

Quote of The Day

"The fewer data needed, the better the information. And an overload of information, that is anything much beyond what is truly needed, leads to information blackout. It does not enrich, but impoverishes."

Peter F. Drucker

Reviewing the Business Structure



Clients should periodically review their choices of business entity, namely sole proprietorship, limited or unlimited partnership and regular or family/transparent company. Factors to consider include changes in tax or other laws, and business changes (such as new products or services, changes in ownership or location). Choice of entity must recognize that a structure that has served well in the past may no longer do so, as a result of change.

Time for Mid-Year Reviews

This is an opportune time for mid-year business, financial and tax reviews. Please avail yourselves of this essential service. Kindly ensure we receive accounting and related data timeously.

THE PERIOD FOR SUBMISSION OF ANONYMOUS APPLICATIONS UNDER THE INCOME TAX VOLUNTARY DISCLOSURE PROGRAM, HAS BEEN EXTENDED TO DECEMBER 31ST, 2016

The I.T.A. has announced an extension of time by when anonymous applications under the current Voluntary Disclosure Program (for income not reported previously in Israel) may be submitted. The result is that, irrespective of the route followed, the closing date for all applications under the program is 31 December 2016.

We would remind you of the various routes that are available under the program:

1. Full disclosure route- the name of the applicant and full details of the assets from which the previously undisclosed income was received is disclosed to the ITA.
2. Anonymous route- full amount of the previously undisclosed income is disclosed but name of applicant and details of assets are not disclosed.
3. Short route- where the amount of assets and income is below the qualifying levels. Applications under this route may not be anonymous.

Further important details:

- 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 and linkage will be added to the amount of taxes payable.
- 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.

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

Do note: Preparatory work for the application is lengthy and should therefore be dealt with now.

Marketing Corner

Never let a day pass without engaging in at least one marketing activity. Maintain a 'tickler' file of ideas for later use. Create a new service, technique or product. Return phone calls promptly. Start every day with two 'cold' calls.

(From 100+ Marketing Ideas, Joyce L. Bosc, Pres., Boscobel Marketing Communications Inc.)

THE TAX SEASON IS NOW! INCOME TAX REPORTS ARE DUE.

Improving Our Services

We express our gratitude to clients for consistently referring new clients to us. However, in order to continue to improve our services to you, we need your input. Any idea/suggestion will be appreciated. And, we'd like to hear what services from your accountant are important to you.

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.



Trust Tax Tidbits

- Trust tax reports for 2014 and 2015 now due for preparation and submission; negotiations with the ITA on settlements re earlier years' tax reporting continue.
- Generally, the trust will 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 settled from August 1st, 2013, unless they are within the "10-year tax holiday".
- An Israeli resident beneficiary of a trust whose 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.
- As noted in this newsletter, the anonymous and short-route amnesty applications have been extended by the ITA through December 31st, 2016. The facility for interim arrangements for trusts – to be negotiated – is still available for Israel-resident trusts.
- Foreign family and Israel-beneficiary trusts are subject to registration and reporting obligations, at least as of the 2014 tax year.

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.