

HEALY
CONSULTANTS

Kuwait Engagement Strategy Agreement

<CLIENT NAME>

2014





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1. <CLEINT NAME> of XXXXX (hereafter known as “CLIENT”), a company registered in Dubai, hereby appoints Healy Consultants Group (hereafter known as “Healy Consultants”) to assist with their Kuwait business set up requirements;
2. Kuwaiti business set up services required of Healy Consultants include **i)** choosing the optimum Kuwaiti entity **ii)** corporate bank account opening **iii)** appointing the optimum Kuwaiti Agent **vi)** registering for Kuwait taxation **v)** providing a temporary office address;
3. Additional Kuwaiti business set up services Healy Consultants can supply CLIENT include **i)** securing permanent office premises **ii)** assisting with short term visitor visas **iii)** recruiting Kuwaiti staff and drafting employment contracts in compliance with Kuwaiti law **iv)** trademark registration in Kuwait **v)** shortlisting and hiring an in-house Kuwaiti accountant **vi)** legal support **vii)** marketing strategies;

Quick summary

4. Healy Consultants estimates **i)** the remaining engagement costs will be **US\$39,750** as per [Appendix Three](#) and **ii)** the remaining engagement period will be 4 months per [Appendix One](#):

Collecting parent company documents attested by Kuwaiti embassy	3 weeks
Kuwaiti Agent appointment, and drafting and signing the Agency agreement	4 weeks
Opening a non-resident corporate bank account	5 weeks
Internet banking activation	2 weeks
Registering for tax	2 weeks
Total engagement period	16 weeks

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5. Important dates are outlined in the table below. These dates assume CLIENT and Healy Consultants and the Kuwaiti bank timely comply with the procedures and steps outlined in [Appendix One](#). These dates assume all goes to plan. These dates could be affected by potential problems as outlined in [Appendix Four](#) below:

1 Nov	Supervisory staff can visit Kuwait to conduct research;
15 Nov	Directors sign off the agreement and courier the original to the Agent;
17 Nov	CLIENT can legally hire local staff under the corporate entity of the Kuwaiti Agent;
10 Dec	HSBC Kuwait approves the corporate bank account
15 Jan	CLIENT can issue invoices in Kuwait and receive income.

6. To shorten the Kuwaiti business set up time frame by two weeks, I recommend the following:

- a. we appoint CLIENT as partner in the Commercial Agency Agreement. This will shorten the corporate bank account opening by two weeks as there will be no need to translate the parent company documents into Arabic;
- b. we appoint an staff member from the Dubai office as the sole bank signatory. All director documents can be attested in the Kuwaiti embassy in Dubai. The only Kuwaiti embassy in India is in New Delhi, thus may not be convenient and efficient to have documents attested for Indian staff in India. There is no Kuwaiti embassy in Ireland;

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Business set up Considerations

7. CLIENT will provide an online restaurant discovery platform including **i)** information re Kuwaiti restaurants and **ii)** restaurant's logos and banners in CLIENT's webpage. Collect advertising fees in local currency in the form of cheques, cash and bank transfers;
8. To determine the optimum Kuwait entity, Healy Consultants engaged and communicated with 20 law Firms, 16 accounting and 16 consulting firms. The result of our research is outlined in [Appendix Five](#). To conclude, Healy Consultants recommends the most simple and most efficient Kuwaiti entity, that is the Kuwaiti Commercial Agency arrangement;
9. Governed by Law No. (36) of the Regulation of Commercial Agencies, and Articles (260-296) of the Kuwaiti Commercial Code, Healy Consultants recommends operate in Kuwait through **i)** an Agency agreement with a Kuwaiti Agent and **ii)** open a non-resident corporate bank account with HSBC or Citibank Kuwait;
10. Most foreign companies operate in Kuwait through a local Kuwaiti Commercial Agent. Healy Consultants will assist the CLIENT appoint a Kuwaiti Agent, which may be either a natural person or a separate legal entity. Healy Consultants will assist CLIENT to **i)** shortlist from a panel of Agents **ii)** negotiate with the Agent the legal contract terms and conditions and annual fees **iii)** draft the Agency agreement in accordance with the Kuwait Commercial Law and **iv)** supply to CLIENT detailed due diligence of that Agent;
11. It is important to choose a Kuwaiti Agent with a license that will allow the CLIENT to legally conduct its business in Kuwait. Healy Consultants will find such an Agent through our local network. CLIENT will pay the Kuwaiti Agent annual remuneration in the form of a fixed payment. There will be no revenue or profit sharing. Healy Consultants will assist the CLIENT negotiate the optimum Agency terms and conditions. Healy Consultants has significant past experience in this area;
12. CLIENT will only need the Kuwaiti Agent to assist with **i)** renting office premises under the Agent's name and **ii)** hiring local employees under the name and sponsorship of the Agent **iii)** sponsoring short term visas or work permits;

