



STARTUP

Country Guide 2024

THE STATE OF KUWAIT

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A modern office interior featuring a light-colored wooden desk and a black ergonomic chair. Large windows on the left provide a view of a city skyline. A glass partition is visible on the right, and a wooden slat wall is on the far right. The floor is covered in a patterned carpet. The ceiling has a circular light fixture and a square recessed light.

CHAPTER 1

Exploring the startup sphere

I. The Kuwaiti entrepreneurial ecosystem

The Kuwaiti startup landscape is both vibrant and resourceful. It offers promising opportunities for entrepreneurs and investors. The country provides a strong foundation for startups, benefitting from robust funding options and commercial infrastructure. Notably, in the Global Startup Ecosystem Index 2024, Kuwait has maintained its 8th position in the Middle East for four (4) consecutive years. This stability reflects the nation's ongoing efforts to foster a conducive environment for startups.

Kuwait's significant progress in the global ranking, moving up 3 spots to 91st, can be attributed to various factors. The ambitious [Kuwait Vision 2035](#), outlined in the "New Kuwait" strategy, aims to transform Kuwait into a financial and trade hub both regionally and internationally. This national strategy emphasizes entrepreneurial activity as a key driver of economic diversification, innovation, and sustainable growth.

The Kuwaiti government has played a key role in supporting entrepreneurs through initiatives like the [National Fund for SME Development](#), which provides financing, training, and advisory services. Legislative reforms have been implemented to improve the business environment, addressing issues related to competition, financial obligations, bankruptcy, transparency, and information rights. These efforts ensure a conducive environment for startups to thrive.

Ecosystem enablers such as [Sirdab Lab](#), [Boubyan Bank](#), and [Zain Great Idea](#) have introduced accelerator and incubator programs to nurture innovative ideas and budding entrepreneurs. Kuwait benefits from a young, tech-savvy population and strong government initiatives aimed at fostering growth and innovation.

Kuwait is also actively working towards enhancing its position for investors and boosting the productivity of its non-oil economy. With the strategic development of Kuwait City's startup ecosystem, leveraging unique advantages, and fostering a culture of entrepreneurship and innovation, Kuwait is poised to continue its trajectory towards becoming a key player in the entrepreneurial landscape. However, despite a significant leap of one hundred seventy-five (175) spots in the previous year, Kuwait City experienced a setback, dropping seventy-three (73) spots to fall from the top 600, now ranking twentieth in the Middle East.

With a wealth of funding opportunities, strong commercial infrastructure, and supportive government initiatives, the country provides a solid foundation for startup founders. It also continues to work to attract more investment, modernize infrastructure, enhance economic sectors, and enforce transparency, all of which are crucial for sustaining long-term economic prosperity and high standards of living.



1. Startup definition

Overall, a startup is an innovative venture with the potential for high growth, driven by technology and characterized by having a functional prototype and a scalable, repeatable business model. Startups are founded to explore creative ideas, often centered around technology, and to capitalize on emerging market opportunities.

Whilst Kuwait lacks a specific legal framework defining startups in its legislative ambit, a working definition from the local context can be deduced. Any early-stage business could be considered a startup by default and could fall within the category of Small and Medium Enterprises (SMEs). Generally, SMEs are commonly interpreted as companies with fewer than fifty (50) employees with an asset base of less than 500,000 Kuwaiti Dinars (KWD) and revenues of less than 1.5 Million Kuwaiti Dinars (KWD).

2. Promising sectors in Kuwait

Kuwait boasts a robust economy primarily fueled by its abundant petroleum resources, making it one of the wealthiest nations globally. It ranks as the **fifth richest country in the world** in terms of gross national income per capita according to The World Bank. The Kuwaiti dinar stands as the **highest-valued currency unit** internationally, underscoring the nation's economic strength.

Strategic diversification efforts by government in recent years have been pivotal, with petroleum constituting 43% of the total Gross Domestic Product (GDP), a substantial 70% of export earnings in 2019 and the rest from other sectors of economy. In its pursuit of environmental sustainability, Kuwait has actively engaged in several megaprojects focused on biofuel and clean fuel production. Although the nation is striving to position itself as a hub within the petrochemical industry, it has also put in place a plan to boost the **renewable energy** sector, a sector that could offer tremendous opportunities to the entrepreneurial ecosystem.

Furthermore, the country has made remarkable strides in the **tourism** sector, earning recognition from the World Travel and Tourism Council (WTTC) as one of the world's fastest-growing countries in travel and tourism GDP. Amidst global challenges in 2020 due to COVID-19, tourism remained active, constituting 6.9% of the GDP. Kuwait holds a prominent position in the **financial industry** within the Gulf Cooperation Council countries (GCC). Despite the COVID-19 crisis, the financial sector has demonstrated resilience. The banks remained well-capitalized and maintained high liquidity levels, amid the pandemic.

Moreover, Kuwait has experienced a notable surge in entrepreneurship via the establishment of small businesses over the past five (5) years. Small and Medium Enterprises (SMEs) have emerged as significant contributors, constituting an estimated 3% of the GDP in 2022. Entrepreneurial activities thrive in software & data, FinTech and EdTech sectors.

These sectors exhibit traits of technological progress and collaboration, shaping Kuwait's thriving startup scene. This diversification positioned the nation and fostered economic growth and innovation.

Below are some of the key areas where startups are thriving.

FinTech

Over recent years, the fintech sector in Kuwait has gained substantial momentum, transforming the global financial services landscape from digital payments and lending to insurance, asset management, capital markets, and regulatory supervision. Fintech enhances efficiency within the financial services sector by offering accessible products and services, reducing costs, and providing convenience and speed of delivery.

Similar to global trends, the Central Bank of Kuwait (CBK) is committed to fostering technological growth in financial services while ensuring the protection of Kuwait's financial and banking sector through appropriate regulations and policies.

Kuwait is steadily establishing fintech adoption and growth, although it requires continued attention and regulatory support. It has made significant strides with the CBK implementing various initiatives and policies to encourage fintech growth. In 2018, the CBK established a fintech unit to support the government's fintech regulatory sandbox framework, allowing banking systems to test new technologies. Recently, the CBK hosted a 'stability and enablement' event to discuss measures such as the new digital banking license application process. Neobanks are expected to enhance market competition, drive innovation, and improve consumer products and customer experiences.

Fintech evolution in emerging economies often correlates with financial inclusion. Both public and private entities in Kuwait are driving digital adoption. Kuwaiti banks have become increasingly active in the fintech space. For instance, Kuwait Finance House and National Bank of Kuwait have partnered with blockchain specialist Ripple. Another financial institution, Gulf Bank, has implemented biometric facial recognition in its mobile app.

