



The Director General of the Israel Tax Authority has announced a new campaign for the voluntary disclosure of assets

Dear clients and colleagues,

We would like to update you that on June 9, 2014, Mr. Moshe Asher, the General Director of the Israeli Tax Authority, announced at the CPA Association Conference that the Israel Tax Authority (the "ITA") will be launching a new voluntary disclosure program enabling taxpayers to report their concealed capital in Israel and abroad (the "new campaign").

As part of the previous voluntary disclosure procedure, the ITA exposed NIS 12 billion of hidden assets, which according to Asher, is only the tip of the iceberg:

"There is a lot of undeclared Israeli capital located in foreign bank accounts. Lately, financial institutions all over the world have been in the process of exposing such undeclared capital. The exchange of information and fostering of assistance between countries by virtue of international agreements has become more common."

Asher emphasized that the ITA does not wait for voluntary disclosures, but operates at all times to discover concealed information, and currently possesses information it has received from foreign banks and other countries.

The new campaign will include an anonymous and abridged disclosure procedure without the tangle of bureaucracy and long negotiations with tax officials. However, no tax benefits will be available under the new campaign.

This abridged disclosure procedure is designated for Israelis taxpayers who have unreported capital up to NIS 2 million. The procedure will be simple, as participants will be required to:

- File a request for voluntary disclosure;
- File an amended version of their previous annual report; and

- Pay the tax.

In conclusion, the new campaign represents a significant step taken by the Israeli government as part of its efforts to prevent tax evasion, and enforce its tax laws within Israel.

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If you have any questions about the matters addressed in this newsletter, please contact the author or your usual contact at FBC.

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