



April 2009

New draft double tax treaty with the UK

The Israeli Treasury has issued an announcement regarding the initialing of a new draft double tax treaty between Israel and the UK.

Do note the following:

- 5% tax on dividends-in source country and exemption for controlling shareholders and pension funds.
- Exemption from tax on interest from government bonds, traded bonds and interest received by pension funds.
- 5% tax on interest.
- Exemption from tax on capital gains and royalties-in source country.
- New immigrants will not be taxable in the UK on UK pensions.

We will be glad to clarify.