

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

15/11/2023 – Kuwait joins international efforts against tax avoidance by joining the OECD/G20 Inclusive Framework on BEPS, an international collaboration with over 140 member countries and jurisdictions.

Through its membership, Kuwait has also committed to addressing the tax challenges arising from the digitalisation of the economy by participating in the [Two-Pillar Solution](#) to reform the international taxation rules and ensure that multinational enterprises pay a fair share of tax wherever they operate.

Collaborating on an equal footing with all other members of the Inclusive Framework, Kuwait will participate in the implementation of the [BEPS package of 15 measures](#) to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent tax environment.

Under Pillar One, which is designed to ensure a fairer distribution of taxing rights among jurisdictions over the largest and most profitable multinational enterprises (MNEs), it is now expected to allocate taxing rights on about USD 200 billion in profits to market jurisdictions annually. This is expected to lead to annual global tax revenue gains of between USD 17-32 billion, based on 2021 data. Developing country revenue gains are expected to be greater than those in more advanced economies, as a proportion of existing revenues.

Pillar Two introduces a global minimum corporate tax rate set at 15%. The new minimum tax rate will apply to companies with revenue above EUR 750 million and is estimated to result in annual global revenue gains of up to USD 200 billion. Further benefits will also arise from the stabilisation of the international tax system and the increased tax certainty for taxpayers and tax administrations.

With the release of the text of the [Multilateral Convention on Amount A](#) last month, countries are aiming to swiftly move forward with the steps necessary to secure signature and ratification to ensure co-ordinated implementation of this fundamental reform.

The [multilateral instrument to implement the global minimum tax Subject to Tax Rule](#), which opened for signature on 2 October 2023, will protect the right of developing countries to ensure multinational enterprises pay a minimum level of tax on a broad range of cross-border intra-group payments, including for services.

The full list of members of the Inclusive Framework on BEPS can be found at: [www.oecd.org/tax/beps/inclusive-framework-on-beps-composition.pdf](http://www.oecd.org/tax/beps/inclusive-framework-on-beps-composition.pdf)

Further information on the continuing international tax reform negotiations is available at: <https://oe.cd/bepsaction1>

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