

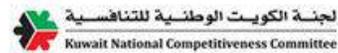


**Fourth National Report on Non-Exhaustive Reforms in
Doing Business in the State of Kuwait for DB2018
June 1, 2016 - May 31, 2017**



Submitted to:
Doing Business Unit, the World Bank Group
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THE PERMANENT COMMITTEE FOR STREAMLINING BUSINESS ENVIRONMENT & ENHANCING COMPETITIVENESS IN KUWAIT



List of Acronyms

KDIPA.....	Kuwait Direct Investment Promotion Authority
PCK.....	Permanent Committee for Streamlining the Business Environment & Enhancing Competitiveness in Kuwait
MEW.....	Ministry of Electricity and Water
MOJ.....	Ministry of Justice
MOCI.....	Ministry of Commerce and Industry
OSS.....	One Stop Shop
PACI.....	The Public Authority for Civil Information
KCCI.....	Kuwait Chamber of Commerce and Industry
KES.....	Kuwait Economic Society
KNCC.....	Kuwait National Competitiveness Committee
CMA.....	Capital Markets Authority
MOF.....	Ministry of Finance
DB.....	Doing Business
WBG.....	World Bank Group
G2G.....	Government-to-Government
PAM.....	Public Authority of Manpower
KBC.....	Kuwait Business Center
KPI.....	Key Performance Indicator
PAI.....	Public Authority of Industry
CBK.....	Central Bank of Kuwait
IT.....	Information Technology
CINET.....	Credit Information Network
KU.....	Kuwait University
KD.....	Kuwaiti Dinar
AC.....	Air Conditioning

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I. INTRODUCTION

- 1. Fourth National Report:** This report is prepared by Kuwait Direct Investment Promotion Authority (KDIPA), on behalf of the *Permanent Committee for Streamlining the Business Environment & Enhancing Competitiveness in Kuwait (PCK)*. It reflects the latest reforms implemented in cooperation with different governmental agencies throughout the State of Kuwait during the period from the 1st of June 2016, till the 31st of May 2017 intended to improve the overall business environment. KDIPA's coordinating efforts to document and communicate reforms for the upcoming DB2018 report is just a milestone in a continuous national effort to be a more sustainable economy in view of "Kuwait vision 2035" which aims to transform Kuwait into a world class financial & commercial center, with the private sector leading economic activities.
- 2. Launching Tahseen:** utilizing the technical support provided by the World Bank team, KDIPA, during the report period and with full coordination with PCK members, set forth the "National Agenda for Streamlining Business Environment in the State of Kuwait" - **Tahseen Program** - that consisted of short to medium term measures fully adopted by each competent governmental entity to improve 6 out of the 10 components (Topics) that comprise the Ease of Doing Business Index. Furthermore, the "**Tahseen**" Portal (tahseen.kdipa.gov.kw), was launched listing all of the achievements in order to raise public awareness on the ongoing achievements done to ease business processes. The



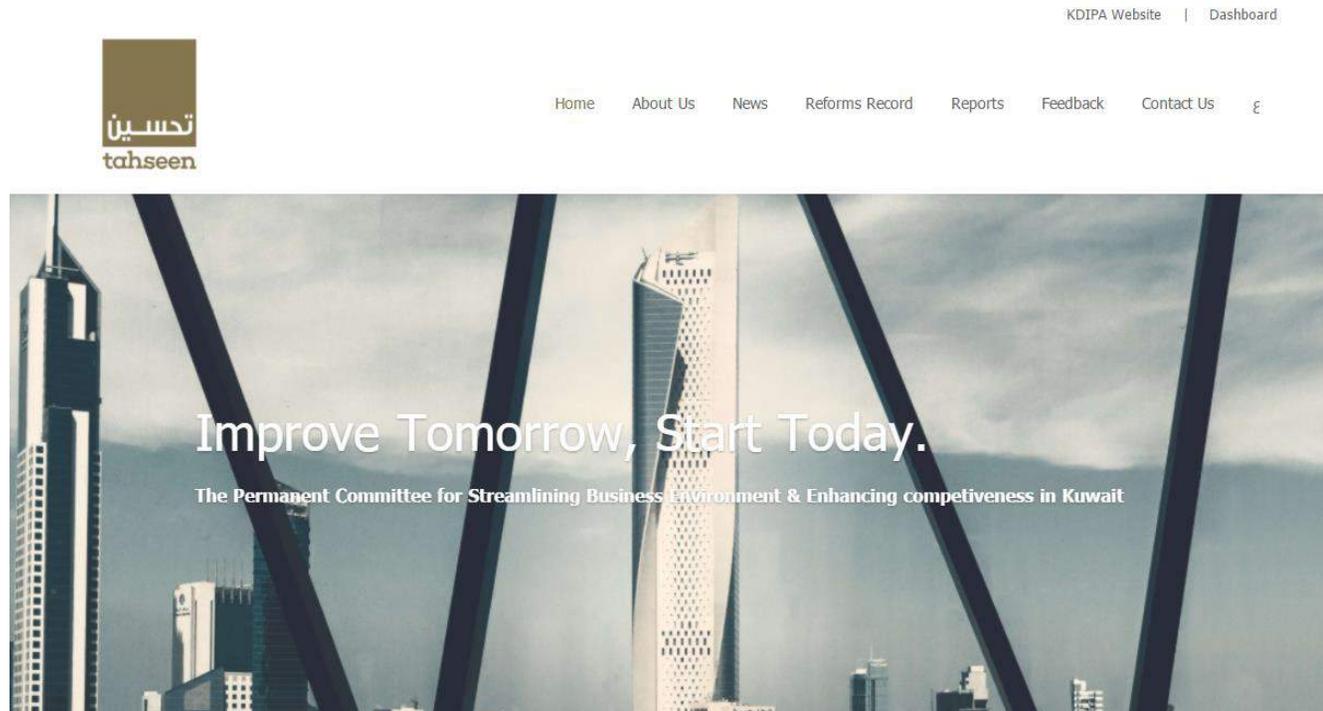
The National Agenda for Improving the Business Environment in Kuwait, Tahseen Program

