

September 2, 2025

Voluntary Disclosure Procedure – Temporary Provision

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A. General

The Tax Authority (the "Authority") is interested in encouraging taxpayers, Dealers (for VAT purposes), individuals, corporate officers, and tax representatives, who have committed offenses under the Tax Laws, to correct their filings and provide accurate data. For this purpose, the Authority, in coordination with the State Attorney's Office, is ready to undertake so that no criminal proceedings will be initiated against anyone who makes a voluntary disclosure under the conditions set forth below with respect to the offenses for which the voluntary disclosure is made (hereinafter: the "**Procedure**").

This Procedure applies only to tax offenses specified in Appendix A of the Procedure.

B. Conditions for Voluntary Disclosure Process

1. **The voluntary disclosure shall be truthful and full, and made in good faith.**
2. Prior to the application for voluntary disclosure the applicant has not been convicted of tax offenses, has not paid a settlement payment for an offense under the Tax Laws and has not previously submitted a voluntary disclosure request that was approved.
3. **By the date of application for voluntary disclosure, no investigation or examination is being conducted by the Tax Authority, or by any other competent enforcement authority, directly or indirectly, regarding tax offenses. In this section, 'Investigation and Examination' – including with respect to the applicant's spouse, companies under their control, and partnership files.**
4. **By the date of application for voluntary disclosure, there is no information related to the disclosure by the Tax Authority, including with respect to the applicant's spouse, companies under their control, and partnership files.**
5. By the date of application for voluntary disclosure, no examination or investigation had been conducted regarding the applicant, their spouse, or companies under their control by the Israel Police, in connection with the voluntary disclosure request, their business activities, or any other income-generating activity.
6. The Tax Authority may refuse to approve a voluntary disclosure request if there is material information related to the request, in the following cases: held by another governmental authority; in major media outlets; in court filings or transcripts; or in any other documents in civil or criminal proceedings conducted before a judicial authority in Israel or abroad. All the above, including with respect to including the applicant's spouse, companies under their control, or partnership files.

C. Action Procedures

7. A voluntary disclosure request shall be submitted solely to the Senior Vice President for Investigations and Intelligence of the Tax Authority, and only she shall be authorized to approve the request (hereinafter: the "**Authorized Officer**").
8. The disclosure shall be truthful and include all information relevant to the request, including, inter alia: the names of the applicants; the tax years relevant to the disclosure of unreported capital and income; the source of the undisclosed assets, the source of income, a detailed amount of the unreported capital used to generate income, a detailed amount of the omitted income and an estimate of the tax payable. In cases where the omitted income constitutes a return on an investment, the amount of the investment shall also be specified. All relevant documents shall be attached to the request, such as: a certificate of inheritance, bank account statements, transaction records, and the like.
9. **Appendix B** to this Procedure shall be attached to the request, fully completed and signed by the applicant¹.
10. Each request shall be signed by the applicant. If the applicant is represented, a power of attorney shall be attached to the request.
11. Voluntary disclosure requests shall be submitted to the Authorized Officer exclusively through an online form. A voluntary disclosure request may be submitted by the taxpayer or by their representative. The form is available in the personal area on the Tax Authority's website, by clicking on the 'Reporting and Payment Links' button. The link is as follows: <https://secapp.taxes.gov.il/mm-giluy-meratzon>
12. The Authorized Officer may, at their discretion, request additional documents and explanations from the applicant.
13. If the Authorized Officer determines that the request should not be approved, they shall notify the applicant accordingly.
14. If the Authorized Officer finds that the request meets the conditions of the Procedure, they shall notify the applicant that their request is approved, subject to payment of tax as determined by the relevant Civil Officer.
15. If the request is approved as set forth in Section 14 above, the Authorized Officer shall forward the request to the relevant Civil Officer (such as the Assessment Officer, Regional VAT Supervisor, Real Estate Tax Manager, Customs Collector, etc.) (hereinafter: the "**Civil Officer**") and to the Unreported Capital Disclosure Department in the Professional Division (hereinafter: the "**Capital Disclosure Department**").
16. The Civil Officer shall handle the voluntary disclosure request according to the procedure determined by the Capital Disclosure Department: a. Within the framework of filing returns or amended returns; or b. Within the framework of an assessment procedure with the applicant. During the handling of the request, the Civil Officer shall be entitled to request additional documents and explanations from the applicant.

¹ Attaching supporting documents as mentioned in Section 9 above does not exempt from completing all the details required in Appendix B as stated, nor from attaching amended tax returns for the relevant tax years.

