

### Appendix - 1: Stocktaking of Legal & Regulatory Developments:

#	Name of Legislation	Date of Issuance	No. of Issue of Official Gazette <i>Kuwait Al Youm</i> Date of Publication
1	<b>KDIPA</b> Issuance of the Executive Regulations of Law No. 116 of 2013 regarding the Promotion of Direct Investment in the State of Kuwait in accordance with the Ministerial Decision No. 502/2014, released on December 7, 2014. <a href="http://www.kfib.com.kw/pdf/pdf/C.pdf">http://www.kfib.com.kw/pdf/pdf/C.pdf</a> <a href="http://www.kfib.com.kw/pdf/pdf/B.pdf">http://www.kfib.com.kw/pdf/pdf/B.pdf</a>	7-DEC-2014	2214 14-DEC-2014
	Issuance of the fee schedule for KDIPA services in accordance with the Ministerial Decision No. 503/2014. <a href="http://www.kfib.com.kw/pdf/pdf/B.pdf">http://www.kfib.com.kw/pdf/pdf/B.pdf</a>	7-DEC-2014	2214 14-DEC-2014
2	<b>Kuwait National Fund for SME Enterprise Development</b> Issuance of the Executive Regulations of Law No. of regarding	24-DEC-2014	1217 04-JAN-2015



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

3	<b>CAIT</b> Council of Ministers Decision No. 48 of 2014 regarding the Executive Regulations of Law No. 20 of 2014 regarding electronic Transactions. <a href="http://www.csb.gov.kw/images/Magazine_E.pdf">http://www.csb.gov.kw/images/Magazine_E.pdf</a>	24-DEC-2014	1217 04-JAN-2015
	<b>MOCI</b> Ministerial Decision No. 234 of 2015, amending Ministerial Decision No. 425 of 2013 regarding the issuance of the executive regulations of companies Decree Law No. 25 of 2012, as amended by Law No. 97 of 2013, instating the reduction of the minimum capital requirements for all companies depending on their respective legal forms.	3-May-2015	1235 10-MAY-2015
4	<b>Public Authority for Labor Force:</b> Administrative Decision No. 579 of 2015 regarding regulating work in the private sector for transferring work permits for expatriate labor after one year of issuance to another employer.  Administrative Decision No. 741 of 2015 regarding basis of assessing labor needs for the private sector according to activities.  Administrative Decision No. 763 of 2015 regarding the financial social security of the laborers in the private sector and withdrawal authorization.	08-FEB-2015  12-APR-2015  29-APR-2015	1227 15-MAR--2015  1234 03-MAY-2015  1235 10-MAY-2015
5	<b>Kuwait Supreme Council of Privatization</b> Decree No. 38 of 2015 for the issuance of the Executive regulations of Law No. 37 of 2010 regarding the regulation of programs and process of privatization.	15-FEB-2015	1224 22-FEB-2015
6	<b>Public Authority for Combating Corruption:</b> Decree No. 77 of 2015 for the issuance of the Executive Regulations of Decree Law No. 24 of 2012 regarding the establishment of Public Authority for combating corruption and provisions for the financial disclosure.	18-MAR-2015  09-APR-2015	1229 29-MAR-2015  1234 03-MAY-2015



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

	Administrative Decision No. 135 of 2015 regarding granting judicial status for assigned staff members to detect violations.  Administrative Decision No. 129 of 2015 regarding procedures for granting disclosure forms and method of application.	09-APR-2015	1233 26-APR-2015
8	<b>The Public Authority for Public-Private Partnership Projects</b> Decree No. 78 of 2015 regarding issuance of the Executive Regulations for Law No. 116 of 2014 regarding the Public  Private Partnerships.	18-MAR-2015	1229 29-MAR-2015
9	<b>Ministry of Justice</b> Law No. 26 of 2015 amending provisions of Decree Law No. 38 of 1980, recognizing the " <b>Method of Electronic Service of Process System</b> ".	10-MAY-2015	1237 24-MAY-2015



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## Appendix - 2: Official Response by MEW relating to Getting Electricity Indicator

of Procedure	Description of Procedures	Duration	Cost
1	<p>The client hires an engineering consulting firm approved by the union of engineering consulting firms who has a Supervision Engineer licensed by the Ministry of Electricity &amp; Water (MEW) to study and estimate the electrical load (kW) and power requirement (kVA) of the project so as to obtain Ministry of Electricity &amp; Water's approval/authorization for availability of electricity supply.</p> <p>There are no minimum educational or professional requirements for electrician who carry out the internal electrical installation works. The Ministry issues licenses to electrical engineers only. The client can hire any electrician to carry out the internal wiring. The design approval however, needs to be submitted by an electrical engineer licensed by the Ministry of Electricity and Water (MEW). There are 2 approvals needed: one before executing the internal wiring, and one when electrical installation works are completed so the Ministry can inspect the internal installation before final turn-on of supply.</p> <p><i>Agency: Electrical engineer licensed by the Ministry of Electricity and Water (MEW)</i></p>	The time period for this procedure lies with the Client and not with MEW	The cost for this procedure lies with the Client and not with MEW



