

BUSINESS AND FINANCE

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7% on interest payments to banks, 10% on other interest payments, and 10% on dividends and royalties. When Israel joins the OECD, the tax levied on dividends and royalties will be lower.

License Fee for Foreign Workers Shoots Up

The license fee for hiring a foreign worker is being raised from NIS 4,000 to NIS 115,000. The Knesset's Finance, and Labor and Welfare committees decided last week during a joint session to raise the license fee for industrial companies 28-fold, to discourage the employment of foreigners at the expense of Israelis. Nir Klinger, director general of the Handicrafts and Industry Association, complained that

some trades, like welders, didn't have enough Israeli candidates for the jobs and couldn't afford rates like that. First train Israelis, then change the rules, he suggested.

The TASE vs. Its Employees

Although these have been some of the rockiest times in decades for financial markets, the Tel Aviv Stock Exchange has been closing at 2:15 — three hours early — for the past three weeks due to a work dispute. It isn't clear whether the sanctions have had an effect on the markets — some analysts think it may be moderating the general panic. But one trader explained that in addition to all that is going on in world markets, the pressure of the stock exchange "strike" is only making things worse. "People need to act, and there is no time. It creates a gap between the opening of trading overseas and trading in Israel,

and limits everyone," said one trader. The TASE employees' union is demanding a 15% raise, in addition to a bonus for workers equal to seven monthly salaries. According to TASE sources, these demands amount to NIS 15 million a year. This is not a trivial sum: In 2005 and 2006 the TASE made NIS 40 million in annual profits on revenues of NIS 180-NIS 190 million. The union met with workers during working hours last week, and this led to disruptions in a number of operations. Last Tuesday, the union met with management, but the meeting ended without progress. No further meetings have been set yet.

Treasury: PMO Trying to Control 2009 Budget Process

For the first time the Prime Minister's Office is taking a more active role in preparing the state budget, angering the

Treasury by formulating its own plan for 2009. Prime Minister's Office Director General Raanan Dinur hinted how he would like to see the 2009 budget, including large investments in education and defense. This would prevent adding any more money to almost all other ministries. At the same time, Dinur wants to give more authority to the ministries' directors general and deputy directors general for the preparation and implementation of their ministry's budget. Part of the plan is to increase the Cabinet's oversight with a change in emphasis — measuring results instead of spending. Last Wednesday, Dinur held a conference to explain his new procedures to senior representatives of all ministries. The PMO has asked all ministries to prepare a 10-15 page document evaluating their 2008 situation and their budgetary needs for 2009. These documents are supposed to be filed with the PMO by mid-April. The ministries are expected

to set their own priorities, with plans as to how to achieve them both in the short and long term. In addition, they must describe the changes they plan for 2009, based on conclusions drawn from this year's activities. And the ministries must try to find internal sources for future projects. Then Dinur will present the prime minister with his summary of the various ministries' situations and requests. It was not clear at what point the PMO planned to coordinate its budget proposal with the Finance Ministry. Until now, the Treasury's Budget Division has had sole responsibility for preparing the budget, and Treasury officials are seething "Dinur is messing up the government's work. The Treasury is the only body empowered by law to submit a budget proposal to the government," fumed a Treasury source. (Compiled from reports by Hamodia staff, news agencies and Haaretz news service)

YOUR MONEY

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Meanwhile, to encourage the import of ESP-equipped vehicles even before the mandatory installation goes into effect, the tax credit on ESP was increased by 50%.

Credit Card Purchase Growth Slows

Private consumers' credit card purchases rose by an annualized 4.1% in December 2007-February 2008, the Central Bureau of Statistics reports, down from an annualized 6.3% growth in September-November 2007 and 10.7% in 2007 as a whole. Private consumers' credit card purchases fell by 0.9% in February. A breakdown in private consumers' credit card purchases in

December-February showed annualized 1.6% growth in purchases of durable goods, and annualized 1.9% growth purchases of food and beverages, including catering. Private consumers' use of credit cards to pay for services, including insurance, plane reservations, vacations, recreation, entertainment, and municipal and government services, rose by an annualized 6.9% in December-February, down from the 8.3% growth in September-November. Use of credit cards to pay utilities and other products and services rose by annualized 7.1%, down from the 7.8% in September-November.

Gasoline Prices Up Again

Gasoline prices rose by about 1.5% on Tuesday, thanks to the spike in crude during the last

month: 95-octane went up 1.45% to NIS 6.29 per self-served liter, and 96-octane rose to NIS 6.31. The fee for having somebody else fill your car stays at 12 agorot per liter, including VAT. Oil has presently steadied at about \$105 per barrel, but diesel for public transportation rose 7.2%, following its 13.4% leap last month.

TA Apartment on Sale for \$34m.