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13. As much as possible, CLIENT will not use the Kuwaiti Agent in their daily business in Kuwait, nor does the Agent wish to be involved in CLIENT's business. All sales invoices will be issued to Kuwaiti customers in the name of CLIENT's Dubai company, with the Kuwaiti Agent name and address included in the invoice.
14. After CLIENT is comfortable with our shortlisted Agent, Healy Consultants appointed Kuwaiti lawyers will draft the Agency agreement for the agent's and CLIENT signature. It is not necessary for CLIENT to travel to Kuwait to sign this legal agreement, nor is it necessary to register this legal Agency agreement with the Kuwaiti Government;
15. Before CLIENT can issue sales invoices to Kuwaiti customers, your Firm must secure an office address in Kuwait to place on those invoices. CLIENT has two options:
 - a. Healy Consultants supplies CLIENT with a virtual office address in Kuwait. The estimated annual rental fee of US\$1,500 will be paid directly to the Kuwaiti landlord. This is a short term solution until CLIENT staff secure their preferred office premises. Our one-time fee for this service is US\$2,950;
 - b. During your Indian staff visit to Kuwait in October 2014, CLIENT locates a permanent, physical office to house its future staff. This is a long term solution. Annual rent for office space in Kuwait city ranges from USD110 to US\$180 per square metre;
16. From our preliminary research, there is no special license required for CLIENT if we select a Kuwaiti Commercial Agent who already has the appropriate license. That said, the Kuwaiti Government or HSBC may revert to Healy Consultants requesting a specific license;
17. Fortunately, a Kuwaiti Commercial Agency neither requires **i)** paid up share capital nor **ii)** a Kuwaiti 51% shareholder nor **iii)** a legal registered address in Kuwait nor **iv)** a Kuwaiti resident director nor a Kuwaiti bank signatory;

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Client initials and date



Legal and Compliance Considerations

- 18. CLIENT will conduct its activities in Kuwait as a foreign entity under the umbrella of a Kuwaiti Agent's commercial license. Consequently, CLIENT will neither have to **i)** apply for a Kuwaiti license nor **ii)** secure any Government approval. All arrangements between a foreign entity and its local agent are governed by Articles 260 to 296 of the Commercial Code. The contract agent may not be an agent for more than one firm competing in the same activity and the same area;
- 19. In compliance with Kuwaiti Commercial Law, CLIENT cannot directly lease office premises in Kuwait. Consequently, the lease agreement will be signed by the Kuwaiti Agent's local entity. CLIENT will directly pay rental to the landlord from its local non-resident corporate bank account;
- 20. Annually, Healy Consultants recommends CLIENT complete an annual review of the Kuwaiti Agent including **i)** validity of the local Agent's license **ii)** validity of the Kuwaiti Agent's registration with the Government;
- 21. It is common for a Kuwaiti Agency Agreement to have a minimum tenure of five years. Thereafter CLIENT may extend the Agreement for further period of five years. If CLIENT wishes to terminate the Kuwaiti Agent relationship then **i)** two months' notice is supplied to the other party and **ii)** compensation fee is payable to the Agent by law. The specific compensation is outlined in the Kuwaiti Agent Agreement. CLIENT will not need to pay compensation to the Kuwaiti Agent if the latter materially breaches the terms and conditions of the Agency contract;
- 22. Enclosed below is a sample Kuwaiti Commercial Agency Agreement. Terms and conditions vary depending on the Agency and the industry sector. Healy Consultants will aggressively negotiate with the Agent on the most optimum conditions that protect the interests of CLIENT;