<p>2</p>	<p>The client obtains inspection and approval/authorization of electricity supply for the site by the Ministry of Electricity and Water (MEW).</p> <p>The Client in order to get assured that the Ministry of Electricity &amp; Water (MEW) will make available necessary power supply for the electrical load of the project, submits an application in a prescribed form and in three (3) copies to the concerned Governorate (Area) Engineer of the Electrical Distribution Networks(EDN) Department requesting approval/authorization for electricity supply .A copy of the application after necessary approval duly signed and stamped by the Governorate (Area) Engineer is handed over to the Client. No one from the applicant's party needs to be present at the inspection and no estimation for the connection fee is issued at this stage.</p> <p><i>Agency: Ministry of Electricity and Water (MEW)</i></p>	<p>1calendar day</p>	<p>no charge</p>
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<p>3</p>	<p>The client submits application for electricity and awaits estimate of connection fees from the Ministry of Electricity and Water (MEW)</p> <p>The application process for obtaining an electricity connection is typically handled by the customer. The client's engaged consulting firm who has a Supervision Engineer licensed by the Ministry of Electricity and Water (MEW) carries out the air-conditioning and internal electrical installation designs for the construction project and obtain the required approvals from MEW (for the building permit).</p> <p><i>Agency: Ministry of Electricity and Water (MEW)</i></p>	<p>17 calendar days (This time period will reduce to 13 calendar days when Electronic Submission of plans/designs for A/C and internal electrical installation will become mandatory by the end of this year)</p>	<p>no charge</p>
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4	<p>The client obtains a No-Objection Letter from the municipality</p> <p>After completing the building works and obtaining the approval of the municipality ,the applicant will need to apply for a no- objection letter from the municipality .The municipality will then send the letter by mail to the Ministry of Electricity and Water (MEW) so the letter can install the meter and turn on supply of electricity to the project.</p> <p><i>Agency: Municipality</i></p>	<p>The time period for this procedure lies with the Client and not with MEW</p>	<p>no charge</p>
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5	<p>The client's licensed electrical engineer submits final electrical drawings for approval to the Electrical Installation Department of the Ministry of Electricity and Water (MEW) and obtains inspection of internal wiring</p> <p>During or after execution of the internal wiring the client's licensed engineer will need to submit the final electrical drawings related to the internal wiring for approval to the Electrical Installation Department of the Ministry .These drawings include air- conditioning, lighting and all other electrical equipment ,electrical mains ,switches, cable sizes, circuit breaker sand fuses. The client will also need to submit a load form in order to obtain inspection of internal wiring and final connection .The load form will then be handed over to the applicant themselves .If the applicant is a company ,the form will be handed over to an authorized staff of the company.</p> <p><b>The approval itself is granted after about a week ,when no reactive power compensation (capacitor bank) is required for the project and in about two weeks when a reactive power compensation (capacitor bank) is required ,but is obtained in parallel with the external works.A140-kVA load for a warehouse however likely need not require a reactive power compensation (Capacitor Bank).</b>The inspection however ,happens only after the Ministry of Electricity and Water (MEW) has obtained the letter o fno-objection from the municipality. If the drawings meet the Ministry's specifications ,then inspectors from the Electrical Installation Department of the Ministry will inspect the internal installation (size of cables ,type off uses ,cable connection process and installation of main panel sand sub- panels inside and outside the warehouse).</p> <p><i>Agency: Ministry of Electricity and Water (MEW)</i></p>	6 calendar days	no charge
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هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

6	<p>The client obtains external works from the Electrical Installation Department of the Ministry of Electricity and Water (MEW)</p> <p>External work sare designed and carried out by the Electrical Distribution Networks Department of the Ministry of Electricity&amp; Water (MEW) only.A140-kVA load can be supplied from an existing distribution sub-station in the area ,if capacity is available. In the absence of the infrastructure facilities, the holder of the license can allocate a space on the plot not exceeding 5x5 m2 for the MEW to install an electrical transformer to provide additional power to the plot .Having the transformer installed will not result in additional cost to the customer.</p> <p>The former scenario is however ,the more likely one for the assumed case.</p> <p><i>Agency: Ministry of Electricity and Water (MEW)</i></p>	2 calendar days	no charge
7	<p>The client obtains meter installation and final turn-on of supply from the Ministry of Electricity and Water (MEW).</p> <p>Upon successful inspection the applicant will pay the connection fees at one of the Ministry offices .The client will then need to show a receipt of payment to one of the nearest emergency departments of the Ministry to obtain final supply .The meter is handed over to the client directly by the Consumer Affairs Department ,and the installation is carried out by the Electrical Installation Department in charge of the external works.</p>	2 calendar days	KWD 3,766.750 (Calculations details are seen hereunder)



COST FOR ELECTRICITY CONNECTION

WAREHOUSE LOAD	= 140 KVA
	= 140 KW (PF = 1)
WITH 80% USE, LOAD	= 140 X 0.8 = 112 KW
FOR FIRST 100 KW@ KD. 25/- PER KW	= 100 X 25/-
	= 2500/-
FOR ADDITIONAL 12 KW@ KD. 50/- PER KW	= 12 X 50/-
	= 600/-
COST FOR POWER SUPPLY	= 2500/- + 600/-
	= 3100/-
COST FOR INSTALLATION OF KWH-METER (3-PHASE ,200/5A)	= 16/500
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TOTAL COST	= 3166/500
SECURITY DEPOSIT IS KD. 1000/- FOR 5 YEARS.	
WITH LENDING RATE OF APP. 4% PER YEAR (VARIES),	
AMOUNT LOST ON SECURITY DEPOSIT	= APP. KD. 217/-.
FINAL TOTAL COST WITH AMOUNT LOST	= 3116/500 + 217/-
	= KD. 3,333/500 (APP.)