17. In cases where it is decided that the Civil Officer will handle the request through the filing of returns or amended returns, the applicant shall submit the relevant returns within 90 days from the date of the decision regarding the manner of handling the request.
18. In cases where it is decided that the Civil Officer will handle the request through an assessment procedure, the Civil Officer shall be entitled to reach an assessment agreement with the applicant. If the parties do not reach an assessment agreement, the Civil Officer shall determine, to the best of their judgment, the amount of tax owed by the applicant. Once the tax amount is determined by the Civil Officer's best judgment, Sections 152–154 of the Income Tax Ordinance, or the corresponding sections in other tax laws, shall apply with the necessary modifications. The assessment agreement, or the assessment according to the Civil Officer's best judgment, shall be determined no later than within one year from the date of approval of the voluntary disclosure request by the Authorized Officer. The Authorized Officer may extend this period².
19. The assessment agreement, or the assessment according to the Civil Officer's best judgment, shall be forwarded by the Civil Officer to the Authorized Officer and to the Capital Disclosure Department in the Professional Division.
20. The applicant shall pay the tax as determined by the Civil Officer pursuant to Section 18 above, or according to their declaration pursuant to Section 17 above, at the time set by the Civil Officer. Payment of the tax under this section shall include the principal, linkage, interest, and civil penalties in accordance with the provisions of the relevant law (Income Tax Ordinance, Value Added Tax Law, Real Estate Taxation Law, etc.), including monetary sanctions (penalties), if it has been decided to impose them.
21. The applicant shall cooperate fully and in good faith with any relevant authority of the Tax Authority in all matters related to the voluntary disclosure request.
22. Once the tax has been paid as determined by the Civil Officer pursuant to Section 20 above, no criminal investigation shall be opened against the applicant in connection with the voluntary disclosure request.

D. Guidelines for Non-Initiation of Criminal Investigation Procedures and Use of Information

23. Immunity in criminal proceedings shall apply only to the information provided within the framework of the voluntary disclosure procedure and in connection with it.
24. Immunity from criminal proceedings under this Procedure shall apply solely to offenses under the laws listed in Appendix A attached to the Procedure.
25. The Procedure shall not apply to income derived from illegal activities.
26. Voluntary disclosure under this Procedure shall not apply to offenses defined as administrative offenses under the Administrative Offenses Law, 1985.

² On September 1, 2025, the Israel Tax Authority published the following clarification: **2. Regarding Section 18 of the Procedure – Assessment Process in Case of Disagreement:** ■ In Section 18 of the Procedure, in place of Sections 152–154 of the Ordinance, Sections 150–158A of the Ordinance shall apply, or the corresponding provisions in other tax laws.

27. If the request has not been approved by the Authorized Officer pursuant to Section 13, the Tax Authority shall not use the information in the request for the purpose of criminal and/or civil proceedings. For the avoidance of doubt, the Tax Authority may use any information related to the voluntary disclosure request that it obtained by other means, and as provided in Section 28 below.
28. Notwithstanding Section 27 above, if Sections 1 and/or 8 above are violated, or if the tax has not been paid in accordance with the determination of the Civil Officer pursuant to Section 20 above, the voluntary disclosure procedure shall be cancelled and no immunity from criminal proceedings shall be granted to the applicant, or any criminal immunity granted shall be revoked. In such cases, the Tax Authority may use the data provided by the applicant in the request as evidence in any criminal and/or civil proceedings³.
29. If it is decided to approve the voluntary disclosure, it shall be noted in the disclosure approval and in the assessment agreement, if such an agreement has been signed, that the disclosure and the assessment agreement are based on the taxpayer's declarations, including with respect to the source of the capital, and including the classification of income or expenses.
30. The appendices to this Procedure and any guidelines issued for its implementation shall constitute an integral part of the Procedure.
31. A decision to reject the request shall be justified, except where the rejection is due to non-compliance with Sections 3 to 6 of the Procedure.
32. Notices as specified in this Procedure shall be sent to the email from which the request was received, or by regular mail or registered mail to the address of the representative (power of attorney) or to the address of the applicant (the address registered with the Ministry of the Interior or the Tax Authority), or to the personal area in the online system where the request was submitted.
33. This Procedure supersedes any previous procedures or implementing provisions regarding voluntary disclosure.

E. Effective Date

This Procedure shall apply from the date of its publication until August 31, 2026.

Sincerely,
Israel Tax Authority

³ On September 1, 2025, the Israel Tax Authority published the following clarification: Regarding Section 28 of the Procedure – 1. **Non-Payment of Tax and Use of Information:** ■ the Procedure provides that if the tax is not paid in accordance with the determination of the civil authority (Section 20 of the Procedure), the voluntary disclosure process shall be canceled, and the Tax Authority may use the data submitted within the framework of the application as evidence in any criminal and/or civil proceeding. ■ For the avoidance of doubt, it is clarified that this provision applies solely to non-payment of undisputed tax – namely, tax declared by the applicant, or determined by agreement with the civil authority, or determined pursuant to a court ruling and not paid on time. Where tax is disputed and proceedings are conducted in respect thereof as detailed in Section 18 of the Procedure, then so long as the proceedings are ongoing, the non-payment of the disputed tax shall not, in itself, constitute grounds for using the information as set forth in this Section. This does not derogate from the authority of the Tax Authority to use the information for the additional reasons specified in this Section and in Section 27 of the Procedure.

