



BROIDE & CO.  
Certified Public Accountants (Isr.)

## POSTPONEMENT FOR TRUST TAX-REPORTS FOR 2006

Dear Client,

The Tax Authority in Israel has today issued a statement, postponing the 2006 tax-reporting for trusts to December 31st, 2007. It will be recalled that the new laws governing the taxation of trusts are effective as of the 2006 tax-year.

The various forms, declarations, and applications required to be submitted under the law have also been postponed to December 31. Certain of the forms apply to certain tax-exempt and foreign trusts. (see taxation of trusts on our website.) Previously there had been a postponement to September 30th.

This postponement does not apply to taxpayers who are liable to submit tax returns independently of the new trust tax laws; thus, for example, if you submitted tax returns in previous years, then this postponement will not affect you as far as relates to non-trust income. However, the trust reporting is postponed as indicated.

It should be noted that, even prior to these new laws, settlors/grantors and beneficiaries of trusts were/are required to report on the existence of the trust. (form 151.)

Proper professional guidance should be taken before acting on these and related matters. In addition, we wish to emphasise, as always, that these are new "rules & regulations" and therefore there is a material lack of clarity on various issues.

We will be glad to assist.

SHANA TOVAH & GMAR CHATIMAH TOVAH.

Warm Regards,

Jeff

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