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Client initials and date



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23. Kuwait is a full member of **i)** the World Intellectual Property Organization (WIPO) **ii)** the World Trade Organization (WTO) **iii)** the Paris Convention **iv)** the WIPO Copyright Treaty **v)** the WIPO Performances and Phonograms Treaty (WPPT) and **vi)** the Rome Convention;
24. CLIENT trade names and logos or other commercial or intellectual property rights belonging to CLIENT will remain their exclusive property and the Agent will not acquire any proprietary without prior written agreement of CLIENT. Trademark can be registered for 10 years and may be renewed indefinitely for further 10-year periods. The registration process takes about three weeks to complete. Registration gives CLIENT the exclusive right to use a trademark on its invoices and website, preventing other parties from using the trademark on competing products and services;
25. Kuwaiti unfair competition laws are weak, therefore local companies can replicate CLIENT business with impunity. The Kuwaiti Competition Authority investigates complaints about unfair trade practices and abuse of a dominant position. CLIENT has the right to inform the Competition Authority of any prohibited agreements or practices;
26. For legal disputes, the Kuwaiti courts favor Kuwaiti citizens to foreign companies. Consequently, it is important CLIENT place a clause in their customer contracts and in the Commercial Agency Agreement specifying certain types of dispute will be arbitrated. Kuwait is a member of the GCC Commercial Arbitration Centre. Consequently, Healy Consultants recommends CLIENT specify arbitration will take place in Dubai. Generally, Kuwaiti courts will not exercise jurisdiction in cases where there is an express written agreement between the parties to refer a dispute to arbitration. Kuwaiti law does not distinguish between local or foreign arbitration;

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Kuwaiti corporate bank account considerations

27. Healy Consultants will be pleased to open a non-resident corporate bank account with [HSBC Kuwait](#) or [Citibank Kuwait](#). To be eligible for a non-resident corporate bank account in Kuwait, CLIENT must have annual turnover exceeding €3m;
28. The CLIENT non-resident corporate bank account in Kuwait will **i)** receive local income independent of the Kuwaiti Agent and **ii)** pay local Kuwaiti expenses including rent and salaries. The bank signatory of the corporate bank account will be a CLIENT Dubai staff member. The bank signatory of the Kuwaiti corporate bank account will be appointed by a CLIENT director's resolution. This director's Resolution must be legalized and presented to the bank. The Kuwaiti Agent will not be a bank signatory;
29. As you can appreciate, opening a Kuwaiti corporate bank account for a foreign entity is a difficult task. This will be the most time consuming part of the engagement. That said, Healy Consultants will shelter our Client from the administrative challenges. There is a 15% probability the bank will request a bank signatory to travel to Kuwait city for a one hour bank interview. As always, Healy Consultants will aggressively negotiate a travel exemption with the bank, but the ultimate decision rests with the Bank's Legal and Compliance Department;
30. HSBC Kuwait provides online banking service and corporate bank account cheque book. Within two weeks after corporate bank account approval, Healy Consultants will be pleased to activate the internet banking on CLIENT behalf. Thereafter, we will hand over internet passwords and tokens to CLIENT. It is a time consuming task, Healy Consultants will shelter our Client from the administrative challenges;
31. Before Healy Consultants can begin corporate bank account opening, CLIENT must provide us the due diligence documents outlined in [Appendix two](#). All documents must be in English and some of them attested by a notary public and legalized by the Ministry of Foreign Affairs at the Kuwaiti embassy in Dubai. Thereafter, these legalized documents will be translated into Arabic and couriered to our Kuwaiti affiliate office. Only then can Healy Consultants submit a complete company corporate bank account opening package to HSBC Kuwait;
32. Full repatriation of capital and profits overseas is allowed in Kuwait. There are no currency controls in Kuwait nor is central bank approval required for overseas remittances;

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- 33. Kuwaiti banks enjoy ultimate power of approval of corporate bank account applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality bank application that maximizes the likelihood of approval. To date, we enjoy a 100% approval record;
- 34. Global banks continue to tighten corporate bank account opening procedures, their internal compliance departments completing more thorough due diligence of Clients. Consequently, our Clients should expect the bank account approval period to take up to 4 weeks. Furthermore, global banks now require evidence of proof of business in the country where the corporate bank account will be, including sales contracts or lease agreement;

Labor and visa considerations under the Agency agreement

- 35. In compliance with Kuwaiti employment law, CLIENT cannot directly hire staff in Kuwait. Consequently, all staff will be hired under the Kuwaiti Agent local entity but housed in the CLIENT preferred premises. Of course, CLIENT will directly pay all staff salaries from its local corporate bank account;

Local Kuwaiti employees

- 36. Approximately 90% of Kuwaiti citizens work in the Government Ministries. Consequently, CLIENT will be forced to hire GCC nationals living in Kuwait. This is good, because local Kuwaitis have a poor work ethic because of the excessive supportive Government employment laws;
- 37. The Ministry of Social Affairs and Labour administers Law No. 6 of 2010, governs terms of employment, including hours of work, leave, termination of employment for the private sector. While the Kuwaiti working week is 6 days with a maximum of 8 hours a day or 48 hours per week, Kuwaiti employee productivity is still low. CLIENT employment contracts must allow for i) annual minimum paid leave of 30 days ii) maternity leave is 70 days iii) sick leave is 15 days with full pay and iv) further sick leave of 10 days with 75% pay and v) further sick leave of 10 days with 50% pay. The Labour Law recognizes 13 days of Public Holidays per year including the Liberation Day;