Appendix A - Offenses under Specified Law

Offenses according to the laws listed below:

1. Income Tax Ordinance [New Version], 5721-1961
2. Real Estate Taxation Law (Appreciation and Acquisition), 5733-1963
3. Value Added Tax Law, 5736-1975
4. Purchase Tax Law (Goods and Services), 5712-1952
5. Customs Ordinance [New Version]
6. Law for Limiting the Use of Cash, 5778-2018
7. Fuel Tax Law, 5718-1958
8. Property Tax and Compensation Fund Law, 5721-1961
9. Import and Export Ordinance [New Version], 5739-1979
10. Tobacco Ordinance [New Version]
11. Intoxicating Beverages Ordinance [Production and Sale] [New Version]
12. The Denatured Alcohols Ordinance [New Version]
13. Prohibition of Money Laundering Law, 2000, where the predicate offense is an offense under one of the laws listed in Sections 1–12 of this Appendix
14. Any provision regarding tax in the law or pursuant thereto, referring to one or more of the statutes listed in paragraphs 1 to 12 above.

Appendix B - Declaration Form for Voluntary Disclosure Request

Declaration Form for Voluntary Disclosure Request

Applicant Name: _____

1. ID Number / Corporate Registration: _____

2. Details of Facts Subject to Request: _____

Tax Years / Income Source	
Total for Tax Year / Report Period	
Principal Tax Liability in the Request	

3. The amount of capital reported in the request as of the submission date _____

4. Cumulative Offence Amount (income, assets, improperly claimed expenses, etc.): _____

5. Is the source of assets and income disclosed in financial assets held at financial institutions outside Israel with total balance lower than ₪4,000,000 as of 31.12.2014?

☐ Yes ☐ No

Bank account statements must be attached, including balances and transactions for each year of the disclosure period.

6. Were there deposits/transfers of new funds to accounts at financial institutions mentioned in section 5 above, during the 10 years preceding the request date?

☐ Yes ☐ No

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7. Is the source of income disclosed in rent income to residents in Israel and/or abroad in cumulative amount not exceeding ₪250,000 per year?

☐ Yes ☐ No

Lease agreements must be attached.

8. Is the source of income disclosed in digital assets in amount not exceeding ₪500,000, and the fair value of all of my digital assets for the entire disclosure period does not exceed ₪1,500,000 in total as of 31/12/2024?

☐ Yes ☐ No

Working paper for profit calculation and certificates for total value of digital assets must be attached.

9. The tax system covered by the voluntary disclosure request is: Income Tax / VAT / Real Estate Appreciation Tax / Customs.

10. Was a voluntary disclosure request submitted in the past?

☐ Yes ☐ No

(If yes, the previous request must be attached)

11. Are there partners related to the ownership or management of assets or reported income within the framework of this procedure?

☐ Yes ☐ No

If yes, please specify the partners' details.

12. Is the applicant's occupation is a diamond dealer?

☐ Yes ☐ No

13. Mark and complete according to one of the following three options:

☐ I declare that I have a file with the Tax Authority managed by a assesemnt office _____.

☐ I declare that I previously had a file of type _____ managed by a assesment office _____.

☐ I declare that I do not have and have not had a file with the Tax Authority, and according to my place of residence, I belong to the jurisdiction of assesment office _____.

14. I hereby declare that the voluntary disclosure procedure and its appendices have been explained to me, and I undertake to act according to it.

(Attached for presentation as confirmation that it was signed before me)

15. I hereby declare that the aforementioned funds do not derive from income originating from illegal activities (except for money laundering offense as detailed in Appendix A to the voluntary disclosure procedure or tax evasion offense).

16. I hereby declare that the details or documents submitted or to be submitted by me or on my behalf within the framework of the voluntary disclosure procedure are complete and accurate.

17. I am aware that in case of false declaration or incorrect use of information I provided within the framework of providing any information, the Tax Authority may, among other things, conduct civil or criminal proceedings.

18. I am aware that the provisions stated in sections 12-16 above also apply to any additional information that will be provided or reported to the civil authority or authorized authority within the framework of the voluntary disclosure procedure.

Applicant's Signature: _____

Applicant's ID: _____

Applicant's Name: _____

Signature Date: _____

Signature Authentication

I, the undersigned _____, hereby confirm that Mr./Ms. _____ appeared before me, whom I identified according to ID document number _____, and confirmed before me the voluntary disclosure request in this form.

Full Name: _____

License Number: _____

Signature and Stamp of Authentication Authority: _____

19. Voluntary disclosure requests are submitted to the authorized authority only through a designated form. The form is located in the personal area on the Tax Authority website by clicking the "Reporting and Payment Links" button or can be submitted by a representative through power of attorney. The link is as follows: <https://secapp.taxes.gov.il/mm-giluy-meratzon>

Appendix C - Power of Attorney for Voluntary Disclosure Request

To:

Israel Tax Authority

Subject: **Power of Attorney for Voluntary Disclosure Request**

I, _____, ID _____ / Corporate Registration _____, hereby authorize the power of CPA / Lawyer / Tax Advisor, License No. _____, ID _____, to be my representative, to act on my behalf, to submit or receive any document on my behalf, to represent me, to reach agreements on my behalf with any unit in the Tax Authority, including information or any matter and issue related to the voluntary disclosure submitted on my behalf.

First and Last Name: _____ *(In a company, the signatory authority must be specified)*

Date: _____

Signature: _____