With one of the fastest average mobile internet speeds globally and a young population (40% under 24 years old and 25% under 15), the potential for industry growth is immense. Research indicates that peer-to-peer (P2P) money transfers have the highest FinTech adoption in Kuwait at 44%, followed by account aggregation at 17%.

Although Kuwait's FinTech adoption lags behind other GCC countries, 83% of Kuwaitis are willing to adopt FinTech solutions.

Kuwait's well-developed Islamic finance sector, including Kuwait Finance House, the GCC's second-largest Islamic bank, presents an opportunity to the ecosystem. By focusing on the intersection of Islamic finance and fintech, Kuwait could carve out a unique position in the market.

Despite its nascent stage and stiff competition, Kuwait has the potential to become a significant player by investing in local talent and creating a supportive ecosystem with clear regulations. The Kuwait fintech ecosystem is flourishing with public sector support and innovative private stakeholders working towards Vision 2035. Kuwaiti consumers are embracing digital finance, indicating a favorable market for fintech solutions.

Funding for fintech startups in Kuwait and the GCC has surged, reaching USD 885 Million in 2022, according to business media Magnitt. Both the investment amount and the number of deals has quadrupled, as reported by McKinsey. Kuwait's financial institutions recognize the need for an open banking framework, and while none has been formalized yet, steps are being taken to introduce open banking. In 2022, the CBK launched an open-banking framework within its regulatory test environment, underscoring its commitment to supporting advanced fintech, as stated by CBK Governor Basel Al-Haroon.

With strong government support and fintech companies poised for growth, the sector in Kuwait is set for promising developments in the coming years.



Software & Data

Technology adoption has surged in the Kuwaiti market, with significant interest in application development, alongside cybersecurity and Information and Communications Technology (ICT). Locally established fintech and foodtech companies have achieved notable success in Kuwait and across the region, catalyzing the emergence of various other tech startups in multiple domains. Government initiatives, such as the SME Fund, offer substantial financial support to burgeoning technology companies, encouraging young Kuwaiti entrepreneurs to innovate. For instance, Kuwait's e-commerce industry reached an estimated market size of USD 1.9 Billion in 2020, reflecting robust growth and potential.

The ICT sector in Kuwait is expected to see significant growth, with expenditures projected to reach USD 10.9 Billion by 2024.

This increase, driven by a 10.2% compound annual growth rate since 2019, underscores the adoption of technologies like Artificial Intelligence (AI), big data, cloud computing, and the Internet of Things (IoT). The Kuwait Vision 2035 Development Plan further emphasizes numerous ICT projects, aiming to transform Kuwait into a diversified and sustainable economy.

In the realm of cybersecurity, Kuwait has made strategic advancements. The National Cyber Security Strategy for 2017-2020 led to the establishment of the National Cyber Security Centre, tasked with conducting risk assessments for forty-five (45) critical national infrastructure stakeholders.

The application development sector is notably robust, supported by government initiatives like the USD 7 Billion Kuwait National Fund for SMEs, established in 2013. This sector benefits from numerous incubators, accelerators, and regional venture capitalists who recognize the immense potential in innovative business models. Presently, the sector encompasses diverse business models, including groceries, payment solutions, electronics, real estate, home cleaning services, mobile salons, and cosmetics.

The Kuwaiti government places a strong emphasis on digital transformation across both public and private sectors. With anticipated ICT expenditure growth, adoption of cutting-edge technologies, and ambitious development plans, Kuwait is well-positioned to emerge as one of the leaders in technological innovation and digital economy.



EdTech

Kuwait's EdTech market, is poised for significant growth between 2024 and 2030. Overall, the Middle East's EdTech sector is projected to exhibit a compound annual growth rate (CAGR) of 9.64% during the 2024-2032 period, driven by increasing smartphone and internet penetration, alongside government initiatives to enhance digital infrastructure and educational technology.

The COVID-19 pandemic significantly accelerated the edtech industry in Kuwait and the broader GCC region as educational institutions transitioned to online learning.

Kuwait adopted measures similar to those taken by other countries in the region, such as using educational TV channels to deliver lessons during school closures. The pandemic underscored the importance of digital learning solutions, leading to greater investment and activity in the edtech sector. Although specific investment figures for Kuwait are limited, the region's overall trend indicates increasing interest and financial support for edtech ventures.

The higher education sector is anticipated to experience substantial growth within the Middle East edtech market during the forecast period (2023-2030). There is a growing demand for flexible learning options and advancements in e-learning technologies, contributing to the rise of Massive Open Online Courses (MOOCs) and interactive online resources tailored for higher education. In 2022, the Direct-to-Consumer (D2C) segment held a significant share of the Middle East edtech market. This trend is expected to continue, rising investments, and overall growth projections for the Middle East edtech market indicating a promising future for educational technology solutions in Kuwait, particularly in the higher education segment.

The Kuwaiti Ministry of Education has undertaken several initiatives to enhance technology integration in schools. The Drbni Platform, launched in response to the COVID-19 pandemic, aims to meet the training needs of educational personnel and students, focusing on developing knowledge and skills in remote education technologies. The Technosoft Project, initiated in the 2018/2019 academic year, provides in-service training for teachers through the Drbni Platform, enhancing their technological competencies.

Additionally, the Ministry of Education established a YouTube channel to support students in accessing online classes and educational content, facilitating the transition to remote learning during the pandemic. Regulatory and infrastructure support, such as regulations published by the Ministry of Electricity and Water and the efforts of the Communication and Information Technology Regulatory Authority (CITRA), ensures access, safety, and availability of electricity and internet connectivity in schools across Kuwait.

Kuwait's edtech sector, catalyzed by the pandemic and supported by government initiatives, is on a growth trajectory. The country's young demographic and high mobile internet speeds present significant opportunities for further development. Research indicates a high willingness among Kuwaitis to adopt fintech solutions, suggesting a favorable market for digital education technologies.

3. Kuwait startup scene

To provide a comprehensive insight into the startup scene of Kuwait, the data below is built upon a synthesis of data sourced from reputable platforms. It provides an approximate count of the Startup Support Organizations (SSOs), i.e., incubators, accelerators, and coworking spaces, currently in operation.