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38. Each CLIENT's employee must be allowed an hour rest or break after five consecutive hours of work. Furthermore, each Kuwaiti employee will pray 3 times during working hours for 15 minutes at a time;
39. It is not easy to fire local staff in the country. Consequently, Healy Consultants recommends CLIENT hire employees under the maximum probation period of 100 days. Termination within probation period is allowed without legal consequences to CLIENT. Thereafter, either party may terminate the contract by giving a notice period (3) three months;
40. In case of labor conflicts and according to the Kuwaiti Labor Law, the Minister of Labor may appoint one or more Ministry officials to serve as conciliation officers and to carry out mediation for the settlement of collective labor disputes. If all parties fail to achieve a settlement, the Minister will refer the dispute to a labor tribunal comprising three judges. Tribunal decisions are final binding and cannot be challenged in the civil courts;
41. CLIENT is required to make social security contributions for Kuwaiti employees, amounting 11.5% of the relevant Kuwaiti employee's Monthly salary and the employee's contribution is 8%, up to a maximum salary of US\$9,500 per month;
42. If required Healy Consultants is happy to assist CLIENT employee recruitment process. Our services include **i)** publish weekly job advertisements on the local newspaper for two weeks **ii)** conduct interview with potential candidates **iii)** shortlist potential candidate for final interview with CLIENT head office HR manager **iv)** drafting of employment contract in accordance to the Kuwaiti employment law;

Temporary business visas for Indian staff

43. If required, Healy Consultants will be pleased to secure a one month short term visa for three Indian passport holders (with the possible extension for additional 2 months). This type of visa is suitable for those wishing to conduct non remunerated business including market research and staff recruitment. CLIENT's local Agent will sponsor the short term visit business visas. For each employee the Agent will submit to relevant authorities **i)** a visa application **ii)** a security form **iii)** a faxed copy of employee's passport **iv)** two passport sized photos **v)** an invitation letter from the Kuwaiti Commercial Agent and **v)** a letter of introduction from CLIENT;

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44. Kuwait visa processing time is shorter for Indian passport holders if they already have Dubai residence permit. The processing time of each short term business visa is 15 working days. Following Kuwaiti Government approval, the Kuwaiti Commercial Agency will fax a copy of the visa to CLIENT. Thereafter, the Indian staff can travel to Kuwait city. The entry will be stamped in the passport on arrival when the Kuwaiti sponsor presents the original visa at the airport. The actual visit visa consists of two sheets of paper; one is taken up on arrival, the other must be retained to be handed in when the visitor is leaving Kuwait;
45. Healy Consultants will project manage the above for a fee of US\$1,950 per employee visa. The Government enjoys ultimate power of approval of visa applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality immigration visa application that maximizes the likelihood of visa approval. To date, we enjoy a 100% approval record;

Tax and accounting considerations

46. Within 30 days after the signing of the agreement, Healy Consultants will register CLIENT for tax and file the tax declaration with the Ministry of Finance. Following the filing of the tax declaration, it is a normal practice for the Kuwaiti Tax Authorities to carry out an inspection of relevant books and records to verify the income and expenses reported in the tax declaration to the supporting documents.
47. CLIENT is subject to corporate income tax at a flat rate of 15% on the net profits of its Kuwaiti operations. Losses shall be allowed to be carried forward for a maximum period of three years. Within three months of the end of the financial year (31 December), annual audited financial statements for the Kuwaiti Commercial Agency must be submitted in Arabic to the Ministry of Commerce and Industry;
48. In Kuwait, there is no personal income tax, nor sales tax, nor VAT, nor withholding tax on dividends paid to a foreign entity. However, according to the Ministerial Order No. 44 of 1985, CLIENT must retain 5% of the payments to CLIENT until a Tax Clearance Certificate is obtained;

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49. CLIENT monthly and quarterly accounting and tax obligations include:

