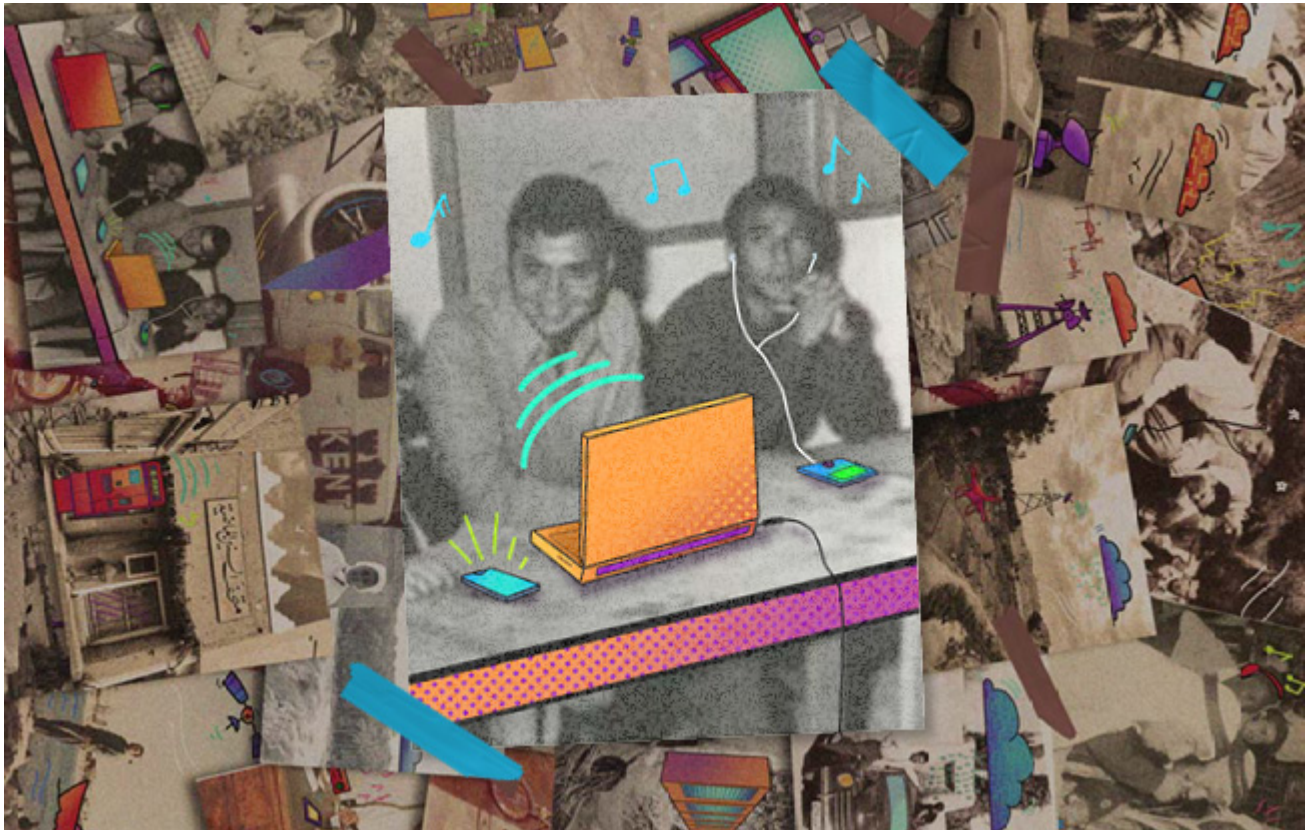


The E-Application Law: Keeping Pace with Kuwait's IT Sector

Margaret McKenzie - Associate - Corporate / Mergers and Acquisitions
m.mckenzie@tamimi.com - Kuwait City

Philip Kotsis - Partner, Head of KSA - Corporate / Mergers and Acquisitions / Commercial
p.kotsis@tamimi.com - Riyadh



As Kuwait moves towards more online business transactions, Kuwait laws and regulations are constantly evolving to keep pace with these changes. In 2020, the Ministry of Interior released Resolution No. 724 of 2020 Concerning E-Applications (the “**E-Applications Law**”). Published on 25 October 2020, the resolution details a number of requirements for e-applications in relation to the Kuwait General Department of Traffic.

As ride sharing, the gig economy, and advanced mobile applications continue to evolve globally, the E-Applications Law demonstrates Kuwait's ability to advance and adapt to the burgeoning technology sector within Kuwait. Reports have estimated that the ICT spending in Kuwait will reach US 10.1 billion by 2024. Further, technology plays a significant role in Kuwait's 2035 Vision. The E-Application Law acknowledges these changes with specific focus on one area of technology – electronic applications as they apply to companies or facilities that have commercial activities related to the General Department of Traffic.

The E-Applications Law provides for a number of rules that applicable businesses must take into consideration, and the process requires that relevant companies comply with the following:

1. Such companies or facilities shall be officially licenced to exercise commercial activity in accordance

- with the Traffic Law, its Executive Regulation, and the governing Ministerial Resolutions.
2. Obtain a licence issued by the Communication and Information Technology Regulatory Authority (“**CITRA**”).
 3. An activity license issued by the Ministry of Commerce and Industry to exercise the activity must be obtained.
 4. Obtain the approval of the General Department of Traffic.
 5. Obtain the approval of the Criminal Investigation Department.
 6. The company or facility should have an office in a suitable location as a headquarters of this application, according to the conditions of the General Department of Traffic.
 7. Preparation of a special electronic record between vehicle movement, trip details, passenger details, carrier details, details of transported objects, vehicle details, driver details, time and date of receipt and delivery. Grant a user name to the competent traffic officer and any other data required by the General Department of Traffic with access to and control of this record.
 8. Comply with the Ministerial Resolution regulating its activities only. The electronic application may not be used in an activity that it is not originally authorized to exercise.

Although the above list appears extensive, the process required to complete the above is also being transformed. Kuwait is working towards centralizing the requirements online with an e-portal to streamline the process. The Council of Ministers assigned the Minister of CITRA, in coordination with all government agencies, to take the necessary measures towards creating a unified regulatory framework for e-government applications, in order to ensure consistency and integration some services provided through them.

The E-Applications Law also states that if companies or facilities exercise transport mediation only via electronic applications, the following conditions must be fulfilled:

1. Compliance with all conditions stated in Article (1), except for Clause No. (1).
2. The exercise of this activity must be limited to transport mediation only.
3. These electronic applications shall deal with companies and facilities that exercise commercial activities related to the General Department of Traffic and shall be officially licenced to do so in accordance with the governing ministerial resolutions.
4. Electronic applications for transportation from the airport entry into the country shall not be used except through airport limousine fare or regular airport taxis.

The General Department of Traffic has the right to control and supervise the e-application, including the ability to contact CITRA (or other relevant authority) to cancel or block the application. The provisions of the E-Application Law apply to companies and facilities that currently exercise their commercial activities through electronic applications or act as a mediator for transport through these applications. Such companies and facilities shall fulfil all the conditions mentioned herein within a maximum period of one year, from the effective date of the E-Applications Law.

Kuwait legislation takes into consideration global ICT developments, as evidenced by the E-Applications Law. The ICT sector continues to expand in Kuwait with technology playing a significant role in the Kuwait 2035 Vision.

For further information, please contact [Philip Kotsis](#) or [Margaret McKenzie](#).