The Permanent Committee for Streamlining Business Environment & Enhancing Competitiveness in Kuwait(PCK)

Technical support: The World Bank Group

Kuwait Direct Investment Promotion Authority

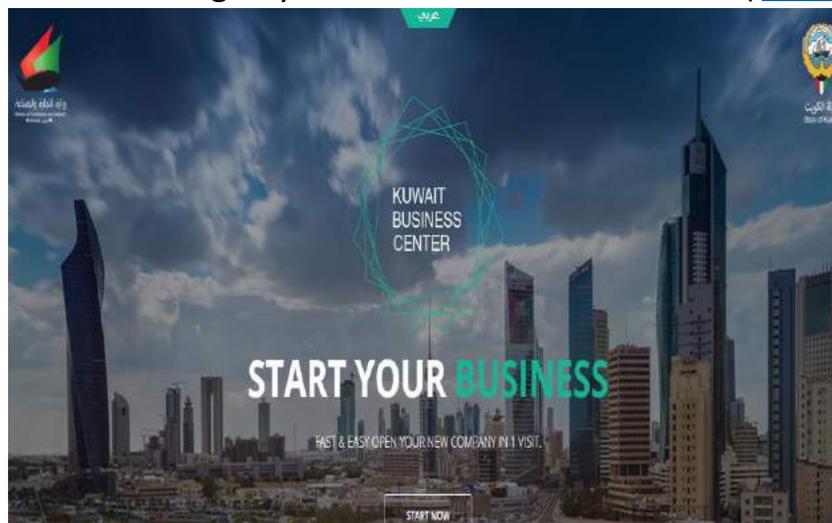
Tahseen program include measures undertaken already or ongoing for reducing number of procedures, time, and cost for starting a business among other components/topics depicted by DB report.



II. IMPROVING LEGAL & REGULATORY FRAMEWORK

- OSS-KBC:** The Ministerial Decision No. 209/2017 (<https://kdipa.gov.kw/wp-content/uploads/md2092017ar.pdf>) stated that as of 31st March, 2017, the Kuwait Business Center (KBC) in *Ishbelieh*, is designated to exclusively receive all the applications for establishing commercial companies, with two separate tracks to handle

licensed foreign companies under KDIPA, and SME start-ups. The KBC, online portal, established an e-linkage with The Public Authority of Manpower(PAM), and the Kuwait Chamber of Commerce & Industry (KCCI). This milestone development is intended to reduce the procedures and the time needed to issue commercial licenses and enlist in the commercial registry. Please refer to KBC website (<http://kbc.gov.kw/>).



4. **OSS-MEW:** MEW created its own OSS in order to simplify procedures for applicants who want to get electricity connection. MEW has established a location in which all operations and procedures related to obtaining electric meters will be done in one location (in *Sabhan*), administered by qualified staff. Payments for the procedures provided can be done online. MEW has also merged both the water extensions inspection with the electrical wiring inspection in one operation based on its Internal Memo No. (14/2016) & No. (16/2016)ⁱ. The Electrical Inspections Department has condensed its complex procedures into a simplified process. From having two separate inspectors (one for water, and one for electricity) performing two separate tasks, into a unified procedure which requires one inspector performing both tasksⁱⁱ.
5. **OSS-MOJ:** MOJ has designated an office that will serve as a OSS to coordinate the efforts for registering property in various locations. The office will consist of the so-called "Universal Officers" who are staff

members that can perform the full cycle of procedures, all the tasks delegated to him starting from filling, then sorting, then processing, till documenting transactionⁱⁱⁱ.and who are competent in all related matters in order to improve the business environment.