- a. The payroll obligations of CLIENT will include but not limit to the following: **i)** generate and evaluate an employee's net pay **ii)** calculate and file social insurance contributions **iii)** process benefits, such as benefit allocation, eligibility checking and provision calculation **iv)** file remuneration statements **v)** file statutory reports;
- b. CLIENT corporation tax is payable in four equal installments on the 15th day of the 4th, 6th, 9th and 12th months following the end of the taxable period. The tax declaration to the Government comprises supporting schedules and financial statements translated into Arabic. These documents must be certified by an accountant registered with the MOCI. Tax is payable in Kuwaiti Dinars with a certified cheque drawn from a local bank;
- c. All correspondence with government ministries and bodies must be in Arabic;
- d. Until CLIENT appoints their own in-house accountant, Healy Consultants will be pleased to assist CLIENT discharge their monthly and quarterly Government reporting requirements. Our monthly fee will approximate US\$1,950;

50. Kuwait has signed double taxation treaties with more than 40 countries, including [India](#), [Dubai](#) and most GCC countries;

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Other considerations

51. Kuwait's total population is merely 3.5 million, 35% Kuwaiti citizens and 45% GCC nationals. With the price of oil exceeding US\$100 per barrel, the average annual income of each Kuwaiti consumer is US\$65,000. Unemployment is a mere 2%. Approximately 57% of Kuwaiti citizens are aged 15–64. By contrast, 86% of the foreign Arab population is aged 15–64. These ingredients make for a large consumer market and a high demand for eating out in restaurants;
52. This is the first draft of the Engagement Strategy Agreement, awaiting CLIENT's amendments with track changes. Please review this document carefully to identify errors. During the rush of a business day, it is possible Healy Consultants inadvertently made statistical errors, typing errors etc. I apologize in advance if I or my staff made errors. As the engagement evolves, it may be necessary for either to party to insert additional terms and conditions. For example, a new service is required or a new solution should be documented;
53. This Service agreement provides a framework for Healy Consultants and CLIENT to establish mutually acceptable engagement terms and conditions that will ensure CLIENT receives a standard of customer service which is commensurate with their expectations and needs. Please sign and date at the bottom of every page. The terms and conditions outlined in this agreement may be amended by either party with the written permission of the other party as the engagement progresses;
54. As stipulated on our business website and in section 3 of our engagement letter, Healy Consultants will only commence the engagement following **i)** settlement of our fees and **ii)** completion and signing of our legal engagement letter. Healy Consultants will only incorporate your company after 75% of due diligence documentation is received by email. Healy Consultants will only open a corporate bank account after 100% of Client due diligence documentation is received by courier;
55. Healy Consultants neither receives commissions from third parties nor mark-up service fees of third parties including but not limited to landlords, Government, lawyers, accountants, embassies etc. Original third party invoices and receipts will be supplied to CLIENT on demand;

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Client initials and date



Our client expectations

56. On CLIENT's behalf, Healy Consultants will liaise with the relevant Kuwait government and local bodies including Ministry of Industry and Commerce, Ministry of Justice, Municipalities Office, Ministry of Information, and the Labor Market Regulatory Authority.
57. Healy Consultants will professionally manage CLIENT's engagement and tenaciously seek solutions and alternatives should problems arise. Healy Consultants will provide CLIENT with regular detailed email engagement status updates informing them of progress during the engagement term, usually every third day;
58. Healy Consultants will keep client information confidential. Healy Consultants protects personal information and personal data from unauthorized access, unauthorized use or unauthorized disclosure. Personal information and client data collected by Healy Consultants is used only for Client engagement completion. This information will never be sold, lent, leased or otherwise distributed outside Healy Consultants or to anyone within Healy Consultants who does not need to know it.
59. Any report, letter, information or advice provided by Healy Consultants to our Clients, is given in confidence solely for the purposes of providing our professional services. Our Clients will not, without Healy Consultants prior written permission, disclose engagement information to third-parties.

Healy Consultants expectations

60. CLIENT will provide Healy Consultants the required due diligence information in a timely manner, to enable my Firm efficiently and effectively complete the engagement. CLIENT replies to Healy Consultants communications and requests in a timely manner.
61. CLIENT settles Healy Consultants fees in a timely manner.
62. If during the engagement, Healy Consultants realizes Kuwait business set up is more complex than anticipated, requiring large investment of time, my Firm will revert to request additional fees;

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63. Healy Consultants preferred mode of communication is email, followed by phone discussions. Therefore, we recommend you maintain a secure, reliable email account and frequently check for updates from Healy Consultants;

Conclusion

64. We, the person whose names appear below, declare and by our signature below, confirm that we are authorized to sign on behalf of the Entity we have ordered from Healy Consultants and we have read and agree to be bound by Healy Consultants terms of business outlined in this engagement letter and on Healy Consultants business website;

65. We understand that we may have an obligation to report our interest in the company in personal tax returns and that income of the company may be imputed to us. We will take advice on and comply with our own legal obligations in this respect;

66. The company will not be used for any criminal activity or other illegal purposes, whether fiscal or otherwise, in any jurisdiction and we understand that Healy Consultants may have an obligation to report any arrangement involving the proceeds of criminal conduct;

67. We have never been convicted of any criminal offence or the subject of an investigation by a governmental, professional or other regulatory or statutory body.