Kuwait' top startup industry sectors¹

- Software & Data
- FinTech
- EdTech

Startup ecosystem in numbers

- Funds raised by startups in 2023²: USD 27 Million
- Number of deals in 2023³: 4
- Number of operating startups⁴: 240

Entrepreneurship and innovation in Kuwait: Indexes and Rankings (2023)

Index	Ranking	Index	Ranking
Business environment ⁵	84	Innovation linkages ⁵	75
Economic freedom ⁷	106	Knowledge workers ⁵	110
Entrepreneurship policies and culture ⁵	61	Mobile app creation ⁵	73
Finance for startups and scaleups ⁵	46	Operational stability for businesses ⁵	87
Global innovation ⁵	64	Regulatory environment ⁵	91
Global Knowledge ⁶	44	State of cluster development ⁵	40
ICT access ⁵	9		





CHAPTER 2

Beginning your entrepreneurial journey

I. Guiding steps to launch a startup in Kuwait

1. Country specific legal structures

In the state of Kuwait, entrepreneurs are presented with a range of distinct legal structures. The primary business entities are regulated under Law No. 1 of 2016, known as the Companies Law. Each of these business types is characterized by unique attributes meticulously crafted to align with the specific activities of the company and cater to diverse economic objectives. Below are business legal structures for entrepreneurs, listed from single-owner setups to entities suitable for numerous shareholders:

- **Sole proprietorship**
 - **Joint liability company**
 - **Partnership in commendam (limited partnership)**
 - **Limited liability company (WLL)**
 - **Limited Partnership (Commandite) Company**
 - **Joint venture company**
- **Joint- stock company**
 - **Partnership Limited by Shares Company.**
 - **Closed Shareholding Company.**
 - **Public Shareholding Company.**
 - **Holding Company.**

When launching a startup, Kuwait offers many business vehicles to choose from. Some legal structures are inherently more conducive to the entrepreneurial journey than others. It is highly advisable for entrepreneurs to opt for one that provides the essential benefits critical for the success and sustainability of their ventures.

The Limited Liability Company (LLC) is the most prevalent corporate entity in Kuwait, especially favored by foreign companies and investors looking to penetrate the Kuwaiti market. Known locally as WLL (With Limited Liability), this business structure is renowned for its straightforward and swift incorporation process, making it an ideal choice for those seeking a quick entry into the business landscape. It strikes an optimal balance between safeguarding personal assets through its limited liability feature for shareholders and providing operational flexibility, which is essential for businesses to adapt to the ever-changing market dynamics.

The LLC's popularity stems from the protection it offers to owners' personal assets, ensuring that shareholders are insulated from personal financial exposure in the event of the company's debts. This level of protection is a significant advantage for entrepreneurs who wish to secure their personal finances while engaging in business ventures. Moreover, the limited liability nature of an LLC means that each partner's responsibility for the company's liabilities is capped at the extent of their capital contribution, which aligns with the broader principle of risk mitigation in business.

Operational flexibility is a cornerstone of the LLC, particularly crucial for startups and businesses that may need to pivot their strategies swiftly in response to market demands. This agility allows companies to navigate through the commercial environment effectively, adjusting their operations as necessary without being hindered by rigid corporate structures.

Furthermore, the ease of setting up an LLC in Kuwait minimizes administrative hurdles, enabling entrepreneurs to concentrate on their core business functions rather than being bogged down by complex incorporation procedures.

By choosing a legal structure that encompasses these benefits, entrepreneurs in Kuwait can lay a solid foundation for their startups, positioning themselves for growth and long-term success in the competitive business landscape.

2. Legal steps

In Kuwait, establishing a company involves navigating a multifaceted regulatory landscape, with several key governmental entities playing pivotal roles in the process. The Ministry of Commerce and Industry (MOCI) stands at the forefront, overseeing trade and industry activities, issuing licenses, and ensuring businesses adhere to commercial laws. The Commercial Registry, a department of the MOCI, serves as the official database for registered businesses, overseeing their legal structures and activities. The Ministry Of Interior (MOI) handles security-related matters, conducting background checks for individuals associated with the company. The Public Institution for Social Security (PIFSS) manages the social security system, necessitating compliance from businesses to secure employee benefits, while the Ministry Of Social Affairs and Labor (MOSAL) oversees labor regulations, employment contracts, and social welfare, playing a vital role in ensuring compliance with labor laws and regulations. The Public Authority for Civil Information (PACI) provides identity verification and data. Additionally, the Ministry Of Justice (MOJ) ensures legal compliance and oversees contract enforcement and dispute resolution, ensuring businesses operate within the legal framework. Moreover, the municipality regulates local administrative aspects, such as business licenses and zoning regulations. Finally, the Kuwait Chamber of Commerce and Industry (KCCI) provides support to businesses and offers networking, trade information, and advocacy.

Entrepreneurs must navigate these entities collaboratively, ensuring their businesses align with Kuwait's regulatory requirements to operate successfully. Women entrepreneurs, in particular, must obtain permission from their husbands to work outside the marital home as per Article 89 of the Personal Status Law, 1984. Without their husband's consent, they may face legal consequences and potentially losing entitlement to financial alimony.



● Step 1: Register at the Kuwait Business Center (KBC)

The Kuwait Business Center (KBC) offers the option of online company creation and simplifies documentation for commercial licensing, thus removing redundant steps and services. This streamlined process applies to managing partnerships at the Ministry of Commerce and Industry, the Kuwait Direct Investment Promotion Authority, and the National Fund for Small and Medium Enterprise Development, all under the supervision of the Minister of Commerce and Industry, saving significant time and effort.

Once the application is approved by the KBC, the entrepreneur receives a confirmation email indicating that the license is ready. The entrepreneur can then access the document online. Many entrepreneurs still prefer to visit the KBC center to collect the original document in person.

Steps

- 1 Submit a completed standard application form.
- 2 Submit a copy of the memorandum of association.
- 3 Submit the paperwork online.

Requirements

- A Memorandum of association.
- A completed application including names of founding partners, their shares, the capital, scope and objective of the company, and the name of the manager.

Duration

Up to three (3) days.

Cost

Free

● Step 2: Sign and notarize the Memorandum of Association before the public notary of the Ministry of Justice

After completion of this process, and once the required documents are verified, the entrepreneur schedules an appointment for signing before the notary public at the Company Formation Department of the Ministry of Justice.

During this appointment, the memorandum of association is signed by the founding partners and notarized. Three (3) originals are created: one for the company, one for the Ministry of Justice, and one to be filed with the Ministry of Commerce and Industry.

Steps

- 1 Submit the draft memorandum of association along with the required documents at the Company Formation Department of the Ministry of Justice.

Requirements

- A department of companies' letter.
- A bank capital deposit certificate.

Duration

one (1) day.

Costs

- 2 KWD for the first page of the memorandum.
- 1 KWD for each subsequent page.

● Step 3: Obtain the commercial license from the Kuwait Business Center

The KBC platform is integrated with the Public Authority for Civil Information (PACI) and the Municipality, ensuring seamless submission and approval processes for company information and premises verification. Following the issuance of the commercial registration certificate, the entrepreneur must obtain the commercial license from the Kuwait Business Center (KBC).

Steps

- 1 Apply online for the commercial license via [the KBC portal](#).
- 2 Submit the company information through KBC, which automatically forwards it to the Municipality for internal approval of the premises.

- 3 Upon issuance of the commercial license, ensure it includes a civil number.

