



Quotes of The Day

“Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas”

– Paul Samuelson

“The only place where success comes before work is in the dictionary”

– Vidal Sassoon

Wills and Estate Planning



Since this topic is not accorded the attention it deserves, may we once again stress the importance in planning your personal affairs, of periodic review of your last will and testament, and giving thought to the manner in which you have planned your investments, life insurance and cash resources, bearing in mind the needs of your family.

Planning for the end of the tax holiday

New or returning residents who started the 10-year tax exemption period in 2009 or 2010 should already be doing serious tax planning for the post tax holiday period. Similarly the “2007 & 2008 people” may already be required to submit tax reports.

THE TAX SEASON IS UPON US



- The law requires submission of an income tax return where an Israeli resident transfers more than NIS 500,000 overseas during the fiscal year.
- An Israeli resident beneficiary of a trust where the trust assets amount to NIS 500,000 or more is obligated to submit an annual income tax return unless such beneficiary is under 25 years of age or was unaware of being a beneficiary of the trust.
- An individual who satisfies the ‘days test*’ (quantitative) of residence but holds that he/she is not resident in Israel, has to submit a tax report, including details explaining the contention of non-residence – with documentation – and report on Israeli Income.
* **183 days in the tax year or 425 days over a 3 year period** (minimum of 30 days in any one year).
- With the Income Tax season now in full swing, it is time submit the relevant documents and information to us without delay.
- Trusts generally assume the tax status of the grantor or settlor and, thus, may also enjoy new resident benefits (See website on taxation of trusts.) Beneficiaries may be subject to tax on trusts established from August 1st, 2013, unless they are within the “10-year tax holiday”, or where the Settlor/Grantor became a resident prior to August 2013.



All you want to know About – And were afraid to ask

We really are happy to answer queries, provide clarifications and handle problems, many of which can be dealt with telephonically, so please feel free to call us.

2018 Personal income tax return checklist

With the Income Tax season now underway, [Click Here](#) for the firm's Income Tax checklist for 2018, which we request you follow closely and submit the relevant documents and information to us without delay.



Investing on the Stock Exchange – Do Take Care

Hysteria and impulsiveness often replace examination and close review of economic events. The stock-exchange is an arena for investments of varying degrees of risk, but none-risk free. This is very relevant in determining your investment portfolio.

Nonetheless, do remember our quote from 1991: "Every single investor dreams of making a fortune overnight, but remember: big returns demand high risk; if it looks too good to be true, it probably is!"

Worldwide exchange of Information

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

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

We draw attention to the termination of the voluntary disclosure procedure in Israel as of December 31st, 2019.

The Law for Limiting the Use of Cash

With regards to property rental income paid\ received in cash monthly or quarterly, the tax ruling is that each payment due as set out in the lease is viewed as a separate "transaction price", with the applicable restrictions imposed by the new "cash law".

It is important to note that artificial splitting of payments in order to avoid this legal restriction is viewed as fraud and is a punishable offence.

To view our summary on the law for limiting the use of cash, click [HERE](#).