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## APPENDIX - 3: List of Steps Taken by KDIPA on Behalf of PCK June 1, 2014 – May 31, 2015

#	Steps	Date
1	Submitting the first report of the Permanent Committee for Streamlining Business Environment in Kuwait (PCK) to the Council of Ministers	JUN 8,2014
2	Submitting the amended report of Non-Exhaustive Reforms in Doing Business in the State of Kuwait to the DB Unit at the WBG.	JUL 20,2014
3	Submitting the response of KDIPA on DB Team Comments of August 26, 2014 regarding Non-Exhaustive Summary of Reforms for Kuwait DB2015 to the DB Unit at WBG	SEP 18,2014
4	Receiving a report from the Ministry of Justice refers to the World Bank visit for the Real Estate Registration & Authentication Department on September 17, 2014, and a field visit to worksite of the Department on September 22, 2014.	OCT 16,2014
5	Preparing a presentation for the members of PCK on the developments recorded and data collected relating to improving the business environment in Kuwait by the KDIPA team assigned to this task.	NOV 10,2014
6	Preparing a presentation for the members of the PCK reviewing Kuwait position based on the new Ease of Doing Business Report 2015 (DB2015) once embargo was lifted and it was released by the World Bank on October 28, 2014.	NOV 10,2014
7	Holding the second meeting of the PCK and providing the two presentations and deciding on extending membership and requesting to provide KDIPA with all relevant resolutions issued to improve doing business. Agreeing to hold an open.	NOV 10,2014



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

8	Compiling the list of names of the contributors to the DB2015 from WBG website.	DEC 15,2014
9	Preparing for the first Open Meeting with DB contributors (Public Private Dialogue) to be held in early January, entities from civil society, the private sector and governmental sectors represented in PCK. Finalizing the list of invitees to the Open Meeting with the contributors of the questionnaire of the DB2015 report after revising and sorting those who are still in Kuwait and available and those who left the country, and sending them invitations by email.	DEC 30,2014 JAN 5, 2015
10	Coordinating with the World Bank Doing Business Unit to set up a Scoping workshop on DB2015, with reference to Kuwait position.	DEC 30,2014
11	Holding the First Open Meeting as part of a series of (Public Private Dialogue), with attendance of representatives from WBG, SME National Fund, Thukhur Initiative, and PCK members.	JAN 7,2015
12	Attending the DB Unit Scoping workshop which was coordinated by the WB team to introduce change in methodology and overview of DB2015 report with reference to Kuwait position.	JAN 11-13,2015
13	Addressing the Council of Ministers to add new three members in the Permanent Committee for Streamlining Business Environment in Kuwait (PCK) that include: the Ministry of Finance (Tax Department), General Administration of Customs, and the Central Bank of Kuwait.	JAN 22,2015
14	Issuance of Decision No. 116 of 2015 by the Council of Ministers approving to expand the membership of PCK by adding Ministry of Finance (Tax Department), General Administration of Customs, and the Central Bank of Kuwait to the PCK.	JAN 26,2015
15	Reviewing the Technical support offer submitted by the WBG to KDIPA to improve business environment with KDIPA economic consultant.	FEB 10,2015
16	Addressing the Ministry of Finance to request approval of the request of technical support by WBG to KDIPA to improve business environment and encourage direct investment.	FEB 11,2015
17	Translating into Arabic of Kuwait DB2015 procedures in the report.	MAR 1,2015



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

18	Receiving an approval from the Ministry of Finance regarding the WBG technical support offer to KDIPA to improve the business environment in Kuwait.	MAR 8,2015
19	Addressing the members of PCK to send their feedback on the changes and developments that occurred in their procedures and measures to improve business environment during the period from June 2014 until end of May 2015.	MAR 10,2015
20	Coordinating multiple field visits for various contributors in DB2015 report questionnaires to hear first hand any issues or obstacles they encountered to raise to PCK and act upon them.	MAR 23-April 8,2015
21	Receiving a response letter from the Ministry of Justice, regarding its procedures.	MAR 25,2015
22	Addressing (Ministry of Public Works, the Kuwait Fire Service Directorate, and the Public Authority for Civil Information) Concerning their procedures.	APR 1,2015
23	Preparing a detailed report on the visits made to the contributors in DB2015 report questionnaires, classifying obstacles: procedural, legal, and administrative, as well as proposing mitigating solutions.	APR 14,2015
24	Receiving a response letter from Kuwait Municipality, regarding its procedures.	APR 19,2015
25	Receiving a response letter from the Ministry of Public Works, regarding its procedures.	APR 22,2015
26	Preparing for the third meeting of PCK.	APR 28,2015
27	Receiving a response letter from the Kuwait Fire Service Directorate, regarding its procedures.	APR 28,2015
28	Receiving a response letter from the Ministry of Electricity & Water regarding its procedures.	MAY 4,2015
29	Preparing for the third meeting of the PCK, and Addressing the new members of the Permanent Committee: the General Administration of Customs, Central Bank of Kuwait, Ministry of Finance / Tax department,)and the ministry of Commerce & Industry regarding their procedures .	MAY 4-6 ,2015



