

Withholding Tax Rates related to Securities Income						
Customer type			Foreign Resident-	Foreign Resident-	Israeli Resident-	Israeli Resident-
Investment vehicle		Type of Income	Individual	Corporation	Individual	Corporation
Equities						
1) Israeli equities traded on TASE, including warrants, dual-listed equities of Israeli companies traded overseas (not traded in Tel Aviv, issued by Israeli company), Futures transactions traded in Tel Aviv, MAOF (Derivatives) trades, Index-Linked Certificates (Israeli equivalent to ETFs).	Capital gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Dividend	25% (see note 1)	25% (see note 1)	25% (see note 1)	Exempt (see note 2)	
2) Equities of a foreign company traded on the Tel Aviv Stock Exchange (including warrants)	Capital Gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Dividend	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
3) Israeli and Foreign securities	Income received from lending	25%	Company Tax Rate (see note 10)	Max. marginal tax rate (see note 11)	Company Tax Rate (see note 10)	
4) Foreign securities as defined prior to the amendment of regulation no. 147 of the Income Tax law, including Futures transactions and warrants	Capital Gain	Exempt	Exempt	25% (see note 12)	Company Tax Rate (see note 10)	
	Dividend	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
Bonds / T-Bills						
5) MAKAM	Capital gain - Nominal	15%	Company Tax Rate (see note 10)	15%	Company Tax Rate (see note 10)	
	Discount * The Makam is purchased at a discount (less than 100) and on redemption date matures at 100. The difference is subject to tax on redemption date.	15%	Company Tax Rate (see note 10)	15%	Company Tax Rate (see note 10)	
6) Short Term <u>Non Linked</u> Government Bonds issued for a period of up to 13 months	Capital gain-Nominal	15%	Company Tax Rate (see note 10)	15%	Company Tax Rate (see note 10)	
	Discount	15%	Company Tax Rate (see note 10)	15%	Company Tax Rate (see note 10)	
7) Short Term <u>Linked</u> Government Bonds issued for a period of up to 13 months	Capital gain	25%	Company Tax Rate (see note 10)	25%	Company Tax Rate (see note 10)	
	Discount	25%	Company Tax Rate (see note 10)	25%	Company Tax Rate (see note 10)	
8) Linked Israel Govt. bonds (Galil,Kfir,Gilboa) traded on the TASE and issued before May 8, 2000	Capital Gain	Exempt	Exempt	Exempt	Exempt	
	Interest/discount	25%	Company Tax Rate (see note 10)	35%	35%	
9) <u>Linked</u> Israel Govt. bonds (Galil,Kfir,Gilboa) traded on the TASE and issued <u>after</u> May 8, 2000 for a period of more than 13 months	Capital Gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Interest/discount	Exempt	Exempt	25% (see note 5)	Company Tax Rate (see note 10)	
10) <u>Non-linked</u> Israel Govt. Bonds (Shachar, Gilon) traded on the TASE and issued <u>before</u> May 8, 2000	Capital gain-Nominal	Exempt	Exempt	Exempt	Exempt	
	Interest/discount	Exempt	Company Tax Rate (see note 10)	Exempt	Company Tax Rate (see note 10)	
11) <u>Non- linked</u> Israel Govt. Bonds (Shachar, Gilon) traded on the TASE and issued <u>after</u> May 8, 2000 for a period of more than 13 months	Capital gain-Nominal	Exempt	Exempt	15%	Company Tax Rate (see note 10)	
	Interest/discount	Exempt	Exempt	15% (see note 3)	Company Tax Rate (see note 10)	

