

Transfer Pricing Country Profile
(to be posted on the OECD Internet site www.oecd.org/taxation)

Name of Country: Israel Date of profile: October 2009

No.	Item	Reference to and wherever possible text of the provisions; Wherever needed and possible, a translation into one of the OECD official languages would be welcome
1	Reference to the Arm's Length Principle	Section 85A (a) of the Income Tax Ordinance.
2	Reference to the OECD Transfer Pricing Guidelines (if any)	Income Tax Regulations (Determination of Market Conditions), Regulation 6
3	Definition of related parties	Section 85A (b) of the Income Tax Ordinance.
4	Transfer pricing methods	Income Tax Regulations (Determination of Market Conditions), Regulation 2(a)
5	Transfer pricing documentation requirements	Income Tax Regulations (Determination of Market Conditions), Regulation 5
6	Specific transfer pricing audit procedures and / or specific transfer pricing penalties.	There are no specific transfer pricing audit procedures and/ or specific transfer pricing penalties.
7	Relevant regulations on Advance Pricing Arrangements	Section 85A (d) of the Income Tax Ordinance. There are no specific regulations on APA.
8	Link to relevant Government Internet sites	http://147.237.72.111/customs/eng/mainpage.htm http://ozar.mof.gov.il/mainpage_eng.asp
9	Other relevant information	Circular number 3/2008

Note

1. Relevant provisions of domestic legislation referring to the Arm's Length Principle.
2. Reference if any to the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations in domestic legislation or regulations.
3. Relevant legislation or regulations containing a definition of related parties or associated enterprises.
4. Relevant legislation or regulations containing guidance on transfer pricing methods including hierarchy among them if any.
5. Relevant regulations if any in relation to transfer pricing documentation requirements.
6. Relevant regulations if any on specific transfer pricing audit procedures and / or specific transfer pricing penalties.
7. Relevant regulations if any on Advance Pricing Arrangements.
8. Addresses of the Internet sites of the relevant authorities in charge of transfer pricing policy, its administration and Advance Pricing Arrangements.
9. Other relevant information, for instance having gone through a peer review, or having new transfer pricing regulations in preparation.