



### **Gradual Elimination of Stamp Duty on Documents**

The Finance Committee of the Knesset approved the gradual elimination of Stamp Duty, effective as of January 1, 2005. Aside of possible penalties for non-compliance, documents not duly 'stamped' under the Law are not admissible evidence in the Courts or other legal proceedings and, similarly, will not be accepted by Government or other public offices. The Stamp Duty will be 'phased out' by January 1, 2008.

Thus, as of January 1, 2005, there is no legal requirement for Stamp Duty on loan documents, residential housing rental contracts, contracts for the sale of property subject to the Land Appreciation Tax (viz. Capital Gains Tax), commitment or guarantee required by Law.

It is recommended that, before acting on the above, proper legal advice should be sought, including referral to the Stamp Duty Law, as amended. In certain instances, you may well be entitled to a refund (e.g. Stamp Duty overpaid or paid on exempt document).