

REMOTE WORKING

Many people who move to Israel today retain an interest in an overseas business or to relocate their office. Thanks to modern technology, it is surprisingly simple to work remotely and to minimize the number of overseas trips you are obliged to make.

Tele-conferences and holding meetings via web-cam are some of the ways that are now acceptable for staying in touch from a distance. Instant messenger has revolutionized the way that people work from home, and it makes not difference today whether you are an hour or a plane-ride away. Services like Skype which work on mobile phones and allow cheap or free international calls have removed many of the cost barriers to international tele-working.

So what are the issues to consider when planning to work overseas from Israel? First off, the time difference may become an issue. Telephone calls may have to be arranged late at night local time to suit overseas office hours. Running two clocks in your office is helpful but your family may also need to be tolerant of your need to work strange hours. You may be out of sync if you have to work on Fridays, but the flip-side is that you will be free to take trips to quiet locations or do local chores on a Sunday, when other Israelis are back at work. Email, of course, makes it easier to ask and answer questions in your own time.

Connecting to a good internet provider is crucial, as you will be dependent on a fast and reliable service. Ask people who live in the area where you plan to settle about local cable services and their track-record for repairing faults, and ask around about the best of the major ISPs. It is also worth ensuring that you have more than one telephone and internet system to rely on – being able to go to a local internet café and access your emails remotely is a useful facility, so make sure to choose an ISP that offers web-mail.

It is also worthwhile to hedge your bets with a few different telephone options. Many VOIP services (telephones via the internet) are excellent and you can buy a telephone number in your country of origin so that people who call you need not know that you are overseas. Check that you bring with you a suitably compatible telephone or headset to work this system, especially if you are bringing a computer or laptop to Israel. There are a number of telephone services that offer deals on overseas calls, each with a different prefix, so it may be worth using one for work and one for phoning friends and family overseas, to keep telephone bills separate, especially if you will be charging them to your company or tracking expenditure for tax purposes.

Taxation can be a sticky issue. Be sure to take professional advice before arriving in Israel, or signing any contracts.

In Israel, some freelance workers choose to be ‘employed’ by a company which deals with invoicing your overseas clients and working out and paying all your taxes, which can save a lot of headaches. If you are an employee with a salary paid into a non-Israeli bank account, but paying tax in Israel, keep your pay slips somewhere safe, because you will be taxed on your earnings at the official exchange rate on the day you received your

paycheck. The Bank of Israel website has a useful reference page which enables you to check what that exchange rate was on any particular day in the past 10 years.

If you travel overseas on business, it is worth bearing in mind that you are entitled to a tax allowance for every day that you are outside Israel. They recommend keeping all flight vouchers and receipts to show the dates and duration of each trip when you submit your tax return. Despite the expense, you will need an accountant to help you handle all the complexities, and it is best if they are familiar with the tax regime in your country of origin, especially if you pay tax there on savings etc. or if you are obliged to file tax returns as a non-domiciled resident tax payer.

Banking your money overseas and transferring it to Israel can be surprisingly difficult and costly. Firstly, make sure you open as many bank accounts as you need before you leave your country of origin, as you will find it almost impossible once you live overseas. Set up internet banking and work out which credit cards are most cost-effective for foreign currency purchases, if you intend to use them in Israel and pay your bills remotely. Some charge you at the prevailing exchange rate and others levy a commission on top – worth avoiding if you can!

Money laundering regulations and Israel's pre-historic banking system mean that the paperwork and cost of transferring money into Israel are both onerous. There are licensed money-changers in Israel today – a different breed from the old man in the corner of the shuk dispensing greasy banknotes – who can accept foreign currency checks and deposit the money directly into your Israeli bank account.

If you are coming to live in Israel, it is important to bring with you the receipts for all the valuable possessions you are bringing with you – not just for insurance purposes, because they will be required in the event of a claim – but also to allow your tax accountant to claim for capital depreciation. If you manage to buy new computer equipment and have it shipped in such a way that you can claim back the VAT, you score extra points for tax management!

All these small things add up, especially when you multiply them into shekels. The bottom line on remote working is that earning foreign currency while living in Israel can be very rewarding, either in the long term or as a bridge into employment in Israel. So don't forget to find time to go to Ulpan!

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