6. **E-Services - MOJ:** Kuwait had taken several profound strides to deepen the application and utilization of e-services and transactions. MOJ established a G2G linkage with the Ministry of Communication (MOC) on 17th March, 2016, to simplify the procedures related to retrieving lost documents.^{iv} MOJ had also established an e-archiving system to register property and generate certified reports developed by its IT & Statistics Sector, in order to retrieve any required documents in a timely and accurate manner^v. Furthermore, MOJ launched a channel for correspondence through social media (WhatsApp, Twitter, Instagram, Snapchat) under [@kuwaitmoj](#) by its Public Relations Department to provide the public with open channels for correspondence with MOJ officials.^{vi} It established an external e-link with competent government entities to obtain the needed documents, in order to reduce the time consumed for such transactions^{vii} in 2016, including:
 - Public Authority for Housing Welfare (Real Estate Property Statement);
 - Credit Bank (Real Estate Property Statement);
 - Kuwait Municipality (*Shahadat AlAwsaf*, Procedure 1: Registering Property);
 - Ministry of Communications (Statement of Missing Documents);
 - General Authority for Minor Affairs (Real Estate Property Statement).
7. **E-Services - KM:** Kuwait Municipality (KM) took several strides to establish and foster utilization of e- services, as it established an e-service through its website: www.baladia.gov.kw on 13th April, 2017. The e-service portal is used to expedite and ease the administrative processes and transactions^{viii}.
8. **E-Services – MOCI:** MOCI implemented an e-links between the Public Authority of Manpower (PAM) and the Kuwait Business Center(KBC) online website, compatible with the data entry system at PAM.^{ix} It also established an official e-link between KBC (@MOCI) with the Kuwait Chamber of Commerce & Industry (KCCI) in order to process and grant the company registration forms without delays^x.

9. **E-Services-MEW:** MEW introduced an online portal to accept requests of obtaining electricity for buildings with 340 KW, and stop all paper applications as of 1st January, 2017. Air conditioning and electrical drawings are accepted online and reviewed by the engineers in the concerned sectors to grant the approvals and forward the approved drawings to the engineering consultancy firms.^{xi} MEW simplified and condensed operational steps and procedures to get electricity for (investment - commercial - industrial) projects with loads under 340 KW, as of 9th April, 2017, to speed up the processes by digitizing internal operations and reducing bureaucratic work flow.
10. **E-Services - Customs:** The General Administration of Customs on 29th March, 2017, extended the trial period of the online payment application and activated their new e-Link for internal workflow^{xii}. Some of these internal procedures included issuing needed instructions to allow for accepting electronically submitted bill of lading, which expedites customs clearances and inspections^{xiii}. On 6th November, 2016, Kuwait Customs developed a single e-form within multiple units to ensure timely dissemination of information, maintaining consistency, and ease of accessibility.^{xiv} An e-document affidavit service was also implemented that systematically issues and approves affidavits within 90 days concerning financial and non-financial customs duties^{xv}. Furthermore, Kuwait Customs implemented an integrated e-system with multiple government entities regarding customs duty release of imports to enhance coordination amongst and to help responsible employees to release imports electronically, in order to reduce the time consumed and improving the quality of services provided.^{xvi} On 1st August, 2016, Kuwait Customs introduced an e-card system to expedite the inspection procedures regarding mechanical parts certificates^{xvii}. Kuwait Customs also developed an e-payment service regarding the customs fees, as well as upgrading and activating the e-payment service fees available in the customs internal network, to reduce the time consumed in handling such a task by the end-users.^{xviii} It also introduced a single payment gateway, to collect payable fees, custom duties, and insurance to improve the quality of services and reducing the time consumed for such procedure.^{xix} Kuwait Customs introduced an internal platform on 6th November, 2016, which allowed settlement indexes, technical

amendments, and renewals of settlements to be electronically modified^{xx}. Also, it established an electronic tracking system that diligently tracks customs duties and enhances workflow^{xxi}.

