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INTRODUCTION

Israeli settlements are illegal and render impossible sustainable development and a peaceful solution to the Israeli-Palestinian conflict. Yet, several European banks are actively involved in Israeli banks that play a pivotal role in maintaining and expanding Israeli settlements.

Israeli settlements are illegal under international law and are considered war crimes under the Fourth Geneva Convention (1949) and the Rome Statute (1998). They render sustainable social and economic development in the occupied Palestinian territories impossible and lie at the basis of multiple human rights violations. Israeli settlements also fragment the West Bank and isolate it from East Jerusalem, thereby heavily damaging the prospect of a two-state solution. Moreover, in recent years the pace of settlement expansion has increased dramatically. This shift from temporary occupation to permanent annexation was documented in a report we published in June 2017, “Occup’Annexation”.

Yet, despite this illegality several European banks are actively involved in Israeli banks that play a central role in maintaining and expanding Israeli settlements. Israeli banks provide the financial infrastructure for all the activities of companies, governmental agencies and individuals linked to the continuing occupation of Palestinian land.

Previous research by the Israeli organization Who Profits (February 2017) identified seven major Israeli banks that play a central role in construction and infrastructure projects in settlements in the West Bank and East Jerusalem, as well as in providing loans to regional and local settlement councils in the West Bank.
Who Profits found that all Israeli banks with the exception of Dexia Israel provide special loans for construction and infrastructure projects in settlements in the occupied West Bank and East Jerusalem. They provide loans, guarantees and credit to construction firms with the explicit purpose of constructing housing projects in settlements and they accompany these projects from start to finish. If a project goes bankrupt, the bank becomes the owner of property located on occupied Palestinian land. In addition to this, all Israeli banks, without exception, provide loans and financial services to local and regional settlement councils in the West Bank. These services include opening and managing bank accounts, transferring funds and providing loans. Through these loans, settlement councils can sustain themselves and are able to develop and expand their settlements.

The current report investigates the financial relationships between ten banks that are operating in Belgium and seven Israeli banks that are involved in Israeli settlements in East Jerusalem and the West Bank, as identified by previous Who Profits research. This report is part of a broader research effort to identify financial ties between Europe on the one hand, and private businesses (including banks) that are heavily involved in the Israeli settlement enterprise on the other. Another upcoming report will focus on the involvement of European banks and businesses in the broader settlement enterprise. Apart from banking services, this upcoming report will focus on other sectors as well: the exploitation of natural resources, heavy machinery, real estate, energy supply, transport infrastructure and the tourism sector. The aim of these research efforts is to offer practical insights and ideas in the future strengthening of a European “differentiation” policy between Israel and Israeli settlements, as required by United Nations Security Council resolution 2334 (23 December 2016).

Chapter 1 of this report provides an overview of the ways in which Israeli banks are implicated in the settlement industry. Chapter 2 will then identify two main banks active in Belgium that have financial relationships with one or more Israeli banks involved in the settlements. Chapter 3 provides an overview of the obligations and responsibilities which both private businesses and third states have under international law and under existing international guidelines. Finally, chapter 4 identifies some concluding observations and offers nine key recommendations to financial institutions and to the Belgian government.
HOW ISRAELI BANKS ARE IMPLICATED IN THE SETTLEMENT INDUSTRY

THROWING A LIFELINE TO ILLEGAL SETTLEMENTS
Financial institutions play a critical role in the functioning and growth of illegal Israeli settlements. Without financial resources, the Israeli settlement enterprise cannot exist.

1.1. – Israeli banks’ involvement in settlements activities: From the colonization to the annexation of Palestinian territories

During the course of 50 years of occupation, Israel has illegally established approximately 250 settlements in the West Bank and East Jerusalem. At the time of the Oslo Accords (1993) the settler population was 262,500. Today, it is over 600,000: 208,000 in East Jerusalem and 399,000 in the West Bank. Since the beginning of 2017, Israeli settlement activity has increased even further. In 2017, Peace Now has reported that 2,783 new homes were built in settlements, which is an increase of 17 per cent compared to the annual average since 2009. The Israeli government has dramatically accelerated the pace of advanced settlement plans, settlement tender publications and the construction of settlement roads. Additionally, it has announced the construction of two new settlements in Amihai and Hebron.

