

A comprehensive set of measures? The minimum sanctions the British government is obligated to impose on Israel by the July 2024 ICJ ruling

Summary

In July 2024, the International Court of Justice (ICJ) ruled that Israel's ongoing presence in the Occupied Palestinian Territory was unlawful, and that states should desist from any activity that aids or assists Israel's occupation.

Companies across multiple sectors in Britain maintain active business dealings that fall under this category, whether through import or export of products originating in or destined for Israeli settlements; through the trade in arms and military technology used by Israel in its occupation; or through the provision of services, including but not limited to banking and financial services, to the Israeli government or armed forces as they carry out the illegal occupation.

The British government is preparing what has been described as a "comprehensive set of measures" responding to Israel's flagrant violations of international law. MPs must push the government to ensure that the measures are genuinely comprehensive and not limited to a narrow ban on the import of settlement goods or sanctions on individuals, but rather a full suspension of all trade that aids Israel's occupation and wide-ranging sanctions on the state of Israel.

Recommendations

MPs should press the British government to:

1. Formally commit to complying with the July 2024 International Court of Justice ruling in full.
2. Ban all trade in goods and services with Israel's illegal settlements and all other trade that aids or assists Israel's violations of international law, including by implementing a two-way arms embargo on Israel.
3. Introduce binding rules to prevent British businesses from profiting from Israel's unlawful occupation; end government contracts with businesses that are involved in the occupation and implement rigorous screening to exclude occupation-complicit businesses from government contracts.
4. Implement comprehensive sanctions on the state of Israel as a whole, as the primary body developing policy and implementing the expansion of settlements and maintenance of the occupation, including the suspension of the 2019 Bilateral Trade and Partnership Agreement with Israel and the revoking of the UK-Israel 2030 Roadmap.

Previous sanctions have been utterly inadequate

The British government has announced it will lay out a “comprehensive set of measures” in response to Israel’s latest illegal settlement expansion policies. Previous measures have been utterly inadequate to meeting the government’s legal obligations to end all involvement with Israel’s illegal occupation, or even narrowly the settlement enterprise.

For example, in June 2026 the government introduced sanctions against just six companies and individuals financing, enabling and carrying out settler violence in the West Bank. MPs noted at the time that individuals involved in settlement expansion rarely rely directly on British banking or hold assets in Britain, so individual sanctions don’t account for the reality of their operations. Sanctions on individuals fail to account for the fact that Israel’s settlement enterprise is a decades old project of the Israeli state, which has developed policy, legislates for and finances settlements, incorporates them into Israel’s road and electricity grid and its wider economy. Additionally, settlements are only one aspect of Israel’s ongoing occupation and violations of international law. The occupation is upheld and maintained by Israel’s armed forces, which regularly commit atrocities in the Gaza Strip and West Bank, in addition to the overall crime of occupation. Despite this, the British government has continued to issue export licences for British weapons, components and military technology to flow to Israel’s armed forces. A narrow focus on settlements and/or settlement leaders will only add to Israel’s impunity over the crimes it is committing as a state.

A clear legal framework: International Court of Justice ruling July 2024

In July 2024, the ICJ, the world’s highest court, issued a landmark ruling stating that Israel’s presence in the Occupied Palestinian Territory (OPT) is unlawful, and that it is under an obligation to immediately cease new settlement activities, evacuate all settlers, bring to an end its unlawful occupation and make reparations for the damage to Palestinians in the OPT. It also ruled that Israel is in violation of the international prohibition against racial segregation and apartheid.

The court outlined the obligations of third-party states not to recognise as legal the situation arising from Israel’s unlawful presence in the OPT and “not to render aid or assistance in maintaining the situation created by the continued presence of the State of Israel in the Occupied Palestinian Territory.”

But the British government has failed to formally respond to the ruling and heed the obligations outlined within it. This has undermined the credibility of British government claims about its commitment to international law.

Settlement production is fully integrated into the Israeli state

British trade with Israel’s occupation is most often understood as the import of goods originating in Israel’s illegal settlements. Almost all British supermarket chains stock fresh produce originating in Israeli settlements. European governments have previously tried to force accurate labelling of produce from illegal settlements, but the task is virtually impossible as settlement farms are fully integrated into the economic, political and geographic infrastructure of the Israeli state. Avocados grown on an illegal West Bank Israeli settlement may be packed and exported from inside Israel and labelled accordingly to avoid import

restrictions or consumer boycotts abroad. A ban on trade with settlements must take into account their integration into Israel's economy inside the green line and transnational companies operating in the settlements.

