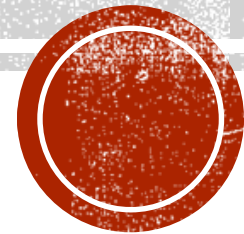


# ICO TAX TREATMENT OF TOKENS IN ISRAEL

חברות המובילות  
Leading Companies



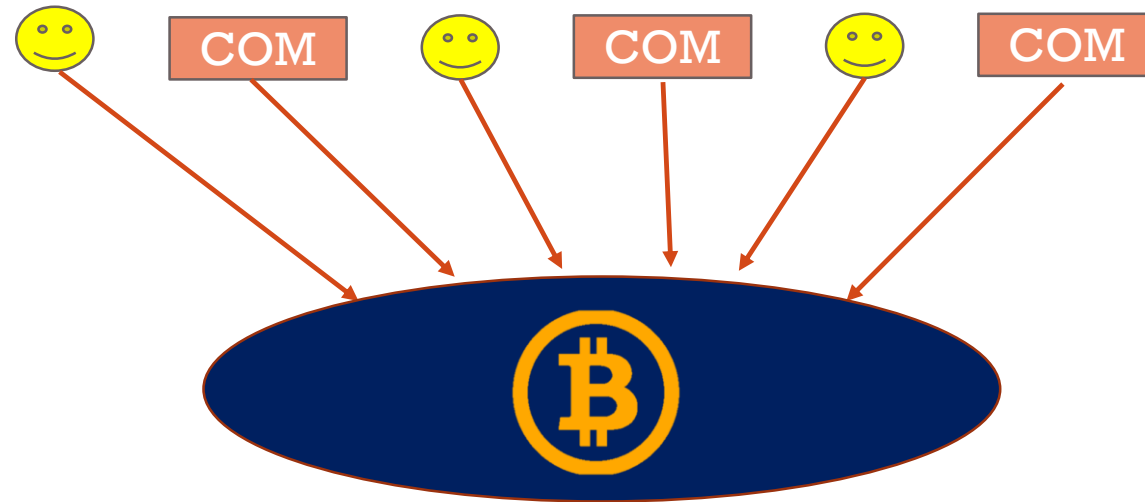
**Benny (Baruch) Yona**  
2018



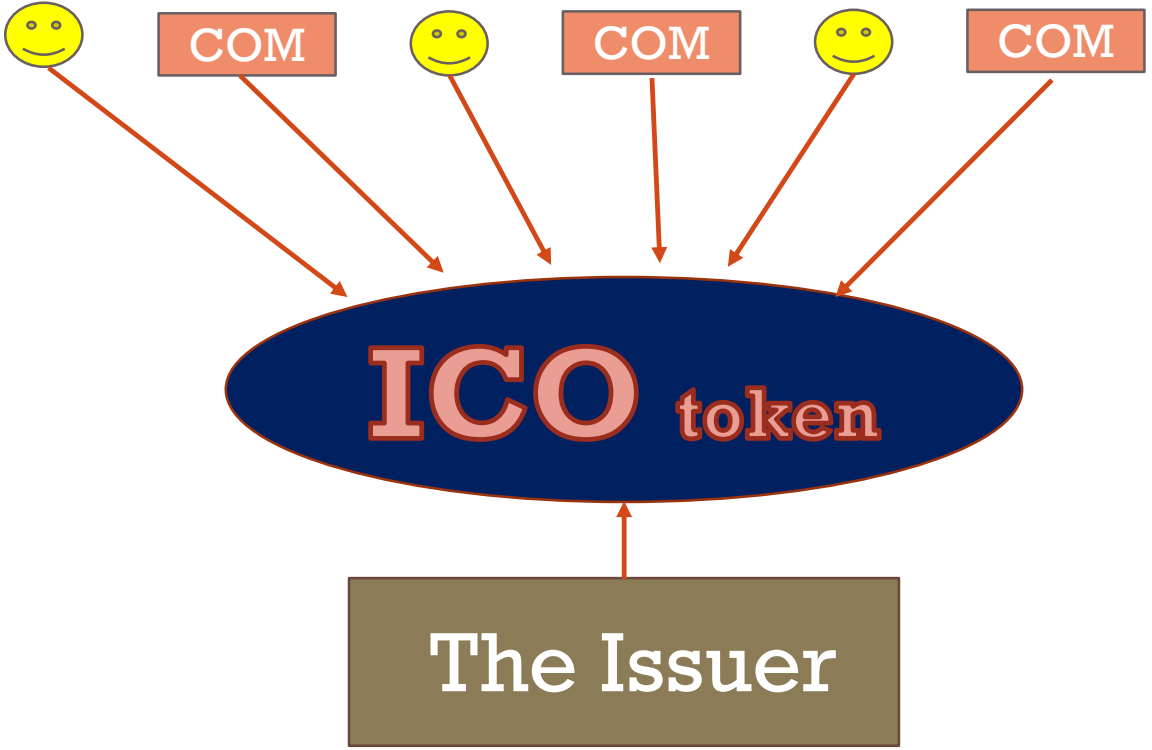
מגדל סונול - דרך מנחם בגין 52 קומה 14 תל אביב | Sonol Tower – 52 Menachem Begin, 14th floor, Tel Aviv, Israel 6713701