11. **Settling Disputes - CMA:** The Capital Markets Authority (CMA) was established in 2010 by virtue of the Capital Markets Law No. 7 of 2010 (CMA Law) and is the sole regulator for securities activities in the State of Kuwait. The CMA Law was further amended in May 2015 <http://cma.gov.kw/en/web/cma/cma-handbook> along with the issuance of an expansive Executive By-laws in November 2016 (<http://cma.gov.kw/en/web/cma/-bylaw-documents>). The By-laws consist of 16 modules. Together this body of law forms the core regulation of the capital markets in the State of Kuwait. The CMA Law established a court called the 'Capital Markets Court' under the Court of First Instance. This court has two levels, the Court of First Instance as well as the Court of Appeals. The applicable provisions are set out in Articles 108 – 116 of the CMA Law. Additionally, with respect to capital market transactions, the Executive By-laws Module 3, Chapter 12, sets out the arbitration rules for settling disputes related to capital markets transactions. Apart from that, the court proceedings are similar to that of the civil and commercial courts. Therefore, despite the fact that there was no legislative development within the mentioned period, the CMA believes it is worth mentioning the above substantial body of legislation.
12. **Insolvency Draft Law:** Developments witnessed during the report period included a discussion held as one part of a 3-day WBG/DB technical workshop held at KDIPA's premises conducted by two specialists who were part of the WBG Insolvency and Creditor/Debtor Regimes and the Report on the Observance of Standards and Codes (ICR -ROSC) team, under the insolvency project that started since 2011 through a WBG technical support contract. The presentation covered recent developments. The draft amendments to Secured Transactions Law and Draft Rehabilitation and Liquidation Law were submitted to the *Fatwah* & Legislation Department for ratification and approval after which to be sent to the Council of Ministers. However, the draft Creditor Reporting Law will be submitted by June 2017 to the *Fatwah* & Legislation Department. By 20th June, 2018, the WBG technical support contract with this project ends.

III. ADVOCAY ROLE BY KDIPA ON BAHLF OF KPC

13.Membership: The PCK membership extended further to include representatives from other government entities and from the private sector and the civil society in accordance with the Council of Ministers Decision No. (177/2017) issued on the 30th January, 2017. Thus PCK membership expanded from the initial membership of 4 government entities gradually to include currently 13 members from 10 government entities, as well as the Kuwait Chamber of Commerce & Industry (KCCI), the Kuwait National Competitiveness Committee (KNCC), and the Kuwait Economic Society (KES). The name of PCK changed to add” enhancing competitiveness” to it. This resonates with KDIPA’s advocacy role whereby its coordinating efforts to support a favorable business environment will duly contribute to foster Kuwait’s competitiveness project that KDIPA is carrying on with Kuwait Institute for Scientific Research (KISR) under the country’s second medium term development plan (2015/2016-2019/2020).

14.PCK Meeting: The PCK held a meeting on 8th November, 2016 at KDIPA’s premises to discuss Kuwait position in DB2017 and to review the proposed “**National Agenda for Streamlining Business Environment in Kuwait – Tahseen Program**” developed with the technical support provided by the WBG and in full collaboration with all competent government entities. The "Tahseen Program" is also incorporated under the ongoing National Program for Fiscal & Economic Sustainability (NAFES) V.2 developed by the Technical Support Office (TSO) at the MOF.



15. **Tahseen contact:** The members of PCK were requested to nominate a contact within the focal teams representing their entity to handle the follow up process regarding the *Tahseen* e-portal system of recording the execution of "*Tahseen Program*".
16. **Open Dialogue:** KDIPA held the Third Annual Public-Private Open Dialogue Series regarding the Business Environment in the State of Kuwait, on the 16th January, 2017, attended by the Minister of MOCI and members of PCK along with DB2017 contributors and other interested parties. In this event "*Tahseen Portal*" launched for depicting reforms and disseminating new developments to the public regarding the business environment along the ten components/topics of DB Report.
17. **Field Visits:** KDIPA carried for the third year in a row field visits to various Stakeholders from the private sector, mainly amongst the contributors that filled the WBG DB2017 report survey questionnaires for various components/topics. The field visits took place during the period from 11th February - 1st March , 2017, to collect firsthand the feedback from the Private Sector about the latest reforms being implemented by the

government as well as their insights and proposed solutions to improve the business environment in the State of Kuwait.

18. **Obstacles Report**: upon completing the field visits, KDIPA prepared “The Third Obstacles & Solutions Report” that summarized the stocktaking of the main obstacles received during these field visits. The report classified the obstacles into procedural, legal and administrative barriers, as well as listed proposed solutions by the private sector, to bring to the attention of PCK to follow through in coordination with other competent government entities.
19. **DB2018 Surveys**: KDIPA submitted the DB2018 questionnaires for the 10 indicators to the competent government entities according to their field of expertise to fill them to convey developments that took place on the ground. On another note, list of private sector actual users of various government e-services sent to the DB team to select amongst them new potential contributors for DB2018 to broaden the private sector engagement in these questionnaires and better convey their experiences regarding recent reforms.
20. **Technical Support for "National Agenda"**: Focused on developing, discussing, amending and finalizing the “National Agenda for Streamlining Business Environment in the State of Kuwait” the following actions were implemented:
 - a. **Interactive workshop**: An interactive workshop was held on 1st June, 2016, conducted by the DB experts and the WBG technical support team with the follow-up teams representing members of the PCK and KDIPA team to discuss the proposed priority areas to be incorporated within the draft national reform agenda to improve and simplify the procedures in the business environment in Kuwait. Prior to that KDIPA hosted the first (January 2015) and the second (May 2016) diagnostic workshops with the DB experts as part of the technical support agreement KDIPA signed with the WBG for the reform of business environment in Kuwait.