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

30	Holding PCK third meeting.	MAY 15,2015
31	Sending an email to the tax department at the Ministry of Finance to fill the questionnaire related to paying taxes indicator.	MAY 18,2015
32	Sending an email to the General Administration of Customs to fill the questionnaire related to trading across borders indicator.	MAY 19,2015
33	Sending an email to the Ministry of Justice to fill the questionnaire related to enforcement of contracts and settlement of insolvency indicators.	MAY 21,2015
34	<b>Meeting with Deputy General Director of the Institution about paying taxes indicator questionnaire</b>	MAY 21,2015
35	Sending an email to the Public Institution for Social Security to fill the questionnaire related to paying taxes indicator.	MAY 21,2015
36	Sending an email to Kuwait Ports Authority to fill the questionnaire related to trading across borders indicator.	MAY 23,2015
37	Receiving an email from the Ministry of Commerce & Industry regarding its procedures.	MAY 24,2015
38	Updating the database of PCK members (names, job titles, phone numbers, and e-mail addresses).	MAY 24,2015
39	Expanding communications network of the concerned authorities in Kuwait.	MAY 24,2015
40	Receiving an official response from the Ministry of Finance (Tax Department) regarding its procedures.	MAY 26,2015



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

## Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

41	Scanning and matching procedures of DB indicators that have been received from the competent authorities and the procedures in the Kuwait DB2015.	MAY 28,2015
42	Receiving an official response from the General Administration of Customs regarding their procedures.	MAY 28,2015
43	Receiving relevant resolutions and administrative decisions from General Administration of Customs.	MAY 31,2015
44	Creating internal media and news intelligence for all improvement and decisions in the business environment in Kuwait.	MAY 31,2015
45	Receiving an official response from the Public Authority for Civil Information (PACI) regarding the e-link between PACI and MOCI.	MAY 31,2015
46	Receiving an official response from MOCI regarding their procedures.	MAY 31,2015
47	Submitting Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait (June 1, 2014-May 31, 2015).	JUN 2,2015



## APPENDIX - 4: Response of KDIPA on DB Team Comments of August 26, 2014 regarding Non-Exhaustive Summary of Reforms for Kuwait DB2015, Date: September 18, 2014

### I. Official Fee Schedules Requested:

#	Documents Requested by DB Unit	KDIPA Action
1	official fee schedule where it indicates that there is no charge for the electricity approval (p.7)	Attached pdf official document no. 1
2	an official fee schedule where it indicates that there is no charge for the water approval. (p.7)	
3	an official fee schedule where it indicates that there is no charge for the sewerage approval.(p.8)	Attached pdf official document no. 2
4	an official fee schedule where it indicates that there is no charge for the sewerage connection.(p.11)	
5	copy of the official fee schedule from the Government on Inspection by Kuwait Fire Service Directorate during the building process to issue a letter of approval to proceed to connect electricity. (p.11)	Attached pdf official document no. 3
6	Copy of official records from MOCI that shows how e-links have facilitated speeding up the process of issuing approvals with other government entities (Municipality, Kuwait General Fire Department, and Ministry of Interior) and the shortening of the duration for issuing these approvals during the period September 1, 2013 till 31 August 2014.	Attached pdf official document general.



## II. KDIPA Explanation/Response to Comments:

I. Starting a Business			
#	Comment from government	DB Team response	KDIPA Explanation
1	<p><i>a Ministerial Decision No.46/2012 dated February 23, 2012 established a notary office for Ministry of Justice (MOJ) to be placed at MOCI premises to document the Memorandum of Association within the MOCI Companies Incorporation Section to reduce time</i></p> <p><i>Under procedure 5 it joint procedures 6-9, and 11 in DB2014 so it saved 4 procedures and reduced duration by 6 days as the notary officer (Ministry of Justice) is stationed at the MOCI within the Companies Incorporation Section since February 23, 2012.</i></p>	<p>Since the above-mentioned reform is not implemented yet, the team will review this it during the next data collection cycle.</p> <p>Nevertheless, private sector practitioners have noted a slight decrease in the time it takes to start a business in Kuwait due to the deployment of notaries from the Ministry of Justice at the Ministry of Commerce and Industry (MOCI). This positive change will be reflected in the upcoming report. The team will continue to monitor the impact of these reforms on the data, updating the <i>Doing Business</i> measurements as applicable. (positive point)</p>	<p>This reform is implemented and is functional since its inception back in February 23, 2012.</p> <p>It has already saved procedures and time because of the presence of the MOJ notary officer at MOCI.</p> <p>Please refer to <b>Attached pdf official document no. 4</b> which shows that the date of the application for documenting the establishment of a limited liability company is performed in the same day as taken from the database of the Department of Documentation at MOJ.</p>
2	<p><i>The passage of Law No.111 for 2013 for commercial</i></p>	<p>According to input from</p>	<p>This positive reform is available since October 20,</p>



	<p><i>licensing permits has entailed to reduce processing time for permits and facilitate business by allowing to issue within 3 days the impact is currently shorter number of procedures for starting a limited liability company (according to case scenario in DB methodology) down from 12 procedures recorded in DB2014 to only 7 procedures and shorter duration from 32 days to 21 days.</i></p>	<p>incorporation lawyers, the majority of companies do not yet obtain their business license online using the new e-services. Furthermore, in line with the estimates provided, please note that the time recorded to obtain a commercial license is 2 days for the case-study company under consideration.</p>	<p><b>2013 but till to date official sources at MOCI indicated that there was no request application was received for issuing a temporary license which if received will take only 3 days.</b></p>
3	<p><i>The number of civil ID is granted immediately for the company at MOCI through an e-link with the Public Authority for Civil Information (PACI) as of November 10, 2013.</i></p>	<p>Incorporation experts reported that a visit to PACI is still necessary to complete this registration as the electronic service is not yet fully functional as of June 1, 2014.</p>	<p><b>Official sources reiterated that there is no need to physically visit PACI . A screen shot at MOCI for issuing directly civil ID is attached that proves no need to physically visit PACI.</b></p> <p><b>Attached pdf document no. 5</b></p>
4	<p><i>the limited liability company must have a minimum of 100 shares each one at a price of KD 100, which totals KD 10,000 recording an increase of KD 2,500. This apparent increase which came after 5 decades,</i></p>	<p>While the team acknowledges that this amendment was adopted to resolve a technical issue,</p>	<p><b>The issue of minimum capital is now re-addressed with reduction of minimum capital as per Ministerial Decision No. 234 of 2015 issued May 3, 2015, and entered into force on May 10,</b></p>



