



## Tax

Yigal Arnon & Co.'s top-ranked tax lawyers are highly skilled in counseling businesses large and small in understanding and managing the complexity of Israeli tax laws and how they affect commercial transactions and corporate finance.

We advise individual and corporate clients on investment and tax planning matters, identify and resolve tax issues as they arise, represent clients before the tax authorities and undertake litigation when it cannot be avoided.

Our Tax Group's expertise covers corporate taxation, international tax and treaty implementation, mergers and acquisitions, real estate taxation, transfer pricing, value-added tax, venture fund formation, employee stock options, financial instruments, trust taxation and numerous other specialized areas. We are frequently asked to give tax opinions and to apply for pre-rulings from the Israeli tax authorities. Our clients rely on our ability to look beyond the identification of tax problems and find innovative and timely solutions.

### M&A Transactions

We handle all tax aspects of mergers and acquisitions, including employee stock options, taxation of founders, withholding at source by purchasers, tax due diligence and post-merger tax optimization. This advice is given in a timely and efficient manner, to enable transactions to proceed as quickly as possible.

### Litigation

Yigal Arnon & Co. represents clients in varied tax disputes, including multimillion-dollar tax litigation concerning:

- Valuation of intellectual property sold to non-Israeli affiliates of taxpayer companies
- Large-scale litigation on the valuation of IP sold to a non-Israeli affiliate of the taxpayer and whether a deemed intercompany debt was created as a result
- Large-scale real estate tax litigation on the inclusion of various fixtures and equipment in the scope of the term "real property" for tax purposes in shopping center acquisitions
- Litigation on the recognition of nominal (shekel) capital losses from securities transactions resulting from changes in the exchange rate
- Litigation on the recognition of income from future transactions

## Negotiation of Arrangements and Pre-Rulings; Representation in ITA Audits

We negotiate arrangements and pre-rulings concerning reorganizations, tax treaty applications, expatriate taxation, trusts, stock options and value added tax, among other things.

## Tax opinions

We provide legal opinions on a wide variety of topics, including specialized areas such as corporate tax, immigrant (*olim*) and returning resident rights, tax treaty interpretation, financial market products, controlled foreign corporations and place of corporate residence (control and management).

## Tax Planning

We provide tax planning for Israeli-owned corporations operating abroad and for multinational corporations operating in Israel. The firm advises Israeli and multinational corporations on legal and tax-related aspects of equity-based forms of employee compensation.

## Family Wealth Management

In this area, our Tax Department advises individuals and families how to optimize their wealth management with regard private and business assets, including by use of trusts, tailoring solutions for the specific needs and sensitives of each family. Our team offers expertise in the relevant fields, such as Israeli and international taxation, land tax, estate and gift tax, trusts, prenuptial agreements and legal guardianships.

## Real Estate Tax

The tax implications of real estate transactions can be especially complex. Yigal Arnon & Co. is among the only law firms in Israel which, in addition to having a large real estate practice, also offer land tax expertise.

We provide clients with tax consulting on all real estate transactions, starting with optimal tax planning ahead of the deal and continuing through obtaining a pre-ruling from the tax authority. We also provide tax assistance during the execution of the deal and file the necessary reports to the land tax authorities, and we assist in tax rate negotiations in large-scale real estate projects.

Our clients include leading real estate companies, and individuals and foreign residents purchasing real estate assets and operations in Israel.

### More specifically, our services include:

- Consultation on and legal opinions about the tax implications of real estate deals, such as the betterment tax, purchase tax and VAT, including tax calculations and reporting the transaction to the tax authorities
- Tax planning and consultation in complex real estate transactions and in financing transactions ancillary to the purchase and development of real estate, including international tax implications if and as relevant
- Representation of clients in assessment procedures vis-à-vis the Land Tax Offices, including representation before the tax authorities throughout the assessment process, drafting and management of appeals on the Tax Director's "best judgment" assessment, and negotiations with the tax authorities toward a final assessment



- Drafting of and representation in appeals before appellate committees and the courts
- Family wealth management as it pertains to real estate assets
- Consultation, tax planning and representation vis-à-vis the tax authorities on all tax matters ancillary to complex urban renewal projects, such as *pinui binui* and *Tama 38*

## Recognition

