

Israeli illegal settlements Israel

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By: BankTrack

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[Project website](#)

Status



About Israeli illegal settlements

Israeli settlements in the occupied Palestinian West Bank, including East Jerusalem, and in the occupied Syrian Golan Heights, are illegal under international law. This is widely recognised and has been confirmed by the International Court of Justice and the UN Security Council. (e.g. see [UN Office for the Coordination of Humanitarian Affairs, 2012](#)).

Israel, the occupying state, violates numerous provisions of the Fourth Geneva Convention and other international humanitarian law (IHL) with the settlements: These are built and maintained primarily through unlawful appropriation of occupied land and natural resources and transfer of property rights, prohibited transfer of Israeli civilians into occupied territory, and arbitrary restriction of the freedom of movement and forcible transfer Palestinian and Syrian population.

Moreover, the settlements also amount to de facto annexation of occupied territory by Israel, which is a flagrant breach of general public international law and the UN Charter, violating the prohibition on the acquisition of territory by force and the internationally recognized right of Palestinians to self-determination. This is widely recognised, and has been confirmed by the International Court of Justice and the UN Security Council (e.g. see [UN Office for the Coordination of Humanitarian Affairs, 2012](#)).

Brief history

What must happen

Israeli banks must limit their service- and business activities with Israeli companies, authorities and home buyers to those which take place in Israel's internationally recognized territory (inside the "green line"), and avoid all financial support for Israeli settlement activity in occupied territory. They should also seek ways to support business, institutions and development activities of the occupied Palestinian and Syrian population, in order to facilitate independent economic development, self-determination and sovereignty.

Foreign/transnational banks with shareholdings in or other exposure to Israeli banks should abstain from or end the relationship with Israeli banks, institutions and business linked to the illegal settlements. States are to inform their businesses, including banks, about the risks involved in such business activities under international law, and about the consequences under domestic laws.

Issues

Social issues

Environmental issues

Human rights

Israeli and foreign/transnational banks violate IHL and human rights in two main ways: i) by carrying out financial activities that support the construction, expansion and maintenance of the illegal settlements; and, ii) by consolidating and sustaining the continuous violations of international law that buttress the maintenance of the illegal settlements, through physical presence (offices, branches) in settlements, and by conducting business with and generating revenues from the unlawful rights and titles created by the settlement economy.

Providing loans for construction on occupied land

Israeli banks sign accompaniment agreements with construction companies for projects located in the settlements. These are agreements follow the project from its first stages to its completion. Who Profits (2017) found evidence that Bank Leumi, Bank Hapoalim, Israel Discount Bank, Mizrahi-Tefahot Bank, Bank Igud, FIBI and Bank of Jerusalem are providing these special loans. Israeli banks also provide mortgages to businesses and home buyers in West Banks settlements.

The purchased property, both in the case of mortgage loans and accompaniment agreements, is used as collateral for the loan. Thus, the bank is facilitating the colonization of land and is a stakeholder in a settlement property and, in case of foreclosure, it may fully own that property on occupied land.

Servicing and financing Israeli local authorities in the occupied West Bank and the Golan Heights

Regional councils, local councils and municipalities of Israeli settlements in the occupied West Bank and the Golan Heights form part of Israel's system of local government and administer the settlements. These authorities depend on financial services provided by Israeli banks. Israeli banks with no exception have provided loans and financial services to local and regional councils of Israeli settlements in the West Bank between 2010 and 2017.

Operating branches in Israeli settlements

All commercial Israeli banks, with the exception of Dexia Israel and Igud Bank have branches or branches of subsidiaries in the settlements. Through these branches Israeli banks participate directly in the settlement economy and provide essential financial services to residents of the settlements. In the occupied West Bank, Palestinians are excluded from the services in these branches because they are prohibited from entering the settlements.

Sustaining and benefiting from the captivity of the Palestinian market

Due to restrictions in the context of the Oslo peace process in the early 1990s, Palestinians may not print and use their own currency. While there are four currencies that can be used in the Palestinian market (Israeli shekel, EU euro, Jordanian dinar and US dollar), the Israeli shekel dominates most of this market, due to the subordination of the entire Palestinian economy to that of Israel. Palestinian banks must rely Israeli banks, which serve as correspondence banks, for the transfer of funds and Shekel clearing services. According to official Palestinian sources, Israeli banks demand high cash collaterals for these services, charge high commissions and pose limitations on money transfers. In addition, Israeli banks cooperate only with some of the Palestinian banks; and refuse to work with newly established banks. Moreover, Israeli banks have stopped services to Palestinian Banks in the occupied Gaza Strip, bringing the financial market in Gaza to the brinks of a total collapse.

