



THE HON JOSH FRYDENBERG MP
Treasurer

THE HON MICHAEL SUKKAR MP
Minister for Housing & Assistant Treasurer

MEDIA RELEASE

19 September 2019

NEW ISRAEL TAX TREATY INTRODUCED INTO PARLIAMENT TODAY

Today, the Government introduced legislation for a new tax treaty between Australia and Israel, further deepening our strong bilateral relationship.

This new treaty was signed in March 2019 and is the first tax treaty between Australia and Israel.

This is an important tax treaty for Australia which will further strengthen commercial relations between our two countries and provide greater opportunities to grow those relationships.

In 2017-18 total merchandise trade between Australia and Israel was worth over \$1 billion, and Israel's investment in Australia in 2017 was \$301 million.

Key features of the treaty include reducing withholding tax rates to create a more favourable bilateral investment environment, making it cheaper for Australian business to access foreign capital and technology; providing greater certainty for business in both jurisdictions and reducing the incidence of double taxation.

The treaty will allow Australian companies to take greater advantage of Israel's knowledge-based economy — one that thrives on innovation. Israel's innovation eco-system is one of the most developed in the world, shaped by a sophisticated system of major global investors, start-ups and universities. All of this makes Israel a natural destination for Australian innovation entrepreneurs, corporates and researchers interested in collaborating with the local innovation eco-system. The treaty builds on other Government initiatives to increase trade and investment with Israel, including the opening of an Australian Landing Pad in Tel Aviv to assist Australian start-up companies interested in going global or seeking strategic partners and collaboration.

The new treaty also includes OECD/G20 base erosion and profit shifting (BEPS) recommendations, demonstrating the Government's continued commitment to tackling international tax avoidance practices.

The treaty will enter into force once both countries have completed their domestic requirements which, in the case of Australia, includes the enactment of this legislation. The legislation will also introduce new deemed source of income rules that ensures Australia can exercise its taxing rights under this new treaty and future tax treaties.

Media contact: Annabel Clunies-Ross — Office of the Hon Josh Frydenberg MP — 02 6277 7920
The Hon Josh Frydenberg MP | Treasurer | MELBOURNE
Anthony Moate – Office of the Hon Michael Sukkar MP – 02 6277 7230

A summary of the main features of the new treaty is available at: <https://www.treasury.gov.au/media-release/israel-tax-treaty>

Copies of the bill and explanatory memorandum is available at:
[http://www.aph.gov.au/Parliamentary Business/Bills Legislation](http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation)

Ends