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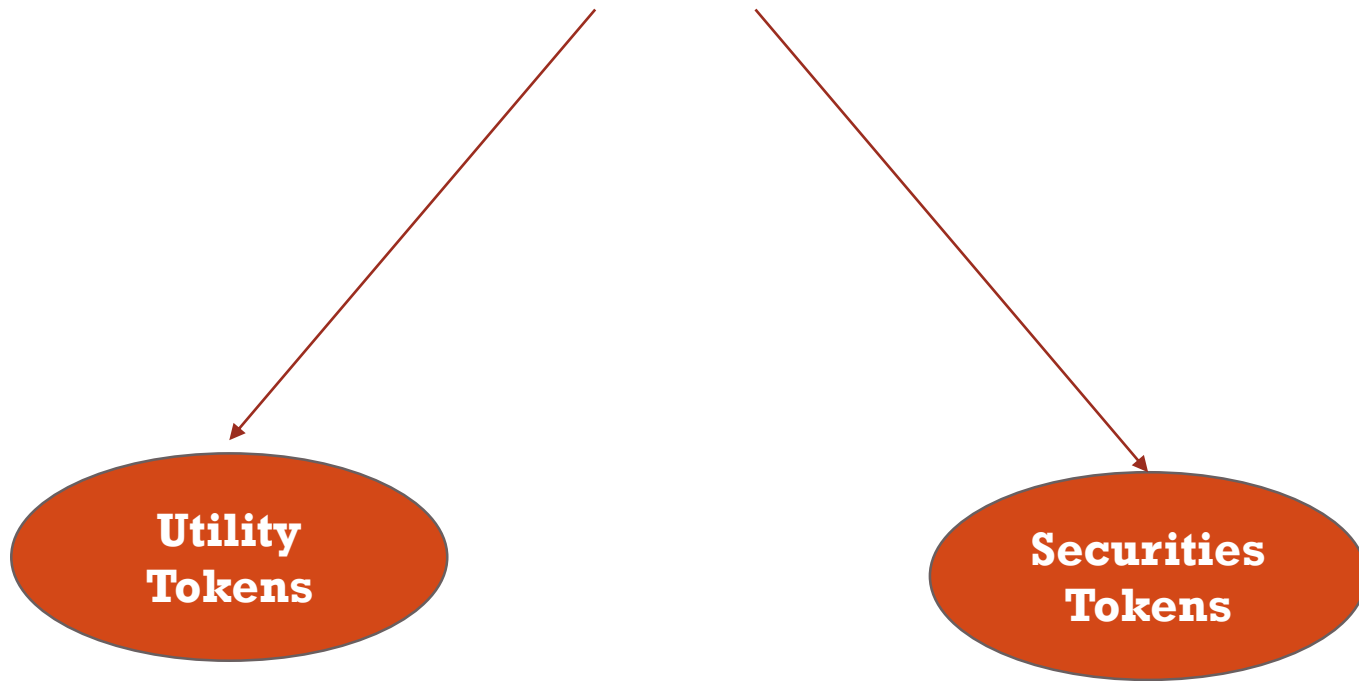
# HOLDERS