- b. **Feedback:** The concerned government entities, members of PCK, were addressed on 28th June, 2016, to share their official feedback regarding the recommendations of the proposed draft national reform agenda memorandum sent by the WBG technical support team covering initially only 5 out of 11 components that comprise the Ease of Doing Business index, which included starting a business, obtaining construction permit, registering property, trading across borders, and resolving insolvency. In turn, all the official responses received with feedback were sent to the WBG technical support team.
- c. **Technical Meetings:** A series of technical meetings were held during the period from the 23rd – 25th October, 2016, that involved the members of PCK and other competent government entities including the Public Authority of Industry (PAI), Kuwait Fire Services Directorate, Ministry of Public Works, Public Authority of Civil Information, and Kuwait Ports Authority. The meetings reviewed Kuwait's position in the 11 components of DB2017 report and derived updated recommendations based on best practices to ensure that the draft proposed "National Agenda" measures are in line with reform priorities, actions, and timing, thus addressing both efficiency and quality best practices.
- d. **Adding Getting Electricity:** The Getting Electricity component reforms was duly added to the proposed draft "National Agenda". For this purpose, WBG electricity sector specialist and WBG technical support

team. They carried out several meetings and field visits during 12th - 13th December, 2016 to the MEW, and three private sector specialized companies in electro-mechanical operations. The draft reform priorities were delivered to the MEW for feedback and endorsement on 30th January, 2017. The final response from MEW was received on.

- e. **Washington DC Meeting:** The WBG technical support team organized a 3-day meeting in Washington, DC, during the period 6th – 8th March, 2017, attended by the members of the PCK and their follow-up teams along with KDIPA team, to discuss Kuwait's position in the DB2017 Report and obtain further feedback for the National reform agenda. MOCI Minister opened this meeting accompanied by high ranking government delegation. A detailed Diagnostic Report was prepared after the meeting by KDIPA team documenting all the issues discussed, and mapping all needed reforms relating to the components of DB report to be addressed for efficiency and quality. Ahead of the Washington DC meeting KDIPA convened a coordinating meeting with PCK follow up teams, KDIPA's team, and the WBG technical support team, at its premises on 28th February, 2017.



- f. **Follow-up:** A dashboard management system through the "*Tahseen Portal*" for the follow-up of the approved National Agenda measures "*Tahseen program*" was finalized on 24th May, 2017, incorporating the reforms of getting electricity component. The Dashboard is accessed by each of the PCK members relating to their relevant component to provide updates. Thus the follow-up reporting will closely be showcasing progress and listing of achievements and developments that falls within improving the business environment in the six components selected at this stage while the remaining four components (Getting Credit, Protecting Minority Investors, Enforcing Contracts, Paying Taxes) upcoming reform agenda will be finalized by 31st December, 2017.

IV. DOING BUINSESS REFORMS UPDATES

This section highlights major reforms that took place in the 6 components listed hereunder, as previously sent in separate dispatches of filled templates and relevant attachments to the DB Team at Washington DC. The references listed at the end of the section refer to the attachments, and other developments depicted under the *Tahseen Portal* (<https://tahseen.kdipa.gov.kw/en/home-2/>)

Starting a Business

- **Ministerial Decision No. (280/2016) dated July 10, 2016**, amending Ministerial Decision No. 161 of 2016 dated April 20, 2016, regarding the establishment of One Stop Shop (OSS) department under the Minister of Commerce & Industry (MOCI) and launching Kuwait Business Centre (KBC) online www.kbc.gov.kw.
- **Ministerial Decision No. (209 /2017)**, regarding organizing the operations of persons companies, by accepting requests regarding the establishment of companies, through MOCI and transfer the establishment of companies requests through Kuwait Business Center (KBC) from the 31st of March 2017.^{xxii}
- **Ministerial Decision No. (220/2017)**, regarding the amendments on the Ministerial Decision No. 411/2013, related to the issuance of list of regulations regarding the law of commercial license. Reduction of the fees

required to establish a company and issue business license in order to enhance the services, this was issued on the 30th of March 2017, the date of entry into force was on the 23rd of April 2017.^{xxiii}