Duration

Up to two (2) days.

Cost

80 KWD

● Step 4: Register at the Public Authority for Manpower Agency

The Public Authority for Manpower may inspect the premises to ensure that the size of the company premises and its business scope are commensurate with the number of employees declared at the Ministry.

Duration

Fifteen (15) days.

Cost

25 KWD

● Step 5: Register with the Kuwait Chamber of Commerce and Industry

The company is required to seek membership at the [Kuwait Chamber of Commerce and Industry \(KCCI\)](#). This membership serves as a prerequisite for engaging with other government authorities, and banks, and participating in public tenders.

Steps

- 1 Submit an application for membership at the Chamber of Commerce and Industry.
- 2 Complete a specimen signature form.

Requirements

- The company's commercial license.
- The Company's Memorandum of Association.

Duration

Up to one (1) day.

Cost

- Registration fee: 82 KWD.
- Annual renewal: 55 KWD.



II. Other country specific considerations

1. Considerations for foreign investors

The Kuwaiti law imposes several restrictions on investment by foreign individuals and entities, excluding GCC nationals. Law No. 74 of 1979, known as the 'Real Estate Ownership Law,' prohibits foreign individuals and entities from owning real estate in Kuwait. Additionally, Law No. 68 of 1980, referred to as the 'Commercial Law,' restricts foreign participation in Kuwaiti businesses.

Foreign entities are limited to a maximum of 49% ownership in Kuwaiti business ventures, necessitating engagement through a Kuwaiti agent or a Kuwaiti company where at least 51% of the equity is owned by GCC nationals. Furthermore, foreign entities face an income tax rate of 15% on their business activities in Kuwait, though foreign individuals are exempt from annual tax.

- Foreign investors may qualify for a tax exemption of up to ten (10) years, provided they meet certain requirements such as contributing to national technology and employment.
- Foreign investors may also be eligible for customs duty exemptions, subject to similar requirements.
- Foreign investors can establish various types of businesses, including wholly owned (100%) subsidiaries, licensed branches, and representative offices, surpassing the previous 49% ownership limit under the Commercial Companies Law (CCL).

To benefit from these incentives, businesses must meet various criteria, including the type of industry or business activity and their ability to benefit the Kuwaiti economy. KDIPA has also issued the following [Negative List of industries](#), where investment is ineligible for incentives.

Kuwait has double taxation arrangements with 72 countries. Under these agreements, residents of Kuwait who are subject to taxes in those countries are exempted from double taxation. Additional treaties are currently in various stages of negotiation or ratification.

Investment license

The Foreign Direct Investment Law in Kuwait facilitates and encourages foreign investment by permitting up to 100% ownership of business entities in specific sectors, contingent upon obtaining a license from the Ministry of Commerce and Industry (MOCI). The application process is presented below. However, for further information refer to [this video](#).

The evaluation process for granting this license considers factors such as job creation for Kuwaiti nationals, technology transfer, training programs, engagement with local SMEs, and the potential impact on economic diversification. The evaluation process involves a decision matrix:

- Applications scoring below 59% result in rejection.
- Scores above 60% secure a foreign investment license without tax incentives such as the exemption from income tax or any other taxes for a period not exceeding ten (10) years.
- Scores above 70% secure a foreign investment license along with an incentive.
- Those scoring above 80% receive a foreign investment license and all incentives available under the Foreign Direct Investment Law.

The establishment process is the final stage of acquiring an investment license through KDIPA, focusing on the setup of the entity, and obtaining necessary licenses from the Ministry of Commerce and Industry.

At this stage, depending on the type of entity being established, specific documents must be submitted.

- For a Limited Liability Company, the appropriate [Memorandum of Association Form](#) must be provided.

This crucial step ensures the formalization of the business entity, allowing it to operate legally and commence its activities in Kuwait.

Steps

- 1 Submit application request form via [KDIPA's Investor Service Portal](#).
- 2 Select the type of investment entity.
- 3 Identify the economic activity from the [ISIC Code](#).
- 4 Ensure activities do not contradict [the Negative List](#).
- 5 Fill in the required form and register your company.

Requirements

- Business plan consisting of the project profile, technical aspects, criteria, and financial details.
- List and number of employees.
- List of imported goods with the required HS code, quantity, and price per unit.

For further information, refer to [this document](#).

Documents

- [Required legal documents](#).
- Application A (Kuwaiti Company), B (Branch of Mother Company), or C (Representative Office).
- [Power of Attorney Template](#).
- Board of Resolution Template.

Duration

Up to thirty-three (33) days.

Cost

Check [this document](#) for corresponding fees.

2. Tax regime

Overview of Kuwait's tax regime

Kuwait's tax regime is based on a 'source' approach, meaning that tax is imposed only on income derived from sources within Kuwait, rather than on a 'residence' basis which is more common, globally. This implies that activities generating income within Kuwait, including those with offshore components tied to onshore activities, are subject to taxation. Even if work is carried out outside Kuwait, if it is connected to a contract involving activities within Kuwait, the income is considered to have a Kuwaiti source. Additionally, the presence of employees or company representatives in Kuwait, including those for short-term visits, can lead to taxation of the entire revenue from related transactions. The Department of Income Tax (DIT) within the Kuwait Ministry of Finance (MOF) is responsible for administering these taxes.

The calendar year is generally used for Kuwaiti tax purposes, but a taxpayer may request in writing for permission to prepare financial statements for a year ending on a date other than 31 December. For the first or last period of trading or carrying on a business, a taxpayer may be allowed to file a tax declaration covering up to eighteen (18) months.

Corporate income tax (CIT)

foreign corporate bodies carrying on a trade or business in Kuwait, whether directly or through an agent, are subject to corporate income tax. This includes activities on the islands of Kubr, Qaru, Umm Al Maradim, and the offshore area of the partitioned neutral zone under Saudi Arabia's control. Foreign corporations, even those with beneficial interests held through nominee arrangements, are taxed on their share of profits in locally registered companies, including any other income earned in Kuwait such as royalties and technical services.

The tax rate is a flat 15% on net taxable profit, as stipulated by Amiri Decree No. 3 of 1955, amended by Law No. 2 of 2008. Moreover, contracts involving services in Kuwait render the entire contract taxable, encompassing material/equipment supply and external services.

Kuwaiti-registered companies wholly owned by Kuwaiti nationals and companies incorporated in Gulf Cooperation Council (GCC) countries that is entirely owned by GCC nationals is exempt from corporate income tax in Kuwait. However, GCC companies with any degree of foreign ownership are subject to taxation proportional to the extent of that foreign ownership.

The term "corporate body" refers to an association that is formed and registered under the laws of any country or state and is recognized as having a legal existence separate from that of its individual members.