Sources: [Who Profits \(2017\)](#) and [Human Rights Watch \(2018\)](#)

Gender aspects

Other issues

Responsibilities of transnational banks and states

Foreign/transnational banks with shareholdings in or other exposure to Israeli banks lack the leverage to prevent or mitigate the adverse human rights impacts of business with the illegal Israeli settlements. This is due not only to the deep and direct involvement of Israeli banks in the illegal settlements, but also because the illicit property rights and titles created by the settlement economy from which revenues are generated, and the violations of international law underpinning it, are anchored in Israeli law and a matter of Israeli governmental policy.

In 2013, a Human Rights Council fact finding mission had recommended that enterprises must avoid adverse impacts on the human rights of the Palestinian people and terminate business with the illegal settlements, while calling on states to adopt measures to ensure that enterprises will do so (at [paragraph 117](#)). In March 2016, the Human Rights Council instructed the Office of High Commissioner for Human Rights (OHCHR) to establish a database of enterprises engaged in business with the illegal settlements as a necessary step for the implementation of this recommendation. According to OHCHR's [first progress report](#) issued in January 2018, 206 companies were screened and included in the database; their names will be publicized upon completion of verification.

Governance

The Occupied Palestinian Territory (West Bank, including East Jerusalem, and the Gaza Strip) and the Syrian Golan Height are situations of armed conflict and Israeli military occupation which are governed by international humanitarian law (IHL) and human rights law, as well as by [UN Security Council resolutions](#) and the [ICJ advisory](#) opinion on Israel's Wall in occupied Palestinian territory, which declare Israel's settlements, annexation and associated domestic law and policies to be in flagrant violation of IHL, the prohibition on the acquisition of territory by force and the right of self-determination of the Palestinian people and, therefore, null and void.

Whereas it is the duty of states in this context to not recognize, aid or assist the maintenance of Israel's illegal settlements and annexation, and to ensure respect of IHL by Israel as occupying power, private enterprises are to recognize that this is a "conflict affected area" in the terms of the UN Guiding Principles on Business and Human Rights, with a high risk of gross human rights abuses. Business requires "enhanced due diligence"; private enterprises must not violate IHL, and not undermine efforts of states to perform their legal obligations, by conducting business with the illegal settlements.

With regard to the illegal Israeli settlements in the Occupied Palestinian Territory, obligations of business enterprises are also addressed in resolutions of the Human Rights Council, 18 EU member states have issued business advisories similar to that of the [UK](#), a civil society-maintained [investment screen](#) is available,

The Office of the High Commissioner for Human Rights published guidance in 2014 on the implications of the UN Guiding Principles on Business and Human Rights in the context of Israeli settlements in the Occupied Palestinian Territory, [here](#).

Applicable norms and standards

[UN Guiding Principles on Business and Human Rights](#)

[United Nations International Covenant on Civil and Political Rights](#)

United Nations International Covenant on Economic, Social and Cultural Rights

Universal Declaration of Human Rights

Bank policies

The following bank investment policies apply to this project:

Deutsche Bank

Human Rights Statement

Mar 24 2016 | Deutsche Bank

BNP Paribas

Statement of BNP Paribas on Human Rights

Dec 31 2012 | BNP Paribas

BNY Mellon

BNY Mellon's Human Rights Statement

Jan 1 2014 | BNY Mellon

Credit Suisse

Statement on Human Rights

Sep 18 2015 | Credit Suisse

Goldman Sachs

Goldman Sachs Human Rights Statement

Oct 29 2012 | Goldman Sachs

Norges Bank

Human rights - expectations towards companies

Jun 15 2018 | Norges Bank Investment Management

Scotiabank

Anti-slavery and human trafficking statement

Jan 23 2017 | Scotiabank

HSBC

HSBC statement on Human Rights

Sep 30 2015 | HSBC

Bank of Montreal (BMO)

Statement on human rights

Apr 30 2017 | BMO

Svenska Handelsbanken

Guidelines regarding human rights and working conditions

Mar 22 2018 | Svenska Handelsbanken

Other applicable regulations

Updates

Financiers

Below are listed the major Israeli banks, all of whom are significantly involved in supporting the illegal Israeli settlements, as well as other international financial services providers which have been identified as linked through share ownership to these Israeli banks. As such, the institutions listed differ in their levels of involvement and linkage to the impacts of the Israeli settlements. Click 'details' next to each bank for details of the financial relationship in each case.

