



BROIDE & CO.
Certified Public Accountants (Isr.)

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NEW INCOME TAX VOLUNTARY DISCLOSURE PROCEDURE
And
NEW TEMPORARY TAX AMNESTY GUIDELINES (ANONYMOUS)
FOR UNREPORTED FOREIGN INCOME

The I.T.A. published yesterday the long-awaited new Voluntary Disclosure Procedure (for income not reported previously in Israel) and also the new Temporary Tax Amnesty Guidelines for foreign income not reported previously.

Important comments relating to the Temporary Tax Amnesty Guidelines:

- Effective 7.9.2014 – 6.9.2015.
- Applications may be made anonymously.
- Provides immunity from criminal proceedings. Information included in rejected applications will also enjoy immunity (criminal and civil). Application must include disclosure of all relevant information and must be done in good faith.
- Interest, linkage and possibly penalties will be added to the amount of taxes payable.
- Advantageous simplified filing for applications that include up to NIS2,000,000 of unreported assets and unreported income of up to NIS500,000. Simplified filing may not be made anonymously.
- Amnesty will not apply (usually):
 - Where the ITA or other government agency has specific information or has initiated investigation procedures.
 - When income is from illegal activities.
 - If calculated tax liability is relatively low (currently undefined).

We are available to assist with applications for voluntary disclosure and clarifications.

The Broide Team

These are preliminary comments on the recently published tax directives. We are studying the implications and will advise clients of the details as soon as possible. Do note: Preparatory work for the application is lengthy and should, therefore, be dealt with now.

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