Value added tax (VAT)

Kuwait currently does not have VAT in its tax structure. However, Member State of the Gulf Cooperation Council (GCC) has agreed that VAT will be implemented by each Member Stat. The Kuwait Cabinet has approved a bill that approves the GCC Unified VAT Framework Agreement and the GCC Unified Selective Tax Agreement. The bills are submitted for the approval of the National Assembly, but there has been no implementation date announced formally by the State of Kuwait.

Capital gains tax

Capital gains on the sale of assets and shares by foreign shareholders are generally treated as ordinary business profits and are subject to tax at CIT rates (15%).

Zakat

The zakat is administered by the Zakat House and applies equally to non-Kuwaiti GCC companies operating in Kuwait.

Companies subject to zakat must submit their financial declaration, audited by an audit firm, by the 15th day of the fourth month following the end of their reporting period. The Kuwait Tax Authority (KTA), following Law No. 46 of 2006, enforces compliance and requires non-Kuwaiti GCC companies to register and file annual zakat declarations.

Social security contributions

Under the Social Security Law, both Kuwaiti employees and their employers are required to make monthly contributions based on the employees' monthly salaries. Kuwaiti employers contribute 11.5% of their employees' salaries, up to a limit of KWD 2,750 per month, while employees' contribution is 8%. From January 2015, the employee's contribution rate has increased to 10.5%, which includes an additional 2.5% towards the Financial Bonus Fund, calculated on salaries up to KWD 1,500 per month. These contributions are deducted from the employees' salaries and administered by the Public Institution for Social Security (PIFSS).

Custom duties

As part of the GCC Custom Union agreement, member states have unified the regional custom tariff at a general rate of 5% on all taxable foreign imports. In Kuwait, goods are typically required to clear customs within two (2) weeks, provided the documentation is in order.

Contribution to the Kuwait Foundation for the Advancement of Sciences (KFAS)

Kuwaiti shareholding companies (KSC) and closed shareholding companies (KSC(c)) are obligated to allocate 1% of their profits to the Kuwait Foundation for the Advancement of Sciences (KFAS), after accounting for transfers to the statutory reserve and offsetting any loss carryforwards. The KFAS actively supports scientific progress by providing sponsorship and grants for various scientific research projects in Kuwait. Notably, companies are not required to file any audited tax declaration to the KFAS.

Tax retentions

Kuwait employs tax retention rather than a withholding tax system. Both local and foreign entities conducting business in Kuwait, or those generating taxable income in Kuwait, must withhold 5% of the total contract value or from each payment made to any vendor.



3. Tax compliance requirements

Registration requirements

Tax registration in Kuwait is mandatory within thirty (30) days of starting business or signing a contract with a Kuwaiti customer. All foreign entities engaged in business activities in Kuwait or earning taxable income in Kuwait must apply for and obtain a tax card from the Department of Income Tax (DIT). The tax card needs annual renewal and is essential for conducting business as government and private sector entities are prohibited from responding to entities lacking a valid tax card. Tax declarations are required from all entities earning taxable income in Kuwait, including those potentially exempt under tax treaties. These declarations, typically filed through approved audit firms, should be based on actual profit, although the DIT may accept declarations based on deemed profit, where expenses are estimated as a percentage of revenue. After filing, the DIT conducts tax inspections to verify supporting documents and issues assessment letters, with disallowances for unsupported or questionable expenses.

Filing and payment requirements

Taxpayers must submit their tax declaration to the KTA by the fifteenth day of the fourth month after the taxable period ends (for example, 15 April in the case of a 31 December year-end). Taxpayers can choose to pay income tax either in one lump sum with the declaration or in four equal installments due every fourth, sixth, ninth, and twelfth month following the end of the taxable period provided that the tax declaration is submitted on or before the due date for filing. Extensions of up to sixty (60) days are possible for filing tax declarations, during which no tax payment is required providing that a request for extension of time for the filing of the tax declaration is submitted to the KTA by the 15th day of the 2nd month after the fiscal year-end. Tax declarations must be based on actual net profit, prepared by maintaining proper books of accounts for Kuwait operations as per tax law requirements.

In the event of a failure to file a tax declaration or pay tax by the due date, a penalty that equals 1% of the tax for each thirty (30) days or fraction thereof during which the failure continues is imposed.

Corporate income tax return

CIT return is due by the fifteenth day of the fourth month after the end of the taxable period. Additional tax liabilities from tax assessment must be settled within thirty (30) days of receiving the assessment letter. CIT estimated payment due dates are not specified in Kuwait Tax Law. Foreign companies which are subject to treaty exemption are still required to file their tax declaration to claim such exemption.

4. Financial reporting and auditing regulations

Entities established in Kuwait are mandated to conduct annual audits and adhere to International Accounting Standards (IASs). Annual financial statements, prepared under the International Financial Reporting Standards, must be submitted to the Ministry of Commerce and Industry (MOCI) within three (3) months from the end of the financial year for individual companies. Public shareholding companies are obligated to provide quarterly unaudited financial statements to the Kuwait Stock Exchange Authority (Boursa Kuwait) within forty-five (45) days after the quarter's end. Upon approval from the Central Bank of Kuwait (CBK) or Capital Markets Authority (CMA), listed companies are under the obligation to submit their audited annual financial statements to both the MOCI and the Kuwait Stock Exchange.

Foreign contractors are required to substantiate their income tax submissions by furnishing audited financial statements for their operations in Kuwait. However, foreign branches are not required to file statutory audited financial statements to the MOCI. Foreign companies filing tax declarations on an 'actual basis' must submit either accounts prepared in accordance with the International Financial Reporting Standards (IFRS) or audited income statement and balance sheet prepared for tax purposes only.





CHAPTER 3

Navigating startup regulations and incentives

I. Government incentives

1. Tax incentives

The Kuwait Direct Investment Promotion Authority (KDIPA) was established under Law No. 116 of 2013, focusing on promoting direct investment in Kuwait. Its duties include attracting high-value direct investments, showcasing Kuwait as an appealing investment hub, processing investment license applications, providing incentives to investors, offering investor services, and improving the business environment to enhance Kuwait's competitiveness. Following are the tax concessions available under this law to entities licensed under this law.

- Imports required for Direct Investment purposes, i.e., tools, equipment, spare parts, maintenance supplies, raw materials, packaging, and wrapping materials, are either partially or fully exempted from taxes, customs duties, and other applicable fees, as per the Unified Customs Code for the Gulf Cooperation Council Countries (Law No. 10 of 2003).
- Investment entities are granted an exemption from income tax and other taxes for up to ten (10) years from the actual commencement of their operations.
- Expansion projects of licensed investment entities are exempt from taxes, mirroring the duration of the original entity's exemption, starting from the date of the expansion's actual production or operation commencement.