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

	<p><i>is comparable to other countries in the region, and does not resemble a minimum capital increase but it was only ordained merely to resolve a technical issue to avoid the fractions of shares. Besides Kuwait is a high income per capita country and taken this increase as percentage of its per capita income shows no increase in absolute terms.</i></p>	<p>it remains recorded in the data measured by the indicator as captured in other economies in order to allow comparability.</p>	<p><b>2015 upon publication in the Official Gazette.</b></p> <p><b>Attached pdf file document no. A</b></p>
5	<p><i>The issue of rise in limited liability licensing fees from KD 30 to KD 150 comes after 27 years of the last increase (1986), it entailed longer duration (for example 4 years instead of 2), less fees for renewals, is in line with other regional GCC rates, it intends to hinder manipulation of commercial licensing for establishing imaginary companies</i></p>	<p>Private sector practitioners have confirmed the increase in the commercial license fee based on Resolution No. 411, published in the Official Gazette on October 20, 2013. This change will be reflected in the upcoming <i>Doing Business 2015</i> report.</p>	<p><b>Despite apparent rise of fees we maintain our stance that if the cost is considered as % of Kuwait GDP per capita and given the fact it is over 4 years validity instead of previous 2 years then it has no impact.</b></p>
6	<p><i>procedure 4 now has reduced time from 4-15 days in DB2014 to 1-15 days because the response time is automated also Kuwait Municipality now receives an electronic (e-link) request from MOCI for conducting the inspection of the company's premises.</i></p> <p><i>and the Kuwait Fire Service Directorate receives an</i></p>	<p>Expert respondents have noted that the time taken to request and receive inspection from the municipality has shifted towards the lower end of the recorded range of <u>5-14</u> calendar days.</p>	<p><b>We shall further investigate this remark and reconcile this issue as till now we have obtained conflicting answers from MOCI (1-15 days) and Municipality (5-14 days).</b></p> <p><b>We understand that you consider this step as part of post registration procedures conducted at MOCI.</b></p>



	<i>electronic request (e-link) from the MOCI to check the compliance of the company's systems and regulations on fire protection systems and it will respond electronically and immediately;</i>	As for the approval of the Fire Service Directorate, please note that the indicator does not record this procedure separately, as it is streamlined with the post-registration procedures conducted at the Ministry of Commerce and Industry (MOCI).	<b>Please refer to attached pdf official document no. 6 to see the screen at MOCI whereby it has direct link to Fire Department to issue approval of compliance.</b>
7	<i>According to MoJ, the limited liability companies, General Partnership companies, and Limited Partnership companies, will be able to process procedures within 2 hours from submission, without violating any articles in decree law No. 25/2012 as amended by Law No. 97/2013. While, the public shareholding companies, the holding companies, and the closed shareholding will take a maximum of 2 days to complete the same procedures.</i>	According to input from incorporation lawyers, the time to obtain a commercial license has not changed as of June 1, 2014.	<b>MOJ documentation is already saving time by being done in one day ( 2 hours) for limited liability companies. Please refer to attached pdf official document no. 4</b>
<b>II. Dealing with Construction Permits</b>			
<b>#</b>	<b>Comment from government</b>	<b>DB Team response</b>	<b>KDIPA Explanation</b>
1	<i>A committee for streamlining and automating procedures was established by a Director General of Kuwait Municipality Decision No 4/2014 dated January 14, 2014 in</i>	Please note that the e-services noted above are not applicable to the process of obtaining a construction permit, as the online	<b>At this stage the impact of this committee has affected commercial advertising and health licensing.</b>



	<p>cooperation with Central Agency for Information technology (CAIT) in light of enhanced adoption of e-government initiatives</p>	<p>application systems is for commercial licenses.</p> <p>the infrastructure is not fully in place, the team will assess its impact once the IT system is fully implemented if it relates to the construction permitting process.</p>					
#	DB Team response	KDIPA Explanation					
2	<p>According to the <i>Doing Business</i> methodology, <u>all inspections are recorded as 1 day. This is consistently applied across all 189 economies.</u></p>	<p><b>We find it strange to unify inspection time across all countries without taking into account what takes place in reality.</b></p>					
3	<p>experts who noted that obtaining the electricity approval still takes 7 days on average. This time includes the waiting time after the electricity inspection is conducted and before the Ministry of Electricity and Water begins the approval process.</p> <p><u>As for the cost, construction experts noted there is still a fee of KD 4,000 for this approval. The team would appreciate receiving an official fee schedule where it indicates that there is no charge for the electricity approval.</u></p> <table border="1" data-bbox="430 1185 1239 1291"> <tr> <td>3</td> <td>Obtaining the approval of the electricity for the site by the Ministry of Electricity and Water.</td> <td>2 Day (was 7 days)</td> <td>no charge (DB2014 KD 4000)</td> </tr> </table>	3	Obtaining the approval of the electricity for the site by the Ministry of Electricity and Water.	2 Day (was 7 days)	no charge (DB2014 KD 4000)	<p><b>Refer to attached pdf official document no. 1</b></p>	
3	Obtaining the approval of the electricity for the site by the Ministry of Electricity and Water.	2 Day (was 7 days)	no charge (DB2014 KD 4000)				
4	<p><u>The team consulted with construction experts who noted that obtaining the water approval still takes 5 days on average. This time</u></p>						



