



STATE OF ISRAEL
MINISTRY OF FINANCE

SPOKESPERSON OFFICE

INTERNATIONAL AFFAIRS
DEPARTMENT

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Press Release

Israel Signed a New Tax Agreement with Belgium

On March 18th, Israel initially signed a new Avoidance-of-Double-Taxation agreement with Belgium. The new agreement is part of the Ministry of Finance's policy to update and expand Israel's tax agreements, especially with OECD member economies.

The new agreement helps for the development of funding resources for Israeli companies, ruling that these will pay in Israel a 5% rate of the tax paid in Belgium. In addition, the agreement encourages Israeli software development companies to receive royalties from Belgium and exempts them from paying taxes for these. Israeli residences will not have to pay taxes for capital profits in Belgium (except real-estate), but only in Israel instead. The agreement also states a withholding tax at source at a rate of 5% from dividends, and tax exempts for dividends by company-owners and pension funds. The agreement relieves on new Israeli immigrants from Belgium and states a 10% rate of tax for pensions by Israeli residents from Belgium.

Acc. Frida Israeli, In charge of State Revenue in the Ministry of Finance, stated that "The new Agreement improves the competitiveness of Israeli Companies operating in Belgium, while creating an infrastructure for attractive taxing that might encourage Belgium companies to operate in Israel". The new Agreement joins a long list of recently-signed tax agreements by the State Revenue Department, some of which with the United Kingdom, Germany, Denmark, Estonia, Vietnam and Taiwan.

The negotiation team was led by **Attorney Talia Dolan-Gadish**, The legal Advisor for State Revenue, and members of the team were **Accountant & Attorney Ofir Levy**, International Taxing Department Manager and **Accountant Oz Halabi**, Foreign Residents Manager in the International Taxing Department in Israel's Tax Authority.