2. Non-tax financial incentives

This section delves into the wide array of non-tax incentives in Kuwait, ranging from financial support for entrepreneurship to initiatives fostering innovation and investment. These programs collectively boost the nation's economic vigor and enhance its global competitiveness.

The Kuwait Foundation for the Advancement of Sciences (KFAS)

Its goal is to foster modernization, enhance the quality of life, and pave the way for a sustainable future for the Kuwaiti people. KFAS offers financial support and grants for research and development initiatives in crucial sectors such as technology, energy, and healthcare.

This support encompasses:

- **Research Grants:** KFAS provides funding for scientific research projects across diverse fields, fostering scientific excellence and innovation in Kuwait.
- **Innovation and Entrepreneurship Programs:** KFAS supports innovation and entrepreneurship through diverse initiatives, including startup funding, incubation programs, and competitions.
- **Export Promotion Initiatives:** the Kuwait Export Development Center (EDC) supports Kuwait business in expanding their exports. EDC offers market research, trade promotion activities, and financial incentives to boost exports.
- **Business Incubators and Innovation Hubs:** Kuwait has established business incubators and innovation hubs, such as the Kuwait Business Center and the Kuwait Science and Technology Park, which provide infrastructure, mentorship, and networking opportunities for startups and innovative businesses.

Kuwait National Fund for SME Development

The Kuwait National Fund for Small and Medium Enterprise Development (SME Fund) extends financial aid, training initiatives, and business development services to small and medium-sized enterprises (SMEs) in Kuwait. Operating as an autonomous public corporation with a total capital of KWD 2 Billion, the SME Fund can finance up to 80% of the capital for viable small and medium projects proposed by Kuwaiti nationals. Eligible SMEs are businesses employing one (1) to fifty (50) Kuwaiti workers, with financing needs not surpassing KWD 500,000. This initiative aims to significantly contribute to supporting youth, addressing unemployment, and empowering the private sector to bolster economic growth in the country. The National Fund for SME Development focuses on fostering an inclusive, collaborative, and innovative ecosystem for entrepreneurs.

The Kuwait Direct Investment Promotion Authority (KDIPA):

Investment entities can utilize land and real estate under the Authority's supervision or management.

Direct Investment Promotion Law

Kuwait has introduced Direct Investment Promotion Law that allows 100% foreign ownership in some forms of entities. This can be beneficial for non GCC national investors who want to set up a business in Kuwait. The decree also sets up the Kuwait Direct Investment Promotion Authority (KDIPA), which is responsible for promoting and streamlining investments through a "One-Stop Shop" approach. Foreign investors can benefit from this law if approved by the KDIPA. It aims at job creation, technology transfer, support for small- and medium-sized enterprises, diversification of national income sources, and contribution to exports when approving foreign investments seeking 100% ownership. The PDISK maintains the current incentives for investors:

- Customs duty exemptions for the importation of materials and equipment if the material and equipment is held for a period of five years from the date of obtaining incentive.
- Protection from Kuwaitization requirements.
- Allocation of land and real estate to investors.



3. Special Economic Zones

The Kuwait Direct Investment Promotion Authority (KDIPA) is spearheading the development of the Kuwait Economic Zones (KEZs) strategically positioned in the North, West, and South of Kuwait. Aligned with Kuwait National Vision 2035, KEZs aim to achieve diverse economic growth, superior infrastructure, urban advancement, environmental preservation, job creation, and private sector empowerment. KEZs offer business prospects across various sectors, emphasizing investments in technology and innovation to stimulate economic activities. This approach creates competitive industrial and service hubs within Kuwait and enhances connectivity with global value chains. The details of the main relevant zones developed for encouraging investments in diverse economic sectors are given below.

Abdali Economic Zone

Within this economic zone, the first smart city in the country is established and offers the following unique features:

- Solid waste management
- Water resources department
- Energy efficiency
- Green spaces
- Transportation

Al Wafra Economic Zone

In its role as a clean industries hub, Al Wafra Economic Zone offers a conducive workspace for investors seeking placement within a range of high-value business clusters conveniently situated near urban hubs. Positioned as an incubator, Al Wafra is set to nurture and launch innovative enterprises, linking them seamlessly to crucial regional and global markets.

Al Na'ayem Economic Zone

Al Na'ayem Zone, strategically located near the proposed GCC Rail line and major highways, focuses on land-intensive industries and renewable energy technologies.



II. Labor and immigration regulations and facilitations

Foreign workers in Kuwait must adhere to immigration laws by obtaining appropriate visas and work permits. Work permits are essential and should be sponsored by a locally licensed and incorporated entity. Visas in Kuwait are valid for up to three (3) months and are granted for visit or business purposes. They must be sponsored either by a company or a relative residing in Kuwait. Kuwait offers visas upon arrival to citizens of thirty-four (34) countries and GCC nationals. Other nationalities need to apply for a visa before arrival. Entrepreneurs may find more information about the requirements for labor immigrants in the private and public sectors in this [Regulatory framework](#).

1. Business visit visa

The business visa, intended for business visitors sponsored by a Kuwaiti company, can be acquired through visa processing and stamping at the nearest Kuwaiti embassy. Alternatively, sponsors can initiate the process within Kuwait through the General Department of Residency under the Ministry of Interior. Business visas are generally issued for a limited time, typically thirty (30) days, for activities like business meetings or conferences. They can be obtained through personal application at a Kuwait embassy or consulate, or through a sponsor in Kuwait, such as a local hotel or business partner.

Documents

- A valid passport with a minimum of six (6) months prior to the expiration date.
- Two (2) completed current visa application forms.
- A security form filled in by the sponsor.
- Two (2) photographs.
- A letter from the sponsor.
- Vaccination certificate at the entrance, for visitors from areas infected by a viral disease.

Cost

3 KWD

2. Work visa

This visa is a type of residence visa (i.e., iqama) that requires a sponsor. It is designed for people going to Kuwait for employment. A Kuwaiti employer sponsor is responsible for submitting the work permit application to the Ministry of Social Affairs and Labor. The Ministry of Foreign Affairs in Kuwait will dispatch a copy of the work visa to the Kuwaiti Embassy in the employee's country of residence for authentication. Simultaneously, the sponsor or employer is responsible for providing the employee with a copy to present at the embassy. The employee is then required to initiate the application process for a Kuwaiti entry visa.

Documents

- A valid Passport with a minimum of six (6) months prior to expiration date.
- A completed visa application form.
- A passport-size photo.
- HIV/AIDS test.
- A health certificate obtained from an embassy- accredited clinic or doctor certifying that the patient is in good health and free from contagious diseases.
- Lab test results for the following: Hepatitis B & C, Malaria, Filariasis, Syphilis and Chest X-Ray for Tuberculosis.
- For some nationalities, a good conduct certificate, sometimes referred as a security clearance.
- A No Objection Certificate (NOC).
- A work permit.
- Vaccination certificate at the entrance, for visitors from areas infected by a viral disease.
- Two (2) completed current visa application forms.