- **Law No. (15) of 2017** regarding the amendments of some provisions in the Companies' Law No.1 of 2016.
 - Article No.1 included the replacement of Article No. (96) - provision No. (3) stating that the Memorandum of Association of the Limited Liability Company shall include data of the Head Office, or e-mail address or the PO Box. Company's title shall be amended by adding an email or PO Box number as a requirement for the address., date of entry into force was on the 26th of April 2017.^{xxiv}
 - Article No.1 included also the amendment of Article (97) that indicates the elimination of the minimum capital deposit requirement in the bank prior to the establishment of the limited liability company. Date of entry into force was on the 26th of April 2017. This amendment will reduce the number of procedures by eliminating procedure No. 4 "retrieve the letter addressed to bank from the department of Companies" and procedure No. 5 needed to start a business "Deposit the capital at the bank and obtain proof thereof as well as reducing the time and cost to establish a company."^{xxv}
 - Article No.1, also included the replacement of Article (98) regarding the value of the membership interests in the limited liability company. The capital of a Limited Liability Company shall be divided into membership interests of equal value that are not divisible and which will have a minimum value of one hundred Kuwaiti Dinars each. The amendment is to cancel the minimum cash quota (KD 100), and leave it to the will of the partners to be determined in the articles of incorporation and the date of entry into force was on the 26th of April 2017. This amendment will eliminate the cost of procedure number 5 needed to start a business "Deposit the capital at the bank and obtain proof thereof".^{xxvi}
- **Circulation No. (2/2017)** issued by PACI regarding the cancelation of the certificate of the Public Institution for Social Security (PIFSS), this will reduce the time consumed and will eliminate one procedure for starting a business component/topic. Date of entry into force was on the 5th of March 2017.^{xxvii}

Dealing with Construction Permits

- **Law No. (33) of 2016** regarding Kuwait Municipality amending Law No. (5) of 2005 issued on July 4, 2016, modernizing the municipal work and time frames for execution of procedures of its services among other matters. <https://www.baladia.gov.kw/sites/ar/MunicipalityCouncil/Pages/cnlw.aspx?menuItem=3>
- **Ministerial Decision No. 452/2016** regarding reorganizing the formation of the committee of engineering offices and consultancy firms, this will have an impact on the specifications of the qualification requirements regarding the professionals whom supervises the construction process, the date of entry was on the 6th of June 2016.^{xxviii}
- **Ministerial Decision No. 314/2016 regarding the** amendments towards the consultancy firm's activities & supervision, which will have an impact on the Administrative reforms to improve the quality of the consultancy firms permits and role by implementing a restructured approval process, date of entry was on 1st of May 1 2016.^{xxix}

Getting Electricity

- **Internal Circular No. (66/2016)** dated 27th of December, 2016, and the official letter sent to the Union of Engineering Offices and the Kuwaiti Consulting Firms, regarding reduction of time through the use of the online portal to accept requests to obtain electricity for buildings with 340 KW, and stop all paper requests as of 1st of January, 2017. Submitted drawings online to be duly reviewed and approved by the two operational sectors dealing with Air Conditioning (A/C) and Electrical connections.
- **Internal circular No. (5/2017)** dated 11th April, 2017 for simplifying and condensing operations in one step to reduce the number of procedures and the time needed to get electricity connection for investment, commercial, and industrial projects with loads under 340 KW. All drawings for air conditioning and electricity connection-as built to be submitted online for the above mentioned projects with loads under 340 KW, as of 16th April, 2017. These drawings must be compliant with the Municipality architectural designs and observing the energy saving criteria for AC = (R6, R7) and for Electricity = (R1, S1) through the online portal: <http://portal.mew.gov.kw>.

- **Internal Memo No. (78/2016)** dated 9th June, 2016, regarding the use of Geographic Information System (GIS) by all concerned departments in the MEW to assist in monitoring outages (gis.mew.gov.kw). MEW uses the "Outage Management System", and SCADA to monitor outages. Reports are generated with detailed statistics to follow up on outages and to ensure quality solutions to problems of water networks and electricity grids.^{xxx}
- **Administrative Circular No. (14/2016)** dated 20th September, 2016, and **Administrative Circular No. (16/2016)** dated 30th August, 2016, stated that the Electrical Inspection Department is merging both the water extensions inspection with the electric wiring inspection into one procedure done at the same time by same inspector to eliminate a procedure.
- **Administrative Decision No. (75/2016)** dated 26th January, 2016, stated that all the completion of transactions related to connecting electricity to the residential sector and all buildings with electric load of less than 340 kWh must be executed by using the e-portal: <https://portal.mew.gov.kw/?com=content&act=view&id=810> , thus all paper request to connect electricity to residential sector and buildings with electric load of less than 340 kWh shall not be accepted within three months of issuance of this decision in the Official Gazette. The completion of transactions submitted on this e-portal must be conducted according to the executive regulations related to this decision.
- **Official letter No. (701/2016)** dated 1st September, 2016, identified all the e-Government Services provided by MEW and through establishing e-links with relevant entities to simplify procedures and speed service delivery time at: <http://www.mew.gov.kw/?com=category&id=59> . These services include: electricity delivery services, water delivery services, inquiry about the status of the requested e- services, established link for implementing e-services with other governmental entities like the Public Authority of Civil Information (PACI), and the Public Authority of Industry (PAI), and Kuwait Municipality.
- **Internal Memo No. (2326)** dated 13th April, 2016, acknowledged the effectiveness of implementing e-link for the GIS mechanism, adoption of e-transactions for MEW services, and link to DMS and SCADA monitoring systems completed on December 2016 had contributed immensely to improve operations, maintenance, and quick identification of outage points or sources, which overall created favorable impact in facilitating efficiency and quality of getting electricity in terms of time, effort, and accuracy.^{xxxi}