The Gindi Group, which holds construction of the G Tower in central Tel Aviv, recently announced that it would be selling one of its apartments for \$34 million — the highest-priced flat in the city. The cost is nearly twice that of Israel's currently highest-priced apartment, purchased by Idan Ofer on Rothschild Boulevard 1 for \$17.1 million.

The question now is whether anybody will actually be willing to pay the demanded amount. The apartment in question is a 1,500-meter triplex flat combining a former duplex and penthouse apartment on the 24th, 25th and 26th floors, just under the triplex purchased more than a year ago by the holder of controlling interest for Bank Hapoalim, Shari Arison,

for \$13 million. Few real estate agents believe Gindi will get what it is asking. If Ofer's \$17.1 million apartment ranks the measure of prestigious apartments in Tel Aviv, they say, then there is no justification for doubling the price. (Compiled from reports by Hamodia staff, Haaretz service and news agencies)

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with fewer repairs in the long run. Once you have invested in professional-grade equipment, make sure that you maintain it properly. Beware of the common habit of snacking at the computer or keeping drinks close by. Should coffee spill on your keyboard, you're the one who'll have to pay for the costly repairs. **Make yourself feel like working:** Even though you do not have to leave the house for work, it is important that you look respectable and conduct yourself as though you were working in an office. Taking the time to get dressed in a manner suitable for work will make you feel more professional and behave more professionally. Remember that your clients can sense whether you are a professional working out of a home-based office or a housewife dabbling on the computer. Your work environment should also be conducive to getting the job done. Working from home has enough distractions; a cluttered workspace should not be one of them. Whether you set aside half an hour a week or five minutes at the start or end of your day, make sure you allocate time to organize your documents, invoices, receipts, supplies, etc. **Facilitate communication:** Because you are working remotely, make sure that there are multiple ways for people to contact you — by telephone, cellular, fax, e-mail, etc. — and see to it that you can be easily reached during your work hours.

You should have a separate telephone line and a separate e-mail account for work. Your work telephone should be off-limits to anyone but you, and should *never* be answered by children. **Get out:** To avoid the feeling of isolation, try to arrange for some of your work to be done outside the home — by scheduling meetings out of the house, for example, or by participating in professional seminars or conferences. **Upgrade your skills:** Working alone at home can make your skills rusty. Be sure to keep on top of the latest advances in your field and set aside time to continually upgrade your skills. **Track your performance:** As a home-based worker, you need to keep track of your own hours and expenses. Keeping careful records of all work-related income and expenses will make it easier to file tax returns when the time comes, and will also enable you to evaluate your performance. In addition, we have found that the awareness that comes from writing down hours leads people to work additional hours. Occasionally, take the time to ask yourself the following questions: Am I working too few, or too many, hours? How much am I earning? How much am I spending on work-related expenses? Am I disciplined enough in my work? The answers to these questions should help you to plan your work in the future. *Please note that any tax advice contained in this column is for purely informational purposes. Mesila is not responsible for tax-related content and encourages you to seek guidance from a certified accountant or tax adviser.*

Eidah Hachareidis Sets Up Committee to Supervise Investments

By Avraham Growise

The Badatz of the Eidah Hachareidis this week established a new supervisory body that will give a "hechsher" to investments and financial products. The new group, the Supervisory Committee for Investments and Finances, will attempt to provide an outlet for *shomrei mitzvos* who want to invest money in companies that do not violate halachah. Heading the new committee will be Harav Yaakov Blau, a senior member of the Badatz and head of its kashrus division. A number of companies are on the verge of signing agreements with the panel. After consulting with financial professionals and gathering the relevant data, the Badatz drew up the general principles to be considered by companies seeking to work with the *vaad*. The Badatz will

insist that companies under its supervision commit to the principles of the *vaad*, guarantee that they will follow those principles and agree to submit regular reports on their activities.



The Badatz says that investors have been seeking this service for years, but demand has skyrocketed lately because of structural changes in the local financial markets. In addition, the new law requiring all employers to help fund workers' pensions means that many more *shomrei Torah umitzvos* are being exposed to the capital markets, since the Treasury requires all pension funds to invest at least part of

their funds in stocks. Shuky Batist, an initiator of the idea and the manager of advertising agency Tovanot said that, "The financial investment market in the chareidi sector has undergone a huge upgrade in the past year. Banks are investing a great deal of resources in marketing and advertising to this sector, and investment houses are now taking an interest. "For example, an Israeli insurance company recently became involved in contracts to produce flour in Russia — meaning that an Israeli insurance company, using money belonging to Jews, could become owner and producer of outright *chametz* on Pesach, *Rachmana litzlan*." This is just one example of why halachic supervision is necessary and will be welcomed by thousands of investors seeking to invest their money in a kosher manner, he said.