Settlement construction goes hand in hand with the destruction of Palestinian infrastructure in Area C and in East Jerusalem. This destruction reached a peak in 2016 when a total of 1,094 Palestinian infrastructures were destroyed. In 2017, the number decreased to 423, with a noticeable exception in January 2017, when 138 Palestinian structures were destroyed.

Furthermore, in May 2018 a governmental Task Force, the “Zandberg Committee”, recommended measures that would legalize thousands of buildings in “outposts” (settlements that are illegal even under Israeli law), thereby “legalizing” the expropriation of private Palestinian lands. Israeli Defense minister Lieberman stated that the government will start implementing these recommendations ‘within weeks’.

The expansion of settlements and new trends have led many actors, including the Secretary-General of the United Nations, to state that Israel is now de facto annexing Palestinian territory rather than occupying it. This was also emphasized in a June 2017 report by 11.11.11, CNCD-11.11.11 et al. Beyond the Palestinian land grab, the Israeli Government has recently enacted a number of laws that apply directly to the occupied Palestinian territory, which was hitherto subject to military orders only. Currently the Israeli Knesset is discussing 12 such annexation laws. One of the most prominent examples of such new regulation is the recent “regularization law” that retroactively legalizes the settlers’ presence on Palestinian private land, leaving Palestinian landowners a right to compensation but no right to appeal.
Israel is now annexing Palestinian territory rather than occupying it

The Israeli occupation and annexation policies impose heavy social and humanitarian impacts on Palestinians and constrain the development of an independent economy. The construction of settlements and other annexation policies have resulted in approximately 70 per cent of Area C (which comprises itself 60 per cent of the West Bank) being off-limits for Palestinian construction and development, while Area C contains a large share of the West Bank’s natural resources and job opportunities. Both agricultural lands and water resources have been confiscated by Israel, and are used almost exclusively for the needs of the settlements. In addition, physical and administrative obstacles confine the free movement of Palestinians and impose a negative impact on the right to education, health care, work, family life and development. The Separation Wall further impedes access to important services and natural resources and fosters the fragmentation of Palestinian lands.

Additionally, a landmark 2013 report by the World Bank estimated that if Israeli access restrictions to Palestinians in Area C would be lifted, the Palestinian GDP would increase by 35 per cent and Palestinian employment in Area C would increase by 35 per cent.

Finally, a 2016 report from the United Nations Conference on Trade and Development (UNCTAD) stated that the Palestinian economy would at least double, if restrictions related to the Israeli occupation would be lifted.

1.2. – The construction industry in the Occupied Palestinian Territory

The Israeli government has also put in place specific benefits to encourage individuals and businesses to settle across the Green Line. For example, the cost of an apartment in the settlements is approximately 30 per cent lower in the occupied territories than within Israel’s internationally recognized borders. In order to attract private investment, 90 settlements have been designated as “national priority areas” resulting in low land prices, grants and tax exemptions for businesses. These companies also enjoy de facto labor law immunity with respect to Palestinian workers. This enables them to employ Palestinians in precarious conditions and at low wages. The Israeli government facilitates permits and licenses for Israeli and foreign business operations in settlements, but rarely grants similar permits to projects that provide services to Palestinians. Finally, in 2017, the Consumer Protection Act (1981) and the Prohibition of Discrimination in Products, Services and Entry into Places of Entertainment and Public Places Law (2000) were amended to prevent discrimination in the provision of services to consumers residing in settlements.
In order to facilitate the movement of individuals and goods, the Israeli government has also developed a communication network, consisting of roads, bridges and tunnels, which link settlements to Israeli territory, ultimately resulting in the complete erasure of the Green Line for those illegally established beyond it.

Finally, the housing crisis revealed by the “tent movement” during the summer of 2011 has also allowed the government to kill two birds with one stone. Supported by 90 per cent of the Israeli population, the movement protested against the lack of housing and its high cost. One of the ways in which the Israeli government decided to respond to this was by encouraging the construction of settlements. In this way, the Israeli Government could respond to the grievances of its population, while at the same time serving its objective of annexing part of the Occupied Palestinian Territory.