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

	<p><u>includes the waiting time after the water inspection is conducted and before the Ministry of Electricity and Water begins the approval process.</u></p> <p><u>As for the cost, construction experts noted there is still a fee of KD 3,000 for this approval. The team would appreciate receiving an official fee schedule where it indicates that there is no charge for the water approval.</u></p> <p><u>Moreover, as noted above, the team has confirmed that the water and electricity approvals are both conducted by the Ministry of Electricity and Water. As this constitutes only one interaction with the same agency, the data will be updated, merging the water and electricity approvals into one procedure: Obtain electricity and water plans approval from the Ministry of Electricity and Water (12 days, KD 7,000).</u></p> <table border="1" data-bbox="430 893 1239 998"><tr><td>5</td><td>Obtaining the approval of the water to the site by the Ministry of Electricity and Water.</td><td>2 Day (was 5 Days )</td><td>no charge (DB2014 KD 3000)</td></tr></table>	5	Obtaining the approval of the water to the site by the Ministry of Electricity and Water.	2 Day (was 5 Days )	no charge (DB2014 KD 3000)	<p><b>Refer to attached pdf official document no. 1</b></p>
5	Obtaining the approval of the water to the site by the Ministry of Electricity and Water.	2 Day (was 5 Days )	no charge (DB2014 KD 3000)			
5	<p>With respect to the time, the team consulted with construction experts who noted that obtaining the sewerage approval still takes 2 weeks on average. This time includes the waiting time after the sewerage inspection is conducted and before the Ministry of Public Works begins the approval process.</p> <p>As for the cost, construction experts noted there is <u>still a fee of KD 2,000</u> for this approval. The team would appreciate receiving an <u>official fee schedule</u> where it indicates that there is no charge for the sewerage approval.</p>	<p><b>Refer to attached pdf official document no. 2</b></p>				



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

	<table border="1"> <tr> <td>7</td> <td>Obtaining the approval of the sewerage designs by the Ministry of Public Works (Not the Ministry of Electricity and Water as mentioned in DB2014)</td> <td>2 Days (was 14 Days )</td> <td>No charge (DB2014 KD 2000)</td> </tr> </table>	7	Obtaining the approval of the sewerage designs by the Ministry of Public Works (Not the Ministry of Electricity and Water as mentioned in DB2014)	2 Days (was 14 Days )	No charge (DB2014 KD 2000)	
7	Obtaining the approval of the sewerage designs by the Ministry of Public Works (Not the Ministry of Electricity and Water as mentioned in DB2014)	2 Days (was 14 Days )	No charge (DB2014 KD 2000)			
6	<p>Please note this procedure is already recorded as “Obtain site take-over letter” and construction experts noted that it <u>still takes 20 days on average with a minor fee of KD 10</u>. The time takes into account the time for the Municipality to review the documentation submitted by the building company and the time to issue the site take-over letter. Therefore, the data will remain unchanged for the <i>Doing Business 2015</i> report.</p> <table border="1"> <tr> <td>11</td> <td>The engineering office on behalf of the applicant contacts the municipality branch at the respective governorate to obtain the supervision commitment for the site .</td> <td>7-14 Day</td> <td>no cost</td> </tr> </table>	11	The engineering office on behalf of the applicant contacts the municipality branch at the respective governorate to obtain the supervision commitment for the site .	7-14 Day	no cost	<p><b>The official Municipality stance is that there is no KD10 and it takes 7-14 days maximum. But we could not obtain a document that supports this at this stage. We shall pursue the matter further.</b></p>
11	The engineering office on behalf of the applicant contacts the municipality branch at the respective governorate to obtain the supervision commitment for the site .	7-14 Day	no cost			
7	<p>The team consulted with construction experts who noted that <u>the fee to obtain a new water connection remains at KD 100</u> the water connection is now assumed to be 150 meters instead of 10 meters.</p> <table border="1"> <tr> <td>16</td> <td>Getting water connection.</td> <td>7 Days</td> <td>KD 51<sup>3</sup> correct fee not KD100</td> </tr> </table>	16	Getting water connection.	7 Days	KD 51 <sup>3</sup> correct fee not KD100	<p><b>The official MoEW stance is that cost is KD 51 and it takes 7-14 days maximum. Refer to attached scanned official document no. 7 &amp; No. 8</b></p>
16	Getting water connection.	7 Days	KD 51 <sup>3</sup> correct fee not KD100			
8	<p><u>The <i>Doing Business</i> methodology records the median time experts note it takes to complete a procedure as opposed to the maximum time. The team consulted with construction experts who noted that it still takes 7 days on average to obtain a sewerage connection.</u></p>		<p><b>Refer to attached pdf official document no. 2</b></p>			



