April 2, 2020

Coronavirus (COVID-19)

Where Israel stands

Dear friends,

Israel is fighting the covid-19 as most of the world.

The Israeli Government issued emergency regulations that intend to reduce any social contact among people that are not living together.

We are required to stay within 100 meters from our home, unless we go to buy food or go to work.

Needless to say that restaurants, shopping malls, bars and cinemas are closed.

At our office, we had to reduce the number of employees that can come to the office to 30% of our head count, while others can continue to work from home. The tax authority offices are closed and provide limited services, the only way to communicate with them is by emails. We are doing our best to support our clients within the limitations.

If some of your employees are working form your office in Israel, please appoint a person who will be in charge to make sure that all the regulations regarding working at the office will be met.

Assistance to firms:

- The assistance package to companies with an annual turnover above NIS 1.5 M is limited.
- Most of the assistance packages at this time are for individuals (households).
- You can ask employees to go on unpaid leave. The employee can apply for unemployment benefits even though he is not laid off. The unemployment benefit is a percentage of his last salary with a ceiling of NIS 10,500 per month.
- If you expect that the profitability of the company will be reduced you can apply to reduce the tax advance payments. You should fill out a form and we can reduce the turnover percentage, based on your signed form, from the tax authorities' remote connection at our office.
- VAT would be claimable for **copies** of tax invoices on a temporary basis. In order to claim any input VAT for transactions dating 01-03-2020 to 31-05-2020, you can send scanned copies.
- Year-end salary report (form 126) and year-end vendor withholding tax report (form 856) can be filed until 31.05.2020.

 You can apply for a bank loan guaranteed by the government, for those that their business is affected by the virus and facing cash-flow difficulties.

The loan amount is up to NIS 500 thousand or 8% of the yearly turnover, the higher, but no more than NIS 20 million.

You will have to provide a guarantee equal to 5% of the loan.

The pay back of the loan will start twelve months after receiving the loan.

The borrower will not pay the interest on the loan during the first year and the state will incur the interest for that period.

In the period from the second year onwards, the average interest rate will be 1.5% above the prime rate.

Requests for loan should be submitted directly to the bank, via a dedicated website for loan secured by the government guarantee because of the spread of the Coronavirus.

If you are interested to apply for a loan, we will be happy to assist.

VAT, withholding tax, CIT and pension submission and payment schedules:

The following are the updated submission and payment schedules resulting from the current COVID-19 pandemic:

Period	VAT Submission and payment due date – Monthly Reporting	Corporate income tax (CIT) advance payment	Withholding taxes (wages)	Withholding taxes – National Insurance	Pension / Social Payments (fringe benefits)
February 02/2020	26-03-2020	16-03-2020	16-03-2020	15-03-2020	15-03-2020
March 03/2020	23-04-2020	20-04-2020	20-04-2020	20-04-2020	15-04-2020

As there is an ongoing update process – any further updates will be communicated when relevant.

Stay well and healthy.

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