1.3. – The central role of Israeli banks in maintaining and expanding settlements

An extensive February 2017 Who Profits report, “Financing Land Grab: The Direct Involvement of Israeli Banks in the Israeli Settlement Enterprise”, showed the importance of Israeli banks in the development of real estate and infrastructure in Israeli settlements. The key role of Israeli banks in the maintenance and expansion of settlements was also emphasized in 2013 by the United Nations “fact-finding mission to investigate the implications of the Israeli settlements on the civil, political, economic, social and cultural rights of the Palestinian people” and confirmed by the work of the Office of the High Commissioner for Human Rights on the database of companies involved in settlement activities. An influential 2015 report by the European Council on Foreign Relations on EU differentiation policy also problematized the role of Israeli banks in the settlement industry, and asked if investments in such banks comply with the requirements of the EU’s differentiation policy.

In its first report on Israeli banks, which was published in 2010, Who Profits already identified six different ways in which Israeli banks were participating in the settlement enterprise:

1. They provide special loans for building projects in settlements.
2. They provide financial services to Israeli local authorities in the West Bank and the Golan Heights.
3. They provide mortgage loans for homebuyers in settlements and are therefore potential owners of these assets in case of foreclosure.
4. They have operating branches in all settlements.
5. They provide services to businesses in settlements.
6. They benefit from access to the Palestinian monetary market as a captured market.

1.3.1. Special loans for construction projects in settlements

Whether in Israel or in the occupied Palestinian territory, Israeli construction projects must be guaranteed by a bank. This guarantee takes the form of an “accompanyment agreement” (Heskem Livui in Hebrew), in which the involvement of a bank is required from the outset. Who Profits found evidence of the involvement of all Israeli banks (Bank Leumi, Bank Hapoalim, Israel Discount Bank, Mizrahi-Tefahot Bank,
1.3.2. Financial services to local settlement authorities

All Israeli banks provide services to municipal settlement councils, ranging from bank accounts to loans for infrastructure projects undertaken by the municipality and to asset management services. The bank generally keeps the municipality’s income as security.29

For example, in September 2014 Dexia Israel lent 1.25 million shekels to the Samaria Regional Council (Shomron in Hebrew, region of the northern West Bank) for a sewer project.30

1.3.3. Settler Mortgages

Settlers are also taking out mortgages with Israeli banks. The latter retain a mortgage on the property in question until it is repaid, and hence might become the direct owner of a property in the settlements. In its 2010 Banking Report, Who Profits identified six Israeli banks that offered this

Accompaniment agreements mean that the bank is a real partner of the construction company and is therefore present at all stages of the project. They provide loans to enable the company to buy the land and to build the project, and provide guarantees on new homes for buyers. In addition, the bank also keeps the property until all units of the new building are sold, as a form of security.27 Financial intervention by the banks is crucial to the development of Israeli settlements in the occupied Palestinian territory. For example, the Hapoalim Bank is “accompanying” a project by the construction company Tzarfati Shimon in the Har Homa settlement. The company won a tender for 18.2 million shekels, with development expenditures of 19 million shekels.28

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kind of mortgage loans in the settlements: Bank Hapoalim, Leumi Mortgage Bank (of Bank Leumi), Mizrahi Tefahot Bank, Discount Mortgage Bank (of Israel Discount Bank), FIBI and Jerusalem Bank\textsuperscript{31}.

1.3.4. Operating branches in the settlements

Israeli settlements are able to sustain themselves through a wide range of services to the settlement population. Thus all Israeli commercial banks have branches in the West Bank and Golan Heights settlements, and participate directly in the settlement economy by paying municipal taxes. Located in settlements that are off-limits for Palestinians, the agencies offer services to Israelis only\textsuperscript{32}.

