



BROIDE & CO.  
Certified Public Accountants (Isr.)

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## **NEW INCOME TAX VOLUNTARY DISCLOSURE PROCEDURE**

The I.T.A. published yesterday the new Voluntary Disclosure Procedure for income not reported previously in Israel.

Important comments relating to the Tax Amnesty Guidelines:

- Effective immediately until 31 December 2019.
- Anonymous applications may be made until 31 December 2018.
- 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 certain 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.
- 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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