



M.A.A.D. BUSINESS SERVICES, LTD.

The following is a basic English translation of the official Hebrew publication:

## Have you received the form 5329 - from the tax authority's department of intelligence (Mas Hachnasa)?

In the past few days, approximately one hundred thousand citizens have received a letter from the tax authorities in Israel, whose title reads: "Personal information report and declaration of sources of income, both within and outside of Israel".

The form requires **Israeli citizens** to:

- fill out their source of income and details of their bank account balances
- report whether or not they are shareholders in a company or partners in a business
- detail all real estate assets and all homes that belong to either them or their spouses
- provide further information that the tax authorities will use to determine whether citizens are hiding part of their incomes.

Based on this information, the tax authority may commence a tax assessment file obligating citizens to pay taxes, and which may possibly summon them to a criminal investigation.

Principally, the people who have received this form are split into three main groups:

- Those that have **more than one apartment or home** and are therefore, in most cases, obligated to report their rental income and pay Israeli taxes on it.
- Those that **remain outside of Israel for more than 90 days** during the fiscal year, and therefore are suspected of having business, income and assets outside of Israel that they have not reported to the Israeli tax authorities.
- The third group is **those who do not report themselves as paid workers**, yet have made irregular or suspicious withdrawals from and deposits to their bank accounts that were not officially documented by the tax authorities.

Another type of citizen who is in danger of receiving this letter is anybody who is reported on by *kav hatzedek*, an informant to the Israeli tax authority, and the reports from *kav hatzedek* do not match their official reports to the tax authorities.

It is forbidden to neglect filling out this form, because even though it was sent through the regular mail and not through registered mail, it signifies that the receiver is already under the surveillance of the tax authority. Refusing to fill out the form, or filling it out incorrectly, may be considered a criminal offense.

**It is important to fill out the form carefully and precisely, with the help of a professional accountant, and to confirm all tax related aspects that emerge from it; which can include retroactive taxes from up to ten prior years and taxes of future tax years.**

**It is strongly suggested that those who are obligated to report their income and are not doing so to reconsider their decision in light of the Israeli tax authority's campaign to find all those who are withholding information about their income, a result of an agreement between the US and Israel strengthening international tax law enforcement.**