



Legal Update

April 2018

Labor & Employment

Limitation on Cash Payments

Limitation on Use of Checks

Effective as of January 1, 2019

Law for the Reduction of Cash Use, 5778-2018

On March 18, 2018, the Israeli parliament enacted the Law for the Reduction of Cash Use, which is set to come into force on January 1, 2019.

The law includes provisions which may have implications on employers of employees in Israel, as follows:

- Prohibition on cash payments in an amount greater than NIS 11,000 for employment salary, as a donation, or as a loan.
- Requirement that checks (for a transaction, employment salary, a donation, a loan, or a gift) bear the name of the individual recipient on the check.
- Violations may result in monetary sanctions.
- Fraudulent splits of a transaction, employment salary, donation, loan or gift, as to circumvent the NIS threshold, are punishable by up to three years imprisonment.

Sincerely,

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