

Recent Case Highlights the Significance of Regulatory Compliance and Reporting International Assets

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The press recently covered the arrest of an Israeli businessman (who was subsequently released under specific conditions) for failing to report 20,000,000 euros gained from the sale of Mobileye shares, which were originally purchased in 2001. The businessman had kept this substantial sum in a Spanish bank account. As per the Common Reporting Standard (CRS) regulations, the information about his account was shared with the Spanish tax authorities and subsequently passed on to the Israeli Tax Authority (ITA). This .account information was reported by the Spanish bank in respect of the fiscal year 2017

This case serves as a strong reminder of the increasing collaboration between global tax authorities in .exchanging financial information, underscoring the importance of adhering to international tax rules

It is important to remember that an Israeli tax resident is taxed on a worldwide basis, regardless of whether the income was produced in Israel or abroad. Moreover, an Israeli tax resident maintaining bank .accounts or other assets overseas (under certain conditions) is required to report these in Israel