Customer type			Foreign Resident-	Foreign Resident-	Israeli Resident-	Israeli Resident-
Investment vehicle		Type of Income	Individual	Corporation	Individual	Corporation
12) Israel Govt. Bond issued abroad <u>before</u> May 8, 2000	Capital Gain	Exempt	Exempt	Exempt	Exempt	Exempt
	Interest/discount	Exempt	Exempt	35%	35%	
13) Israel Govt. Bond issued abroad <u>after</u> May 8, 2000	Capital Gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Interest/discount	Exempt	Exempt	25% (see note 5)	Company Tax Rate (see note 10)	
14) <u>Non-linked</u> Straight Corporate Bonds (non-convertible) demominated in ILS and issued <u>before</u> May 8, 2000	Capital Gain-Nominal	Exempt	Exempt	Exempt	Exempt	
	Interest/discount	Exempt (see note 7)	Exempt (see note 7)	35%	35%	
15) <u>Non linked</u> Straight Corporate bonds (non convertible) demominated in ILS and issued <u>after</u> May 8, 2000	Capital gain-Nominal	Exempt	Exempt	15%	Company Tax Rate (see note 10)	
	Interest/discount	Exempt (see note 8)	Exempt (see note 7)	15% (see note 4)	Company Tax Rate (see note 10)	
16) Non Convertible Corporate Bonds, <u>linked</u> and issued <u>prior</u> to May 8, 2000	Capital gain	Exempt	Exempt	Exempt	Exempt	
	Interest/discount	Exempt (see note 7)	Exempt (see note 7)	35%	35%	
17) Non Convertible Corporate Bonds, <u>linked</u> and issued <u>after</u> May 8, 2000	Capital gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Interest/discount	Exempt (see note 9)	Exempt (see note 7)	25% (see note 5)	Company Tax Rate (see note 10)	
18) Convertible <u>linked</u> bonds traded on the TASE, issued <u>before</u> May 8, 2000	Capital Gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Interest/discount	Exempt (see note 7)	Exempt (see note 7)	35%	35%	
19) Convertible <u>non-linked</u> bonds traded on the TASE, issued <u>after</u> May 8, 2000	Capital Gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Interest/discount	Exempt (see note 8)	Exempt (see note 7)	15% (see note 4)	Company Tax Rate (see note 10)	
20) Convertible <u>linked</u> bonds traded on the TASE, issued <u>after</u> May 8, 2000	Capital Gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Interest/discount	Exempt (see note 9)	Exempt (see note 7)	25% (see note 5)	Company Tax Rate (see note 10)	
21) Corporate bonds issued abroad by Israeli resident companies <u>before</u> May 8, 2000	Capital Gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Interest/discount	25% (see note 20)	Company Tax Rate (see note 10 and 20)	35%	Company Tax Rate (see note 10)	
22) Corporate bonds issued abroad by Israeli resident companies <u>after</u> May 8, 2000	Capital Gain	Exempt	Exempt	25%	Company Tax Rate (see note 10)	
	Interest/discount	25% (see note 20)	Company Tax Rate (see note 10 and 20)	25%	Company Tax Rate (see note 10)	
23) Foreign bonds as defined prior to the amendment of regulation no. 147 of the Income Tax law, issued <u>before</u> May 8, 2000	Capital Gain	Exempt	Exempt	25% (see note 12)	Company Tax Rate (see note 10)	
	Interest/discount	Exempt	Exempt	35%	Company Tax Rate (see note 10)	
24) Foreign bonds as defined prior to amendment of regulation no. 147 of the Income Tax law. Issued <u>after</u> May 8, 2000	Capital Gain	Exempt	Exempt	25% (see note 12)	Company Tax Rate (see note 10)	
	Interest/discount	Exempt	Exempt	25% (see note 19)	Company Tax Rate (see note 10)	
Trust Funds						
25) REIT (Real Estate Investment Trust) securities type	Capital gain	The bank will deduct a WHT of 25% (at source)	Company Tax Rate (see note 10)	The bank will deduct a WHT of 25% (at source)	Company Tax Rate (see note 10)	
	Dividend	(see note 21)	(see note 21)	(see note 21)	(see note 21)	
26) Israeli Trust Fund- Non exempt (The Fund pays the tax)	Capital Gain	Exempt	Company Tax Rate (see note 10)	Exempt	Company Tax Rate (see note 10)	
	Distribution of profits	Exempt	Company Tax Rate (see note 10)	Exempt	Company Tax Rate (see note 10)	

Customer type			Foreign Resident-	Foreign Resident-	Israeli Resident-	Israeli Resident-
Investment vehicle		Type of Income	Individual	Corporation	Individual	Corporation
Note 18: For Israeli Trust Funds, which changed their tax status since 1/1/2005 from "exempt" to "mixed" Fund, and from 1/1/2006 changed again to "exempt" tax will be withheld at the rate of 25% for the whole period from the date of purchase to the date of sale.						
Note 19: Proportionate tax will be withheld. Details can be provided upon request if applicable.						
Note 20: WHT will not be held for the following bonds: Israel Electricity Company, Gilat and M.A. industries.						
Note 21: As of August 8, 2017, tax on REIT distribution of profits shall be withheld by the TASE Members, and not by the REIT companies, as previously done. The weighted tax rate is determined in accordance with the components of the dividend source, as published by the REIT issuing company prior to dividend payment. Usually for corporations it will be according to the Israeli companies tax rate (see note 10). Pension funds are exempt from tax on REIT distributions of profit, subject to submission of required documentation.						

Disclaimer: The information appearing above is for informational purposes only. While we have received the information from sources that we consider reliable, we do not make any guarantees regarding the accuracy of the information. All investors are requested to consult with tax advisors who are competent regarding the tax laws in Israel before investing in our market.