- **Administrative Circular No. (46/2016)**, dated 21th November, 2016 to insure that all authorized air conditioning and electric engineers by MEW must utilize the on-line portal, and for this purpose they must submit a copy of their civil ID, work ID, phone number by email to portal@mew.gov.kw to be able to use and complete of transactions through the online portal.
- **Internal Memo No. (887/2017)** dated 20th March, 2017, reiterating that two additional staff members were designated as of 1st March, 2017 to support the procedures for distributing electric meters, by making all operations and procedures related to obtaining electric meters conducted in one location at (*Sabhan*), and facilitation of making payments for this procedure online.^{xxxii}
- **Official MEW letter to Kuwait Municipality (# 7/11891)** dated 14th April, 2016, reiterated that after a full year passed for applying e-link among MEW, the Municipality, and the engineering offices and consulting firms for getting electricity connection to all buildings, a system programming engineer is needed to address some technical issues for a duration of 3 months.

Trading Across Borders

- **Customs Instructions No. (43/2017)** dated 29th March, 2017, and entered into force on 24th March, 2017 the date of being published in the Official Gazette, regarding extending the trial period of the online payment application and activating e-Link system for improving quality of services and internal workflow.
- **Costumes Instruction No. (17/2017)** published in the Official Gazette on 12th February, 2017 mandating the implementation of the approved First edition of the [“Unified Guide of Customs Procedures at GCC First points of Entry, 2015”](#) as of 1st February, 2015. Also stating the need to perform a review of this Guide after one year of actual implementation and forward the feedback to the GCC United Customs Authority.

xxxiii



UNIFIED GUIDE FOR CUSTOMS
PROCEDURES
AT FIRST POINTS OF ENTRY
INTO THE MEMBER STATES OF THE
COOPERATION COUNCIL FOR THE ARAB
STATES OF THE GULF (GCC)

- **Administrative Order No. (MMK/583-2016)** issued by the Director General of Kuwait Ports Authority (KPA) regulating and streamlining custom's clearance and inspection procedures of imported goods in the *Shuwaikh* Port and *Shuaiba* port in order to improve the quality of services and to ensure following similar procedures in both ports; also requesting all registered handling contractors to hand over all the storage spaces allocated previously to them to KPA and mandating them in 2017 not to store any imported goods as of the date published in the Official Gazette on 25th December, 2016. ^{xxxiv}
- **Customs Instructions No. (90/2016)** dated 6th November, 2016, amending CI No. (103/2015 - provision 5) to become issuing separate shipping certificate for each medium of transport, and IC No. (66/2016 - Provision 2) to include all available inspection methods, as well as defining the list of fees for various e-services, shipments, documents, and handling services. This will ensure improving quality and transparency of customs, inspection, and handling services.
- **The Kuwait Customs Electronic System 2016/2017** provided the list of e-transactions for all the processes entailed in their operations as of 1st January, 2017, to ensure control, transparency, efficiency, and monitoring of performance, of which: (attachment No. 18)

<p>Automatic e-Allocation of Tasks of customs inspectors and officers to ensure transparency is implemented in all customs borders.</p>	
<p>Automatic electronic uploading of clearance documents to improve efficiency of workflow.</p>	
<p>One point for e-payments for all customs fees to save time and enhance efficiency.</p>	
<p>The Automated Harmonized System 2017 adopted to improve quality of services, enhance coordination, and streamline the customs electronic internal workflow.</p>	
<p>The Customs Clearance System (Custom's Exit Orders) is also automated with links with Kuwait Municipality, PAI, Ministry of Communications (MoC), and Kuwait Petroleum Corporation (KPC).</p>	