3. Work permit

Employers in Kuwait must secure work permits from the Ministry of Social Affairs and Labor for foreign employees intending to work in the country. These permits, usually valid for up to three (3) years, must be obtained before the employee's arrival. Requests for permit renewal for similar durations can be made by the employer. The process involves coordination between the Ministries of Interior and Social Affairs, with work permits needing to be presented at Airport Security upon the employee's arrival. While work permits are typically issued for two years and renewable upon expiry, it's important to note that GCC nationals are exempt from this requirement.

Steps

- 1 Visit the Work Department at the Ministry of Social Affairs and Labor.
- 2 Submit the required documents.

Documents

- Original signature authorization and a copy.
- A copy of the employee's passport, ensuring the stated job matches the practiced activity.
- For scientific job applicants, a scientific certificate attested by the relevant authorities.

- An authenticated copy of the wage transfer certificate from the Work Inspection Department, stamped by the Reception, Coordination, or Employment Sections. This certificate is estimated by the Work Department in the employer's governorate.
- A declaration and undertaking letter from the employer to the Employment Section for Egyptian applicants.
- A recent stamp with the original signature authorization.

Cost

10 KWD

III. Data protection

Numerous laws in Kuwait offer robust data protection provisions. For instance, Law No. 63 of 2015 Regarding Anti-Information Technology Crime safeguards data and information, stipulating imprisonment, or fines for violations. Law No. 37 of 2014 establishes the Regulatory Authority for Telecommunication and Information to protect personal data, photos, and videos. Additionally, Law No. 1 of 1970 on Protection of Public Funds ensures the confidentiality of all mail. Special laws also exist to maintain the secrecy of banking information, communications between clients and their attorneys, and medical records shared between patients and doctors.

On February 19, 2024, the Communication and Information Technology Regulatory Authority (CITRA) published the Data Privacy Protection Regulation No. 26 of 2024, which supersedes the previous Regulation No. 42 of 2021. This regulation applies to all CITRA-licensed service providers who collect, process, and store personal data and user content. The regulation mandates service providers to:

- Obtain explicit consent from data subjects before collecting and processing their personal data.
- Take appropriate security measures to protect personal data from unauthorized access, use, or disclosure.
- Provide all information and terms of service, including requests to change or delete data, in both English and Arabic.
- Notify CITRA within twenty-four (24) hours of any data breaches that pose a high risk to individuals' rights and freedoms.

Violations of these data protection laws, including unauthorized use, forgery, or destruction of data, are punishable by imprisonment or fines. The scope of data protection in Kuwait covers personal information, medical records, personal photos, videos, governmental information, and various electronic systems and documents.

This update aligns with Kuwait's 2035 Vision, aiming to enhance the country's digital security framework, attract investments in the telecom and IT sectors, and support Kuwait's development goals to become a financial and commercial hub.

You can read the Regulation, available only in Arabic, [here](#).

IV. Intellectual property

Intellectual property rights in Kuwait are safeguarded by the application of domestic legislation as well as the adoption of the GCC trademark and patent laws. There are four (4) common types of intellectual property rights: patents, trademarks, industrial designs, and copyrights. In the section below, we will cover the steps entrepreneurs need to know, to receive protection under three (3) types based on their relevance to startups.

1. Patents

Under Kuwaiti law, a patent refers to a document issued by the Gulf Cooperation Council (GCC) Patent Office, granting legal protection to the inventor in accordance with Patent Law No. 71 of 2013, known as the GCC Patent Law. An invention is defined as an idea conceived by the inventor, providing a solution to a specific problem, or introducing a new technological feature. Penalties for infringement may involve imprisonment for up to one (1) year, a financial fine not exceeding KWD 5,000 or both. Please note that startup owners can also safeguard their invention via the [GCC Patent Office](#).

Steps

- 1 Visit the patent office of the Ministry of Commerce and Industry.
- 2 Start a new application by filling the required forms handed at the office.

Documents

- A Copy of the detailed description of the invention and its drawing.
- An application form.
- A "To whom it may concern" certificate.
- A brief statement of the invention's description.
- A certificate of commercial register, memorandum of association, or articles of association.
- An authorization contract to register the foreign patents, if applicable.
- An arabic translation of the authorization contract, approved by the Ministry of Justice.
- A determination of the protection elements for the patent.
- A CD with the required documents.

Cost

- Registration application: 10 KWD.
- "To Whom It May Concern" certificate: 1 KWD.

2. Trademarks

As per Law No. 13 of 2015 for GCC countries, a trademark is a distinct representation that can include names, words, images, signatures, letters, symbols, numbers, addresses, stamps, drawings, inscriptions, packaging, holographic elements, shapes, colors, groups, or any combination thereof. Additionally, any signal or group of signals, intended to differentiate a company's or entity's goods or services from those of another, or to signify a service's performance, or the inspection of goods or services, can be classified as trademarks. This classification extends to symbols representing sound or smell. The protection period is ten (10) years, and the registration process is overseen by the trademark control department within the [Ministry of Commerce and Industry \(MOCI\)](#).

The automated trademark registration service allows citizens to carry out the procedures for creating, examining, and registering a trademark, issuing its certificate, renewing the trademarks, modifying them, canceling them, and paying associated fees. It also includes handling the procedures for rejecting trademarks if they are similar, processing opposition requests, preparing notifications of approval or disapproval, and publishing trademark rejections in the official gazette (Kuwait Today).

Online registration process

Online Steps

- 1 [Visit the official service website.](#)
- 2 Follow the application process.
- 3 Submit the necessary documents.

Cost

45 KWD

Offline registration process

Offline Steps

- 1 Visit the trademark control department.
- 2 Fill in a registration application handed at the department.
- 3 Submit the necessary documents.

Requirements

- The required documents must be submitted in three (3) formats: hard copy, electronic format, and a CD.
- If foreign language words are included, the applicant must provide an officially certified Arabic translation, along with a pronunciation guide for the words.
- You must adhere to the conditions specified in the trademarks law and its executive regulations while filing the renewal request.

Documents

- A trademark application form.
- Twelve (12) images of the trademark.
- A copy of the commercial license.
- A copy of the commercial register certificate.
- A copy of the authorization.
- A copy of the signature authorization.
- If submitted through an agent, a copy of the agency agreement must be attached.

Cost

- Deposit of the trademark: 45 KWD.
- Publishing the brand: 25 KWD.
- Registration of a trademark and issuance of a certificate: 241 KWD.

3. Industrial designs

The Industrial Design registration process in Kuwait is regulated by Law No. 4 of 1962 Relating to Patents, Designs, and Industrial Models. According to this law, a design or industrial model encompasses any arrangement of lines or shapes, with or without colors, intended for industrial production through mechanical, manual, or chemical methods.