Banks

AXA France [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 2.8 million
AXA owns and manages shares in the First International Bank of Israel, which is active in the Israeli settlements
source: www.11.be
[link](#)

Equity – share owner/manager USD 1.2 million
AXA owns and manages shares in Mizrahi Tefahot, which is active in the Israeli settlements
source: www.11.be
[link](#)

Equity – share owner/manager USD 30.8 million
AXA owns and manages shares in Bank Hapoalim, which is active in the Israeli settlements
source: www.11.be
[link](#)

Equity – share owner/manager USD 8.3 million
AXA owns and manages shares in the Israel Discount Bank, which is active in the Israeli settlements
source: www.11.be
[link](#)

Equity – share owner/manager USD 7.2 million
AXA owns and manages shares in Bank Leumi, which is active in the Israeli settlements
source: www.11.be
[link](#)

BNP Paribas France [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 4.8 million
BNP Paribas owns and manages shares in Hapoalim Bank, which is active in the Israeli Settlements.
source: www.11.be
[link](#)

Bank Hapoalim Israel [profile](#)

[Details](#) ▼

Uncategorised
Bank Hapoalim is involved in the financing of the Israeli Illegal Settlements through several financial services.
source: Financing Land Grab
[link](#)

Bank Leumi Israel [profile](#)

[Details](#) ▼

Uncategorised
Bank Leumi is involved in the financing of the Israeli Illegal Settlements through several financial services.
source: Financing Land Grab
[link](#)

Bank of Montreal (BMO Financial Group) Canada [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 2.7 million
BMO owns and manages shares in Mizrahi Tefahot, which is active in the Israeli Settlements.
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 2.7 million
BMO owns and manages shares in Bank Leumi, which is active in the Israeli settlements.
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 3.7 million
BMO owns and manages shares in Bank Hapoalim, which is active in the Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

Bank of New York Mellon United States [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 2.4 million
BNY Mellon owns and manages shares in Mizrahi Tefahot, which is active in the Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 5.5 million
BNY Mellon owns and manages shares in the First International Bank of Israel, which is active in the Israeli Settlements
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 5.5 million
BNY Mellon owns and manages shares in the Israeli Discount Bank, which is active in the Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 2.7 million
BNY Mellon owns and manages shares in Bank Leumi, which is active in Israeli settlements.
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 4.4 million
BNY Mellon owns and manages shares in Bank Hapoalim, which is active in Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

Credit Suisse Group Switzerland [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 3.1 million
Credit Suisse owns and manages shares in Bank Leumi, which are active in the Israeli Settlements.
source: www.11.be
[link](#)

Equity – share owner/manager USD 2.8 million
Credit Suisse owns and manages shares in Bank Hapaolim, which is active in Israeli Settlements
source: www.11.be
[link](#)

Crédit Agricole France [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 5.4 million
Crédit Agricole owns and manages shares in Bank Hapaolim, which is active in Israeli settlements
source: www.11.be
[link](#)

Equity – share owner/manager USD 2.7 million
Crédit Agricole owns and manages shares in Bank Leumi, which is active in the Israeli settlements
source: www.11.be
[link](#)

Deutsche Bank Germany [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 1.4 million
Deutsche Bank owns and manages shares in Bank Mizrahi Tefahot, which is active in the Israeli Settlements.

Equity – share owner/manager USD 3.5 million
Deutsche Bank owns and manages shares in Hapoalim Bank, which is active in the Israeli Settlements.
source: www.11.be
[link](#)

Equity – share owner/manager USD 4.6 million
Deutsche Bank owns and manages shares in Bank Leumi, which is active in the Israeli Settlements.
source: www.11.be
[link](#)

First International Bank of Israel (FIBI) Israel [profile](#)

[Details](#) ▼

Uncategorised
First International Bank of Israel is involved in the financing of the Israeli Illegal Settlements through several financial services.
source: Financing Land Grab
[link](#)

Goldman Sachs United States [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 5.5 million
Goldman Sachs owns and manages shares in the Israeli Discount Bank, which is active in the Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 1.4 million
Goldman Sachs owns and manages shares in Bank Hapoalim, which is active in the Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 1.1 million
Goldman Sachs owns and manages shares in the First International Bank of Israel, which is active in the Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 1.2 million
Goldman Sachs owns and manages shares in Bank Leumi, which is active in the Israeli settlements.
source: Thomson Reuters Eikon (12 March 2018)