# HOLDERS

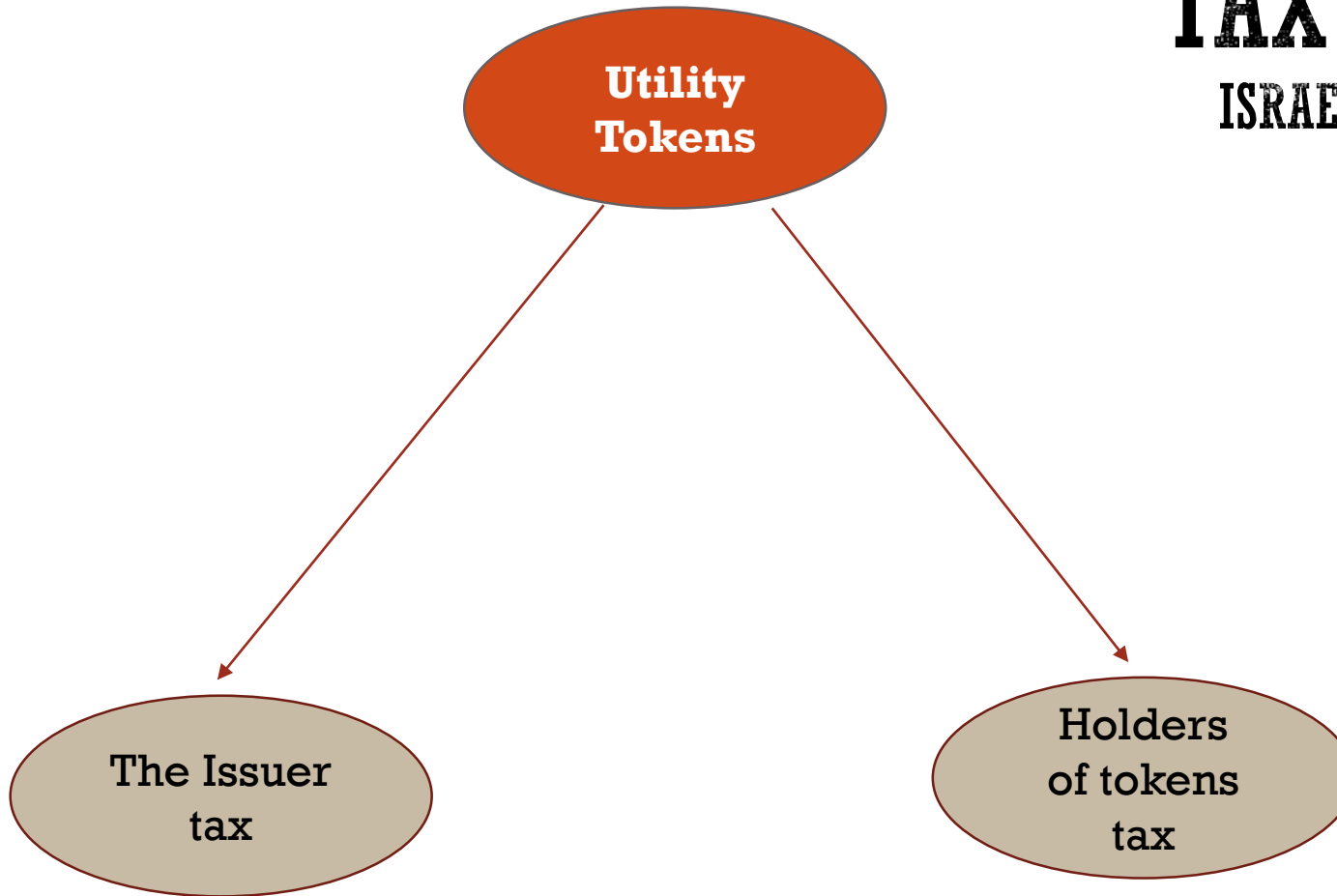


**ICO** = **SMART CONTRACT**



# TAX CIRCULAR

ISRAELI TAX AUTHORITIES



# UTILITY TOKENS

The Issuer  
tax

- **Revenue in advance**  
until the service or product is delivered  
the money that was accepted in the offering is considered “Revenue in advance”
- **The Tax Charge** occurs at time of the **delivery of the service or product**
- For service or product transactions that are liable for tax in Israel:
  - Israeli Corporate tax - 23% (dividends 30%/25%)
  - Israeli Corporate tax with a *Preferred technological enterprise* recognition– 12% (dividend 20%/4%)
  - VAT charge



# UTILITY TOKENS

Holders  
of tokens  
tax

- Revenue generated as a result of Token activity will be subject to Tax depending on the type of activities and the parties involved.
  - Capital Income - Capital Gains tax (VAT free)
  - Business Income, Employees - Income Tax
  - Companies - Corporation Tax



# SECURITIES TOKENS

- The Israeli Tax Authority has not published a tax circular yet
- However....
- A Pre-ruling possibility exists







## ISRAEL CRYPTO AUTHORITIES FOR ICO

- ✓ Tax authorities
- ✓ Israel Securities Authority
- ✓ Money Laundering Authority
- ✓ Banks



# THE CRIPTO AUTHORITIES REGULATION

**ICO** - Initial Coin Offerings

**TURNING INTO**

**RCO** – Regulated Coin Offerings



**THANK YOU!**

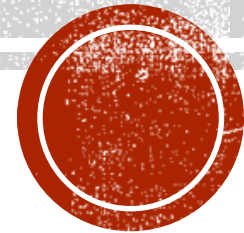
**BENNY (BARUCH) YONA  
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החברות המובילות  
Leading Companies



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