Paying Taxes

- **Ministerial Decision No. (61/2016)** dated 25th September, 2016, regarding the rules and procedures for the tax notification and methods of communication, this reform will have an impact on changing the methods

used to notifying competent entities of tax compliance by using and verifying emails and other methods as means of communication. Date of entry into force was on the 25th of September 2016. ^{xxxv}

Enforcing Contracts:

- **Internal Memo** by the Assistant Undersecretary for Justice Palace's Affairs regarding the Total Court Clerks Department Achievements in 2016, showed the following reforms:
 - Launching electronic lawsuit online portal at the Kuwait Courts website www.kuwaitcourts.gov.kw to enable suing all kinds of civil cases. (The Law Officers Section);
 - Opening the Litigation Service Center at the *Fatwa* & Legislation Department to determine the lawsuits in which the government is involved and to complete all procedures of these lawsuits as quickly as possible. (The Law Officers Section, and the Announcement, Fees and Schedule Section);
 - Using automatic recording system, and specifying the date of the session for receiving and registering lawsuits. (The Roll Section);
 - Using a tracking system (FLD) to follow up files automatically by putting a special label on the files and enter all related data electronically. (The Roll Section);
 - Responding to inquiries about the latest cases submitted by using (SMS) or email.
 - Opening a service center at the Kuwaiti Lawyers' Association to serve morning and evening lawyers in registering all civil lawsuits: commercial, civil, labor, protests, and other cases in all the governorates. (Total Court Clerks Department);
 - Starting to use electronic announcement, photographing and inserting all judicial papers and lawsuits in the (Image System). (The Announcement Section). Prior to that all departments of the Total Court Clerks and Court of Cassation Clerks inserted all judicial papers and lawsuits in the (Image System) according to MoJ Administrative Circulation No. (2/2015) dated 1st April, 2015.

References

ⁱ internal memo from MEW No. (14/2016) & No. (16/2016)

ⁱⁱ Administrative circular (19/2016)

ⁱⁱⁱ Internal decision 172/2016

^{iv} official letter 924 + screen shot .attachment (3A + 3B + 3C) - MOJ

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- v Memorandum 28/2015. attachment (4) - MOJ
- vi kuwaitmoj@moj.gov.kw @kuwaitmoj Official Letter No. 1157 . attachment (5)
- vii Attached table. Attachment 6
- viii <http://www.baladia.gov.kw/sites/ar/municipalityServices/Pages/eServices.aspx?menulitem=item2> + screen shot attachment (1)
- ix official letter dated on 3rd April 2017. attachment (2)
- x an official letter from Kuwait chamber of commerce & industry on 10th April 2017 . attachment (4)
- xi internal Law 66/2016+official letter to the Union of Engineering Offices and the Kuwaiti Advisory offices, attachment (1)
- xii Customs General Manager Instructions (43/2017) (Attachment No.3)
- xiii Customs Director General Instructions 8/2015 and screen shot (Attachment No.5)
- xiv customs general manager instructions no.90/2016 Attachment No.7
- xv Custom Director General Instructions (90/2016) +screen shot Attachment No.8
- xvi Council of Ministers Decision No. (73/2015), Attachment No.10screenshot 10
- xvii Customs Director General Instructions (66/2016) Attachment No.13
- xviii Attachment No.14 screenshot
- xix Attachment No.15 screenshot
- xx Attachment No.17 screenshot
- xxi Attachment No.19screenshot
- xxii Published in the Official Gazette (Al-Kuwait Al Yawm), dated on 23rd of April 2017. (Attachment No.1)
- xxiii Published in the Official Kuwait Gazette (Al-Kuwait Al Yawm), dated on the 23rd of April 2017. (Attachment No.2)
- xxiv Posted in the Official Gazette " Al-Kuwait Al Yawm", dated 26 April 2017.(Attachment No.3)
- xxv Posted in the Official Gazette " Al-Kuwait Al Yawm", dated 26 April 2017. (Attachment No.3)
- xxvi Posted in the Official Gazette "Kuwait Al Yawm", dated 26 April 2017. (Attachment No.3)
- xxvii Memorandum 2/2017. attachment (5)
- xxviii Ministerial decision No. 452/2016. attachment (2)
- xxix Ministerial decision No. 314/2016. attachment (3)
- xxx Internal Memo No. 78/2016 (MEW). attachment (4)
- xxxi Internal Memo No. (2326). attachment (8)
- xxxii Internal Memo No. (887/2017). attachment (11)
- xxxiii Published in the Official Gazette " Al-Kuwait Al Yawm" on 12 Feb 2017 (Attachment 2)
- xxxiv Kuwait Ports Institution -General Director Administrative Order (583/2016) published in the Official Gazette " Al-Kuwait Al Yawm" on 25 December, 2016. attachment 4.
- xxxv Published in the official Gazette " Al-Kuwait Al Yawm" on 25 September 2016, attachment (1)