<u>Name</u>	<u>Signature</u>	<u>Date</u>
CLIENT		
Aidan Healy		

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Client initials and date



Appendix One

No	Detailed engagement steps and timeline	Time
1.	CLIENT settles the total Kuwaiti engagement fees with Healy Consultants as outlined in Appendix Three ;	15 Sept
2.	Healy Consultants Compliance Team receives the required corporate and personal due diligence information from CLIENT outlined in Appendix Two . Our Client signs Healy Consultants engagement letter and returns the original and the required due diligence to our Singapore Head Office;	22 Sept
3.	Healy Consultants interviews a panel of Kuwaiti Agents possessing the required commercial license. We shortlist our preferred Agent and supply CLIENT detailed due diligence of the Agent;	10 Oct
4.	Healy Consultants applies for short term visas for Indian supervisory staff;	15 Oct
5.	Healy Consultants liaises with Citibank and HSBC Kuwait re non-resident corporate bank account opening including i) negotiating on travel exemption ii) providing the list of required documents;	16 Oct
6.	CLIENT reviews the first draft of the Agency agreement and provides amendments to it (if any). Healy Consultants aggressively negotiates Agency Agreement terms, conditions and fees with the Kuwaiti Agent to protect CLIENT and mitigate litigation, reputation and financial risk;	17 Oct
7.	CLIENT signs a Powers of Attorney before a Dubai public notary i) legalizes in the Kuwaiti Embassy in Dubai and ii) translates them into Arabic by an official translator and iii) emails back to Healy Consultants for review and approval. Thereafter, our Client couriers the legalized signed documents together with all supporting corporate documents to our Kuwaiti affiliate office;	20 Oct
8.	The Kuwaiti Government approves Indian staff visas. CLIENT can send Indian staff to Kuwait to conduct market research and recruit local staff;	1 Nov

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9.	Healy Consultants submits a complete corporate bank account opening application to HSBC including i) legalized and attested documents from Above ii) bank questionnaire forms;	11 Nov
10.	Provided that both CLIENT and the Agent are agreeable with the terms and conditions of the agreement, CLIENT directors sign off the agreement and courier the original to the Agent;	15 Nov
11.	CLIENT can legally hire local staff under the corporate entity of the Kuwaiti Agent. CLIENT has a Kuwait city virtual office address to place on sales invoices and contracts;	20 Nov
12.	Healy Consultants registers CLIENT for income tax with the Ministry of Finance;	22 Nov
13.	Following a review of the corporate bank account opening application pack, HSBC Legal and Compliance Department reverts to Healy Consultants for additional information from CLIENT;	24 Nov
14.	The corporate bank account with HSBC Kuwait is approved. Healy Consultants emails CLIENT the bank account details;	10 Dec
15.	On behalf of CLIENT, Healy Consultants activates the internet banking;	25 Dec
16.	CLIENT can invoice Kuwaiti customers and receive income;	15 Jan
17.	Healy Consultants successfully completes the engagement;	15 Jan

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Appendix Two

No	Documents required by Healy Consultants from CLIENT
1.	Signed engagement letter
2.	The detailed due diligence outlined on this web page ;
No	Documents required for HSBC Kuwait Bank account opening
1.	Certificate of Incorporation and M&AA
2.	Purpose of corporate bank account opening letter
3.	Ownership chart and supporting documents
4.	Board Resolution with signature specimen
5.	Clear Passport copies of bank signatories and Board Resolution signatory
6.	Letter confirming Names, Date of Birth, Country of Residence and Nationality of current Directors.
7.	Corporate bank account opening Questionnaire
8.	Authorization Letter for Collection of Documents
9.	FATCA Declaration

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Appendix Three

Engagement Costs – Kuwait Agency agreement	Notes	US\$
Healy Consultants project management fees	1.	18,500
Healy Consultants fees to secure the optimum Kuwaiti Agent	2.	12,450
Healy Consultants fees to secure a Kuwaiti virtual office address	3.	2,950
Estimate of Kuwaiti independent lawyers' fees	4.	4,500
Non-resident corporate bank account opening fees	5.	9,850
Healy Consultants Kuwaiti Government tax registration fees	6.	1,500
Retainer fee received on 14-08-14	7.	(10,000)
Total funds transfer required to complete the Kuwait engagement	8.	39,750

Note: this invoice needs to be tailored for each Client. The above services and fees represent the average requirements of our Clients.