HSBC United Kingdom [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 3.1 million
HSBC owns and manages shares in Bank Leumi, which is active in the Israeli settlements
source: www.11.be
[link](#)

Israel Discount Bank Israel [profile](#)

[Details](#) ▼

Uncategorised

Israel Discount Bank is involved in the financing of the Israeli Illegal Settlements through several financial services.

source: Financing Land Grab

[link](#)

Manulife Canada [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 2.9 million

Manulife owns and manages shares in Bank Hapoalim, which is active in Israeli settlements.

source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 3.2 million

Manulife owns and manages shares in Bank Leumi, which is active in the Israeli settlements

source: Thomson Reuters Eikon (12 March 2018)

Mizrahi Tefahot Bank Israel [profile](#)

[Details](#) ▼

Uncategorised

Mizrahi Tefahot Bank is involved in the financing of the Israeli Illegal Settlements through several financial services.

source: Financing Land Grab

[link](#)

Natixis France [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 4.3 million

Natixis owns and manages shares in Bank Hapoalim, which is active in Israeli settlements.

source: www.11.be

[link](#)

Equity – share owner/manager USD 4.5 million

Natixis owns and manages shares in Mizrahi Tefahot, which is active in Israeli settlements.

source: www.11.be

[link](#)

Equity – share owner/manager USD 3.0 million

Natixis owns and manage shares in Bank Leumi, which is active in the Israeli settlements

source: www.11.be

[link](#)

Norges Bank Norway [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 17.6 million

Norges Bank owns and manages shares in Mizrahi Tefahot (through its subsidiary Norwegian Government Pension Fund), which is active in Israeli settlements.

source: www.11.be

[link](#)

Equity – share owner/manager USD 59.0 million

Norges bank owns and manages shares in Bank Leumi (through its subsidiary Norwegian Government Pension Fund), which is active in the Israeli settlements.

source: www.11.be

[link](#)

Equity – share owner/manager USD 64.7 million

Norges Bank owns and manages shares in Bank Hapoalim (through its subsidiary Norwegian Government Pension Fund), which is active in the Israeli settlements

source: www.11.be

[link](#)

Equity – share owner/manager USD 75.8 million

Norges Bank owns and manages shares in the Israeli Discount Bank (through its subsidiary Norwegian Government Pension Fund), which is active in the Israeli settlements

source: www.11.be

[link](#)

Equity – share owner/manager USD 8.2 million

Norges Bank owns and manages shares in the First International Bank of Israel (through its subsidiary Norwegian Government Pension Fund), which is active in the Israeli settlements

source: www.11.be

[link](#)

Pictet Switzerland [profile](#)

[Details](#) ▼

Approached, interested

Picted owns and manages shares in the Israeli Banks; Bank Hapoalim and Mizrahi Tefahot Bank, which are active in the Israeli Settlements.

source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 18.9 million
Pictet owns and manages shares in Mizrahi Tefahot, which is active in Israeli settlements
source: www.11.be
[link](#)

Equity – share owner/manager USD 2.4 million
Pictet owns and manages shares in Bank Hapoalim, which is active in the Israeli settlements
source: www.11.be
[link](#)

Royal Bank of Canada Canada [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 9.0 million
RBC owns and manages shares in Bank Hapoalim, which is active in the Israeli settlement
source: Thomson Reuters Eikon (12 March 2018)

Equity – share owner/manager USD 8.9 million
RBC owns and manages shares in Mizrahi Tefahot, which is active in the Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

Scotiabank Canada [profile](#)

[Details](#) ▼

Uncategorised
Scotiabank owns and manages shares in the Israeli Banks; Bank Leumi and Mizrahi Tefahot Bank, which are active in the Israeli Settlements.
source: Thomson Reuters Eikon (12 March 2018)

Svenska Handelsbanken Sweden [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 1.0 million
Svenska Handelsbanken owns and manages shares in Bank Hapoalim, which is active in the Israeli settlements
source: Thomson Reuters Eikon (12 March 2018)

UBS Switzerland [profile](#)

[Details](#) ▼

Equity – share owner/manager USD 28 million
UBS owns and manages shares in Bank Leumi, which is active in the Israeli settlements
source: www.11.be
[link](#)

Equity – share owner/manager USD 22 million
UBS owns and manages shares in Bank Hapoalim, which is active in the Israeli settlements
source: www.11.be
[link](#)

Equity – share owner/manager USD 1 million
UBS owns and manage shares in Mizrahi Tefahot, which is active in the Israeli Settlements.
source: www.11.be
[link](#)

Related companies