	<p><u>However, they confirmed there is a fee of KD 750. The team would appreciate receiving an official fee schedule where it indicates that there is no charge for the sewerage connection.</u></p> <table border="1"><tr><td>17</td><td>Access to sewerage connection from the Ministry of Public Works.</td><td>10 Days (maximum)</td><td>No charge</td></tr></table>	17	Access to sewerage connection from the Ministry of Public Works.	10 Days (maximum)	No charge	
17	Access to sewerage connection from the Ministry of Public Works.	10 Days (maximum)	No charge			
9	<p>Please note that this procedure is currently recorded as “Receive inspection from the Kuwait Fire Services Directorate” (1 day). <u>Construction experts noted the fee is only KD 5. The team would appreciate receiving a copy of the official fee schedule from the Government.</u></p> <table border="1"><tr><td>18</td><td>Inspection by Kuwait Fire Service Directorate during the building process to issue a letter of approval to proceed to connect electricity.</td><td>1 Day</td><td>KD 25</td></tr></table>	18	Inspection by Kuwait Fire Service Directorate during the building process to issue a letter of approval to proceed to connect electricity.	1 Day	KD 25	<p><b>Refer to attached pdf official document no. 3</b></p>
18	Inspection by Kuwait Fire Service Directorate during the building process to issue a letter of approval to proceed to connect electricity.	1 Day	KD 25			
10	<p>Please note that this procedure is currently recorded as “Obtain certificate of fire and panic safety from the Kuwait Fire Services Directorate” (5 days). Construction experts noted it takes 5 days on average (and often times even longer) to obtain the certificate once the inspection is conducted. Therefore, the data will remain unchanged for the <i>Doing Business 2015</i> report.</p> <table border="1"><tr><td>19</td><td>Final inspection by Kuwait Fire Service Directorate and granting the license (if all procedures are in line).</td><td>1 Day</td><td>No charge</td></tr></table>	19	Final inspection by Kuwait Fire Service Directorate and granting the license (if all procedures are in line).	1 Day	No charge	<p><b>The official Kuwait Fire Service Directorate stance is it takes one day if there is all is in line with requirements. But we could not obtain a document that supports this at this stage.</b></p>
19	Final inspection by Kuwait Fire Service Directorate and granting the license (if all procedures are in line).	1 Day	No charge			
<b>III. Getting Electricity</b>						



هيئة تشجيع الاستثمار المباشر  
KUWAIT DIRECT INVESTMENT PROMOTION AUTHORITY

Second National Report on Non-Exhaustive Reforms in Doing Business in the State of Kuwait May 31, 2015

#	DB Team response	KDIPA Explanation				
1	<p>Regarding procedure 4, the electricity company and private experts contacted by the team have confirmed that this step still takes <u>16 days</u> as in the past. <u>As for the cost, they indicated that KD 150 is actually the lowest fee charged.</u> As such, the time and cost for this procedure remain unchanged in the <i>Doing Business 2015</i> report.</p> <table border="1"><tr><td>4</td><td><p>The Client's engaged electrical contractor submits final as-built drawings for air-conditioning and electrical installations of the project and obtain MEW approval.</p><ul style="list-style-type: none"><li>The Client's engaged electrical contractor submits two (2) sets of final and complete as-built drawings for air-conditioning and electrical installations of the project for approval to the Electrical Installation Department along with Load Form, approved municipality drawing and MEW's approval/ authorization of electricity supply obtained earlier from Area Engineer.</li></ul><p>In case of any change in the civil designs of the electrical substations/rooms of the project,</p></td><td>Maximum 5 calendar days (down from 16)</td><td>No charge (down from KD 150)</td></tr></table>	4	<p>The Client's engaged electrical contractor submits final as-built drawings for air-conditioning and electrical installations of the project and obtain MEW approval.</p> <ul style="list-style-type: none"><li>The Client's engaged electrical contractor submits two (2) sets of final and complete as-built drawings for air-conditioning and electrical installations of the project for approval to the Electrical Installation Department along with Load Form, approved municipality drawing and MEW's approval/ authorization of electricity supply obtained earlier from Area Engineer.</li></ul> <p>In case of any change in the civil designs of the electrical substations/rooms of the project,</p>	Maximum 5 calendar days (down from 16)	No charge (down from KD 150)	<p><b>Refer to attached pdf official document no. 9</b></p>
4	<p>The Client's engaged electrical contractor submits final as-built drawings for air-conditioning and electrical installations of the project and obtain MEW approval.</p> <ul style="list-style-type: none"><li>The Client's engaged electrical contractor submits two (2) sets of final and complete as-built drawings for air-conditioning and electrical installations of the project for approval to the Electrical Installation Department along with Load Form, approved municipality drawing and MEW's approval/ authorization of electricity supply obtained earlier from Area Engineer.</li></ul> <p>In case of any change in the civil designs of the electrical substations/rooms of the project,</p>	Maximum 5 calendar days (down from 16)	No charge (down from KD 150)			
2	<p>All procedures measured by the indicator are verified by respondents with expertise in the field including the electricity company and private contractors, all of whom confirmed that this procedure still <u>takes the same time as last year.</u> Therefore, the team records <u>21 days</u> for the completion of this procedure for the <i>Doing Business 2015</i> report.</p>	<p><b>Refer to attached pdf official document no. 9</b></p>				