A single application could be filed for one (1) to fifty (50) designs if they are in the same class. Designs are protected for a period of ten (10) years starting from the filing date.

Steps

- 1 Visit the Industrial Design Office at the Ministry of Commerce and Industry.

- 2 Complete the application with the required information.
- 3 Submit a Deed of Assignment (DOA).
- 4 Submit a Power of Attorney (POA).
- 5 Submit the other required documents.
- 6 Upon approval, pay publication fees and obtain the certificate of registration.

Requirements

- Designs can be submitted as drawings or photographs, limited to a maximum of fifty (50 designs), each not exceeding the size of 21 x 21 cm.
- The DOA must be legalized at the Kuwaiti embassy, if applicable, if you are not the designer.
- The POA must be notarized and legalized locally or at the Kuwaiti embassy, if applicable.

Documents

- Design drawings from all different angles.
- A deed of assignment.
- A power of attorney.
- A copy of the commercial certificate translated into Arabic.
- A certified copy of the priority document translated into Arabic.

Duration

- Examination: Within a period of one (1) to two (2) months.
- Margin to file a reply to the opposition: Thirty (30) days from the official notification date.
- Overall registration process: Up to six (6) months.

V. Key support organizations and initiatives (not exhaustive)

Accelerators and Incubators

[Brilliant Lab](#)

[Creative Startups Kuwait](#)

[Cubical Services Business Incubator](#)

[FasterCapital](#)

[Fikra Program](#)

[Savour Ventures](#)

[SIRDAB Lab](#)

[Waslaah](#)

[ZAIN Great Idea](#)

Funding programs/institutions

[Alarabi Venture Capital](#)

[Angel Investment Network](#)

[Boubyan Bank](#)

[Doha Tech Angels](#)

[Kuwait National Fund](#)

[Plus Venture Capital \(+VC\)](#)

[The National Fund For Small And Medium Enterprise Development](#)

Coworking spaces

[NIU Collaborative Community](#)

[Regus](#)

[Servcorp Al Sahab Tower](#)

[SIRDAB Lab](#)

[Weco](#)

Competitions and Awards

[Hult Prize](#)

[Injaz Kuwait](#)

[Kuwait Business Award](#)

[Middle East Startup Awards](#)

Media Outlets and Events

[IIFME](#)

[NLI Conference](#)

Research and Centers of Excellence

[Center of Excellence in Management-Kuwait University](#)

[Research Centres of Excellence for KISR](#)

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APPENDIX

Appendix 1: Launching your startup: key success factors

Addressing market demand

Your startup should provide a compelling solution to a specific problem within a large and eager market. Think of it as a puzzle piece that fits perfectly into the demand landscape. Steve Blank's Customer Development Model can guide you in creating a product or service that customers cannot resist.

Feasibility analysis

Conduct a thorough feasibility analysis. This process empowers you to make informed decisions, spot areas needing improvement, and allocate resources effectively. It is your tool for maximizing your chances of crafting a successful, long-lasting venture.

Market insights

Dive deep into market analysis. Understand the current state of your industry segment and define your target market. A strong grasp of market dynamics is essential for positioning your product or service effectively.

Building a stellar team and network

Source and group a team of multitalented experts. This is one of the fundamental steps to scale a startup. These diverse talents will complement each other and will help you access a strong, interconnected network that can be your secret weapon for gaining support, mentorship, and continuous learning.

Analyzing the competition

Competitive analysis is not just about sizing up rivals; it is a vital part of your strategic planning, systematic research and evaluation of your competitors' strengths and weaknesses. It will guide you into finding your competitive edge and creating your added value in the market.

Legal Flexibility

The legal form of a startup must allow for flexibility. Choose a legal structure for your startup that offers the flexibility needed for growth. Make it easy for shareholders to join and leave the company and ensure your memorandum of association can adapt to your evolving needs. In fact, the memorandum of association must be drawn up freely and allow the opening of share capital.

Appendix 2: What type of support to expect at each stage of a startup lifecycle

	Startup development stages	Government support	Funders support	SSOs support
Outreach	<ul style="list-style-type: none"> Idea formation Problem validation Team establishment 	<ul style="list-style-type: none"> Promote entrepreneurship education Facilitate Ideation: Hackathons, startup Weekends, etc. Promote innovation and entrepreneurship culture 	<ul style="list-style-type: none"> Financial literacy and entrepreneurship awareness programs Networking opportunities to connect with potential mentors, advisors, and industry experts 	<ul style="list-style-type: none"> Access to experienced mentors who provide guidance and advice on various aspects of startups Provision of office space, shared facilities, and infrastructure to support the early-stage development of the business
	<ul style="list-style-type: none"> Idea development Business modeling Problem/Solution fit: prototyping Team Formation: access to training and mentorship 	<ul style="list-style-type: none"> Offer entrepreneurship training and education Facilitate Proof of concept and proof of Business Facilitate Business Modeling Validate MVP 	<ul style="list-style-type: none"> Seed funding for idea validation and product development Coaching to refine business ideas and plans Access to incubators or accelerators providing resources, infrastructure, and networking opportunities 	<ul style="list-style-type: none"> Assistance in refining the product/service, pricing strategies, and go-to-market plans Support in conducting market research and understanding the target market, customer needs, and competitors

	Startup development stages	Government support	Funders support	SSOs support
Launch	<ul style="list-style-type: none"> • Business Creation • Early-stage fundraising • Initial Go-To market: MVP development 	<ul style="list-style-type: none"> • Provide Early-Stage Financing • Facilitate access to client and Go-To -Market • Strategic partnerships • Housing • Operation set up and labeling 	<ul style="list-style-type: none"> • Seed funding to launch the business • Cover initial operational costs • Access to angel investors or venture capital firms • Guidance on legal and regulatory compliance • Support in building a strong founding team and advisory board 	<ul style="list-style-type: none"> • Guidance on company registration, intellectual property protection, and legal compliance • Support in identifying funding sources, preparing investor pitches • Connecting with potential investors
	<ul style="list-style-type: none"> • Product/Market Fit • International Go-To-market • Expansion and scaling 	<ul style="list-style-type: none"> • Facilitate access to Finance • Facilitate internationalization via events, strategic partnership, etc. • Provide operational support 	<ul style="list-style-type: none"> • Series A, B, or C funding rounds for scaling operations and market expansion • Strategic guidance and industry insights from investors • Assistance in negotiating partnerships and strategic alliances • Exit strategies and assistance with mergers, acquisitions, or public offering 	<ul style="list-style-type: none"> • Assistance in scaling operations, managing growth, and overcoming operational challenges • Access to industry experts • Provide sector-specific knowledge and guidance



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