



BROIDE & CO.
Certified Public Accountants (Isr.)

TAX ALERT:

REPORTING ON FOREIGN INCOME & ASSETS

We have always counseled compliance with the laws in general, and the tax laws in particular. Our approach is based on operating strictly within the law, but utilisation of any 'loopholes' or tax planning opportunities.

The Tax Authority has recently issued demands to thousands of residents for the submission of declarations of foreign income and assets. It appears that these demands are based on the frequent travel overseas of such persons, particularly where, over a two-year period, the number of days outside the Country. in a particular year amounted to 90 days or more.

Do note that this is an internal procedure, and not a change in the Law, and represents the declared intention of the Tax Authority to identify taxpayers who do not report on foreign income and assets. Residents who enjoy the ten-year tax holiday (resident from 2007 onwards) are generally not subject to these reporting requirements.

We, once again, reiterate the importance of complying with the Law, and strongly counsel proper registration and reporting (voluntary disclosure in certain instances) to the Tax authority, in advance of any demands or legal action.

**Shvat 5771
January 2011**

This Tax Alert has been prepared for information purposes only. Whilst every care has been taken in compilation, no responsibility can be accepted for inaccuracies or errors. Changes in the Law or practice occur periodically; it is recommended that specific professional advice be sought before any action is taken.

43a Emek Refaim St.
P.O. Box 8240
Jerusalem 91081
Tel. 972-2-5611323
Fax. 972-2-5669555

www.broide.com