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Client initials and date



Notes to invoice above

- 1) This cost includes Healy Consultants fees to thoroughly research and plan Kuwaiti business set up for CLIENT including **i)** payment of retainer fees to multiple lawyers, accountants and other consulting firms **ii)** preparing a detailed project plan with time lines **iii)** time taken to determine the optimum Kuwaiti corporate structure, including preparation of a detailed comparison table of entities **iv)** ascertain the specific accounting, tax, legal and compliance considerations **v)** anticipating future engagement problems and delays **vi)** complete a detailed 25 page engagement strategy document from all of the above;

This cost also includes Healy Consultants fees to efficiently and effectively project manage and timely complete the CLIENT Kuwait engagement including **i)** collating and supervising the legalisation and attestation of all documents **iii)** weekly detailed engagement status updates to CLIENT and **iv)** weekly Friday conference call and **v)** find solutions to unexpected challenges that present themselves throughout the engagement;

Healy Consultants project management fees also include the time taken to devise the strategies as to how to **i)** minimise the engagement period **ii)** complete the engagement without our Client travelling **iii)** minimise the control of the Kuwaiti Commercial Agent **iv)** avoid the need for a specific regulatory license **v)** open a Kuwaiti corporate bank account without Kuwaiti Agent involvement **vi)** secure a virtual office address with minimum cost;

All engagement fees are agreed and paid up front. Consequently, there are no hidden fees or surprises or ambushes throughout the engagement. All engagement deadlines are agreed up front in the form of a detailed project plan, mapping out deliverables by week throughout the engagement term.

Every week during the engagement, Healy Consultants will email our Client a detailed status update. Our Client is immediately informed of engagement problems together with solutions. Your dedicated engagement manager is reachable by phone, skype, live chat and email and will communicate in your preferred language. Healy Consultants never gives up until we complete the engagement, regardless of the complexities or obstacles presented by banks and Governments;

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- 2) This fee also includes the time taken to **i)** find the optimum Agent with the correct license **ii)** negotiate the best contract terms on behalf of CLIENT **iii)** complete our detailed due diligence of the Kuwaiti Agent and supply CLIENT the documents. This fee excludes the annual fees paid to the Kuwaiti Agent which will approximate us\$60,000 annually;
- 3) This fee also includes the time taken to **i)** secure a Kuwaiti virtual office address **ii)** negotiate the best lease terms and rental on behalf of CLIENT. This fee excludes monthly rental fees paid to the Kuwaiti landlord, which will approximate us\$1,500 annually;
- 4) Healy Consultants will draft a Kuwaiti Commercial Agency Agreement for CLIENT. We will engage our Kuwaiti lawyers or review and approve the same, protecting our Clients' interests and complying with local Kuwaiti law. All third party fee payments will be supported by original receipts and invoices;
- 5) For CLIENT, Healy Consultants will be pleased to open a non-resident corporate bank account in Kuwait. It is a difficult and time consuming task, but Healy Consultants will shelter our Client from the administrative challenges. There is a 15% probability the banks will request a bank signatory to travel to Kuwait city for a one hour bank interview. Healy Consultants will aggressively negotiate with the bank for a travel exemption. As you can appreciate, it is a difficult task to obtain bank account approval for a foreign company, when shareholders and directors and bank signatories reside overseas. There will be a fee discount of US\$500 if your staff have to travel to Kuwait;

Within two weeks after corporate bank account approval, Healy Consultants will be pleased to activate the internet banking on CLIENT behalf. Thereafter, we will hand over internet passwords and tokens to CLIENT. It is a time consuming task, Healy Consultants will shelter our Client from the administrative challenges;

Because it is a closed, controlled economy, the majority of global consultants are unaware of the possibility to open a non-resident corporate bank account in Kuwait. Fortunately, Healy Consultants found the solution in 2013 and we recently successfully completed non-resident corporate bank account opening for a UK PLC;

- 6) Healy Consultants fee to register CLIENT for corporation tax with the Ministry of Finance and provide tax registration number to be placed on CLIENT Kuwaiti sales invoices;