	<p>6 The Client obtains external works from the Electrical Distribution Networks (EDN) Department under the EDN Sector of the Ministry of Electricity &amp; Water (MEW).</p> <ul style="list-style-type: none"> <li>External works are designed by the Ministry and carried out by the Electrical Distribution Networks (EDN) Department of the Ministry of Electricity and Water (MEW) only. A 140-kVA load can be supplied from an existing distribution sub-station in the area, if capacity is available.</li> </ul> <p>In the absence of the infrastructure facilities, the client / holder of the license can allocate a space on the plot not exceeding 5x5 m2 for the MEW to install an electrical transformer or unit distribution substation (UDS) to provide power to the plot. Having the transformer or UDS installed will not result in additional cost to the customer.</p> <p>The former scenario is however, the more likely one for the assumed case.</p>	<p>2 calendar days (from 21 Days)</p>	<p>No charge</p>	
<p>3</p>	<p>the cost for this procedure remains unchanged in the <i>Doing Business 2015</i> report.</p> <p>7 The client obtains meter installation and final turn-on of supply from the Ministry of Electricity and Water (MEW).</p> <ul style="list-style-type: none"> <li>The Client will pay the connection fees at one of the Ministry offices and then make available copies of the payment receipt, approved original as-built drawings, the approved inspection report, ownership certificate and no objection letter from the Kuwait Municipality to the Emergency Office of the EDN Department of MEW and of the concerned governorate to obtain the power supply.</li> </ul> <p>The meter is handed over to the Client directly by the Consumer Affairs Department. The Emergency Office will install the meter and will connect the power supply to the Project provided all documents submitted by the Client are fully in order.</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>The Ministry of electricity &amp; water, depending on the connected electrical load, provides 40A and 60A single phase or 25/20A, 40/25A and 60/25A 2 phase (directly connected) or 200/5A and 300/5A (Current Transformer approved) meters. In case the consumer requires a meter more than 300A, he has to provide this meter by himself. The meter is tested and approved by the MEW's main workshop and the time to complete this process is approximately 2 days provided the consumer makes available the meter on time.</li> </ol>	<p>2 calendar days</p>	<p>connect one is KWD 4,166.750 not KWD. 5,582.500 (Please see calculations in the note hereunder)</p>	<p>Refer to attached pdf official document no. 9</p>
<p>#</p>	<p>Comment from government</p>	<p>DB Team response</p>	<p>KDIPA Explanation</p>	
<p>4</p>	<p>Description of the reform: The Ministry of Electricity &amp; Water (MEW) has introduced method of submission of plans/designs electronically and already started receiving electronic submissions from some engineering consulting firms since December 4, 2012.</p>	<p>The cost for this procedure remains unchanged in the <i>Doing Business 2015</i> report.</p>	<p>Refer to attached pdf official document no. 9</p>	



	<p><i>It also will shift in May 2014, to accept only electronic submissions of all air-conditioning system designs o provided the submissions are in full compliance with the MEW requirements and there are no comments on the same, the time to complete this process will reduce from 5 days to 3 days.</i></p> <p><i>MEW cooperates with Kuwait Municipality to streamline procedures. The Electrical Distribution Networks (EDN) Sector of the Ministry of Electricity &amp; Water in Kuwait, which is responsible to provide electricity supply to the consumers, is going to execute within 3 to 4 months time, plan to station engineers from the Air-Conditioning and Electrical Sections of the Electrical Installation Department at the Emergency Offices of the Electrical Distribution Networks (EDN) Department in different Governorates in order to further expedite and make convenient the process of getting electricity in Kuwait.</i></p>		
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#### IV. Registering property

#	Comment from government	DB Team response	KDIPA Explanation
1	<p><i>Description of the reform: procedures made easier by establishing a GIS database for all civil data for property and shops in coordination with MoCI .</i></p> <p><i>Developing an automated electronic system for standardizing forms and text used for property registration and an e-payment system (Tasdeed) has been launched on a dedicate portal run by MoJ.</i></p> <p><i>Impact of the reform: Procedure 1: Reforms speeding procedures by allowing for Issuing of commercial licenses at MoCI without going back to the Municipality.</i></p>	<p>The team's research showed that the impact of the reform was not yet noticed by the private sector respondents.</p> <p>According to private sector respondents, the seller must request a Borders and Cadastral Sheet from the Municipality providing details of the property (including zoning). Based on above mentioned, Procedure 1 for the Registering Property indicator will remain unchanged in the <i>Doing Business 2015</i> report.</p>	<b>Will follow up for future developments.</b>
2	<p><i>Procedure 5: Under procedure 5 where the person concerned will submit an application to the Department of Citizen Services the time is reduced to 1 day (down from 15 days) and sign it and ratify it by</i></p>	<p>Private sector contributors <u>did not confirm the change</u> in time for finalizing the procedure. Therefore, time for procedure 5 will remain unchanged in the <i>Doing</i></p>	<b>Refer to attached pdf official document no. 10</b>



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	<i>the stakeholders and then they will receive their own copy of the document.</i>	<i>Business 2015 report.</i>	
3	<p><i>An e-link is established between Ministry of Justice (MOJ) and Kuwait Municipality for a user based dedicated e-link to speed review of documents needed that are available in a shared e-database. Also, mobile based applications are used especially SMS messages to be in touch with public to complete any missing documents and save time.</i></p> <p><i>Date of entry into force: September 8, 2013</i></p>	<p>As of June 1, 2014, private respondents in Kuwait reported that they <u>did not notice any impact on time of registering property from the introduction of the e-link between Ministry of Justice (MOJ) and Kuwait Municipality and the introduction of mobile applications for communication with the public</u>. Therefore, the time of procedure related to the registration of the property with the Real Estate Registration Office will remain unchanged in the upcoming <i>Doing Business 2015</i> report.</p>	<p><b>We obtained clarification on this issue from Kuwait Municipality which confirmed that this e-link with MOJ is meant to show a unified computer screen between both parties to ensure no fraud or duplication and it is already implemented.</b></p>