



### Quotes of The Day

"I am not young enough to know everything."

-Oscar Wilde

"Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no hope at all."

-Dale Carnegie

### 2019 PERSONAL INCOME TAX RETURNS ARE NOW DUE!

[Click Here](#) for the firm's Income Tax checklist for 2019

### RECENT WEBINARS

Gidon Broide participated in a series of successful webinars in June discussing trust, estate & investment considerations for clients with U.S.-Israeli connections. Another successful webinar was held in July on the end of the 10-year tax holiday. The downloads are available on our [website](#)

### 10-Year Tax Holiday – Common Pitfalls and Highlights

[Click Here](#)

### A NEW & COMPREHENSIVE GUIDE TO TAXATION OF TRUSTS IN ISRAEL

To view [CLICK HERE](#)  
Published by Broide & Co.



From our "team" Grants specialist, Bryan C.

- The initial round of grants has now expired – Round 1 expired on July 7<sup>th</sup>.
- The deadline for applying for Round 2 (Ba'ale shlita and independent businesses) was recently extended to August 7<sup>th</sup>
- Round 3 for expenditure relief continued in its present form until July 15<sup>th</sup>, thereafter the months applicable to the calculation have been extended to include March-June from the current March-April situation. A decrease in revenue over these months from 2019 to the parallel period in 2020 of 25% or more will entitle the business owner, company or Amutah to this grant.
- In addition on June 29<sup>th</sup> the PM and Minister of Finance announced a further package of 2 billion Shekels worth of grants that will come into effect in the coming weeks. These will be extra grants allocated to individuals whose businesses decreased at least 40% and to companies whose revenues decreased at least 60%, applying the same calculation as per Round 3, above. This round of grants has not yet officially been approved by the Knesset but it is expected to be shortly and will be known as round 5 of the Corona grants.
- Round 4 came into effect on July 15<sup>th</sup> and provides incentives for employers to rehire staff who were previously put on "chalat" or unpaid leave. (NIS 3,500 for each employee rehired in May and NIS 7,000 for each employee rehired in June.)
- There is also a new grant now being offered to Amutot who do not qualify for Round 3, through the Ministry of Labour.
- As far as employees who remain on unpaid leave are concerned, the government has extended their unemployment benefits to the middle of August.
- We strongly counsel monitoring the grants and financial assistance closely and invite you to talk to our grants "team".

### Planning for the end of the tax holiday



New or returning residents who started the 10-year tax exemption period in 2010 or 2011 should already be doing serious tax planning for the post tax holiday period. Similarly the “2008 & 2009 people” may already be required to submit tax reports.

### Some Real Food for Thought

Most of us spend years learning to communicate by writing and speaking, but we have very little training in listening – in truly understanding another individual from the person's own frame of reference. It's very rare for someone to listen without the intent to reply. We're getting ready to say "I know how you feel. Let me tell you about my own experience".

*Wishing you a happy and healthy summer!*



*Do take the utmost care in these times...*

### Worldwide exchange of Information

As of February 2019, new Income Tax rules became effective, facilitating exchange of financial information between countries (per the CRS standards). Thus Israel now exchanges information with foreign tax authorities relating to bank accounts of foreign residents, and receives information on accounts of Israeli residents held abroad.

It is strongly recommended that reporting obligations be closely reviewed to avoid unnecessary pitfalls.

### THE 10-YEAR TAX HOLIDAY – A COURT RULING

A fairly recent court ruling for new and returning residents – the Talmi case.

- Fiscal residence is a gradual process, the number of days spent in Israel is not the only factor in determining residence, and other factors may also impact.
- The “days” formula for calculating tax payable on foreign salaries or earned income may be challenged if unreasonable or where other relevant factors may impact (e.g. geographical, etc.).
- The judge indicated that the “10-year” rule is intended to facilitate the immigration of new and returning residents; this should be born in mind in defining foreign assets, thus introducing more flexibility in exempting various types of income during the exemption period.

### PROPER DISCLOSURE OF INCOME

In a ruling (Green) in the Jerusalem Regional Court, the judge elaborated on the issue of ‘proper disclosure’. The judge held that it is unacceptable that the taxpayer keeps the information to himself and also (makes) the decision as to its ‘implications’. The taxpayer is bound to meet the requirements of ‘proper disclosure’ of the relevant facts, whether on the specific form or other distinctive format.

This accords with our long-held view that proper and full disclosure is an integral part of tax planning and reporting