Beyond Israeli fresh produce, British and multinational companies operate in illegal settlements. For example, British company Greenkote's fully-owned Israeli subsidiary maintains an operation in the Barkan Industrial Zone settlement in the West Bank. Coca-Cola's exclusive franchisee in Israel operates a bottling plant in the Israeli Atarot Industrial Zone in the West Bank, profiting from participation in Israel's illegal occupation.

The government's current advice to businesses is not to engage economic and financial activities in Israeli settlements, and to "be aware of the clear evidence of possible human rights abuses associated with Israeli settlements and the risk of involving themselves in Israel's serious breaches of international law." This advice is woefully weak considering the seriousness of the issues at hand.

Binding rules should be introduced to prevent British companies from profiting from occupation.

Israel's unlawful occupation is enforced with weapons supplied by Britain

British-based arms companies have been producing and exporting weapons to Israel for decades, including during the past three years of Israel's genocide against the Palestinian people. Whilst the British government suspended a small number of arms export licences to Israel in September 2024 for weapons used in Gaza, it failed to suspend the licences for F-35 fighter jet components, despite knowledge that Israel was actively using F-35s for bombing in Gaza.

Significantly, the British government has continued to allow for the export of weapons and components to Israel otherwise, including those used to maintain and enforce Israel's illegal occupation in the West Bank, including East Jerusalem.

Licences granted since September 2024 have included those covering drone technology, military combat vehicles, grenade and projectile launchers, artillery ammunition and dozens of other categories, amounting to a total of £158million worth of licences from September 2024-December 2025. These categories overlap with items used regularly by the Israeli military to maintain the unlawful occupation of Palestinian land.

In addition, the British government has allowed and even encouraged Israeli arms manufacturers to operate subsidiary companies in Britain, where they manufacture components then exported to Israel for use by its military. They also manufacture weapons and military technology purchased by the British armed forces, generating profits for their parent company. For example, Elbit Systems boasts that its products are 'battle-tested' meaning they have been used in Israel's attacks on Palestinians. Companies like Elbit develop their technology from the experience of war crimes, and being hosted and permitted to operate in Britain allows them to multiply profit-making on this basis.

The British arms trade with Israel is one of the most direct ways in which Britain aids and assists Israel's occupation and genocide. The government should impose a two-way arms embargo on Israel, banning all military exports to and imports from Israel.

High-tech industry

High-tech companies which primarily market their products for 'civilian' use, also profit from extensive involvement in Israel's genocide and occupation, by selling equipment, technology and services to the Israeli government, military and police.

Palantir boasts a strategic partnership with Israel's Ministry of Defence to develop technology and tools to be used in "war-related missions", most likely in Israel's rapid target generation system used in the Gaza Strip. Cisco Systems provides servers and IT hardware to the Israeli Ministry of Defence and military, powering its surveillance and AI systems. The company has also built tech hubs in illegal Israeli settlements in the West Bank. Oracle provides several products to the Israeli military and police, including database and cloud services. Its products have been used by Israel's Ministry of Defence to manage and use large volumes of data in military operations, and its servers are used in the occupation of the West Bank.

These three companies are only a few examples of high-tech companies involved in genocide and occupation, which also enjoy lucrative contracts with British government, police forces, local councils and other institutions.

High-tech or other companies proven to be involved in Israel's genocide in Gaza and occupation of the West Bank should be automatically excluded from British government contracts unless they can prove that they have ceased their involvement.

Banking and financial services

A wide range of banks, insurance firms and others financial service providers are involved in Israel's illegal occupation in various ways: 1) by investing in, facilitating investment for their clients, or underwriting loans to companies that operate in settlements or otherwise do business with Israel's occupation; 2) by maintaining partnerships and correspondent banking with Israeli banks that are directly involved in Israel's occupation.

Barclays Bank, one of Britain's largest banks, holds over £2billion in shares and £6.1 billion in loans and underwriting to at least 9 companies whose weapons, components and military technology are being used by Israel in its attacks on Palestinians. It also maintains investments in Israeli banks, including Bank Leumi, which operate in illegal Israeli settlements and provide loans and mortgages for individuals to buy properties in settlements.

Furthermore, Barclays has acted as a primary dealer for Israel government bonds, meaning it helps Israel sell bonds on international markets to raise money to fund its genocide, military occupation and apartheid against Palestinians.

British banks and financial firms should be prohibited by law from dealing Israeli sovereign bonds or investing in Israeli banks and other companies involved in Israel's occupation.

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