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- 7) Retainer fee of US\$10,000 received on 14-8-14, thank you for your business;
- 8) All fees quoted in this invoice correspond to fees quoted on Healy Consultant's [business website](#). Please review this invoice carefully to identify errors. During the rush of a business day, it is possible Healy Consultants inadvertently made fee calculation errors, typing errors or omitted services or omitted historic fee payments from Clients. In the unfortunate event you identify invoice errors, please revert to me directly re the same. I apologize in advance if I or my staff made invoice errors;
- 9) Our fees to project manage the successful approval of short term visit visas for Indian staff amounts to US\$ 1,950 per visa. The Government enjoys ultimate power of approval of visa applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality immigration visa application that maximizes the likelihood of visa approval. To date, we enjoy a 100% approval record;
- 10) The fees quoted in this invoice are an average of the fees of a typical Kuwaiti Agency engagement. If during the engagement, Healy Consultants realizes the company incorporation is more complex than anticipated, requiring large investment of time, my Firm will revert to request additional fees;
- 11) Our Client will pay for all third party fees relating to legalisation and translation of personal and company documents;
- 12) To assist our Clients minimize Forex costs, we offer the payment in SG\$, €, Pound or US\$. Kindly let me know in which currency your Firm prefers settling our fees and I will send an updated invoice, thank you;

Continued on next page ...

Client initials and date



Appendix Four

Potential engagement problems and solutions

No	Problem	Solution
1.	Our Client does not provide Healy Consultants the required information/documents in a timely manner. For example, the Kuwait company forms are not properly signed, attested and legalized. Appendix One engagement deadlines are delayed.	CLIENT speedily responds to Healy Consultants requests and efficiently provides my Firm the required information or immediately highlights problems with replying to requests
2.	The Kuwait bank requires additional information or documents, before approving corporate bank account opening. Appendix One engagement deadlines are delayed;	Healy Consultants will negotiate with the bank the necessity of these documents and if necessary revert to CLIENT requesting additional information and documents.
4.	Unanticipated Kuwait laws governing CLIENT Kuwait business come to our attention. Appendix One engagement deadlines are delayed. Increasing the likelihood Healy Consultants will charge CLIENT additional project management fees	Healy Consultants together with our local lawyers and Kuwaiti Agent negotiate a solution with Kuwaiti Government.
5.	Public holidays in Kuwait and Singapore cause unanticipated engagement delays	The engagement period is extended.



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8.	The Kuwait bank does not approve the bank application in a timely manner, causing material delays in the engagement completion date;	Healy Consultants will aggressively negotiate with the bank. That said, Healy Consultants will not be responsible for the incompetence and inefficiency of Kuwaiti bank departments. That said, Healy Consultants will aggressively supervise and liaise with third parties to ensure your engagement is efficiently and effectively advanced.
9.	Kuwait banks will not open corporate accounts for the proposed business activity, or shareholder nationality;	The Kuwait banks enjoy ultimate power of approval of account applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality bank application that maximizes the likelihood of approval. If a bank is deemed not possible, Healy Consultants will find alternative Kuwait banks more amenable; The corporate bank account will be opened in the name of the Kuwaiti Agent local entity;
10.	CLIENT staff will experience difficulties obtaining travel visas to Kuwait, consequently delaying signing of engagement documentation. Or the Kuwait Government requests additional documents of CLIENT employee to process the visa;	Healy Consultants will revert to CLIENT to create a solution. There may be additional fees to efficiently and effectively secure visitor visas;
11.	CLIENT and the Kuwaiti Agent cannot agree terms and conditions in the Agency Agreement. Appendix One engagement deadlines are delayed. Increasing the likelihood Healy Consultants will charge CLIENT additional project management fees	Healy Consultants will i) act as mediator for negotiations or ii) present alternative Agents from the interviewed panel;



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	During the engagement, Jordan Government departments revert to Healy Consultants rejecting the business activities of CLIENT. There may be additional fees to efficiently and effectively complete the engagement.	Healy Consultants will revert to CLIENT to create a solution.
	The Jordan Government departments do not approve income tax application in a timely manner, causing material delays to the engagement completion date.	Healy Consultants will aggressively solve problems where possible. That said, Healy Consultants will not be responsible for the incompetence and inefficiency of Government departments. Healy Consultants will aggressively supervise and liaise with third parties to ensure your engagement is efficiently and effectively advanced.
	Public holidays in Jordan and Singapore cause unanticipated engagement delays.	The engagement period is extended.