1.3.5. Financial Services to Businesses in the settlements

Israeli commercial banks also provide financial services to companies located or active in settlements. These companies also often use their real estate in the settlements as mortgage security for loans.\textsuperscript{33}

1.3.6. No obligation under Israeli law

In 2017, the Israeli government revised the Consumer Protection Law (1981) to avoid discrimination against settlers. Nevertheless, in a report published in September 2017\textsuperscript{34}, Human Rights Watch noted that there is no Israeli legal provision that obliges banks to provide services to settlements.

While it is true that under Israeli law banks cannot reject settlers as consumers, they can avoid providing financial services to settlements on human rights grounds. Hence, the involvement of Israeli banks in the settlement process is a matter of their own free will.

1.4. – Divestment of international financial actors

In order to comply with their responsibilities to respect international law, many public and private international financial institutions have already announced that they are ending their investments in Israeli banks due to the latter’s involvement in settlement activities. For example, in 2014 the Dutch pension fund PGGM announced that it was putting the five major Israeli banks (Bank Hapoalim, Bank Leumi, FIBI, Israel Discount Bank and Mizrahi Tefahot Bank) on its exclusion list as a result of their involvement in financing Israeli settlements\textsuperscript{35}.

International financial institutions are increasingly divesting from Israeli banks involved in the settlements

In 2016, the United Methodic Church pension fund also announced that it was removing the five major Israeli banks from its portfolio due to their involvement to "sustain Israel’s illegal occupation of Palestinian land"\textsuperscript{36}. Finally, in October 2017, the Danish pension fund Sampension declared that it was excluding the banks Leumi and Hapoalim from its portfolio, again as a result of the latter’s financing of settlements\textsuperscript{37}.
BANKS IN BELGIUM AND THE ISRAELI SETTLEMENT INDUSTRY

WHICH BANKS ARE INVOLVED?
This report investigated the financial relationships between ten banks that are operating in Belgium and seven Israeli banks that are involved in Israeli settlements in East Jerusalem and the West Bank.

2.1. – Main research findings

This report found that two financial institutions in Belgium are currently implicated in such Israeli banks: BNP Paribas and Deutsche Bank.

Hence, these banks have an indirect responsibility for the violations of human rights and international humanitarian law violations that are the result of the Israeli settlement enterprise. As described below, they have no, or insufficiently specific or strict, policies in place that prevent such involvement, nor do they carry out a sufficiently thorough due diligence process.

In addition to these two banks, three other banks were until recently involved in said seven Israeli banks:

- As of November 2017 KBC was found to hold 11,918 shares in Hapoalim Bank and 15,742 shares in Leumi Bank, amounting to a total of 134,864 Euros. Currently KBC is no longer invested in Hapoalim and Leumi, although it is unclear to what extent this decision was driven by specific concerns about the illegality of Israeli settlements.

- In addition, ING sold off two of its major asset management subsidiaries, NN Group and Voya. Both hold shares in Israeli banks, but have not been included as they are independent entities now.

- Finally, in March 2018, Dexia Group, which until very recently held 58.89 per cent of the shares of Dexia Israel Bank (which itself is deeply complicit in the Israeli settlement enterprise) announced the sale of its subsidiary for 82 million Euros.38

For the following banks this report found no current or recent link: Triodos Bank, Van Lanschot, VDK bank, Argenta and Belfius.

2.2. – BNP Paribas39

The BNP Paribas Group is a French-based publicly traded international banking group partly owned by the Belgium state (through SFPI, 7.7 per cent).40

As on 12 March 2018, BNP Paribas owns or manages shares in one Israeli bank that is heavily involved in the Israeli settlement enterprise, for a total amount of 6.08 million Euros (details in annex 1).

6.08 million

The financial relationship of BNP Paribas with Israeli settlements
Bank Hapoalim is the largest bank in Israel by managed assets and has been identified by Who Profits to have accompaniment agreements with construction companies. Recent settlement construction financed by Bank Hapoalim includes projects in the West Bank settlements Beitar Illit, Efrat and Ma’ale Adumim, as well as East Jerusalem settlement neighbourhoods Har Homa and Pisgat Ze’ev. It also provided loans and financial services to various settlement Regional Councils.

• **Bank Hapoalim**: see above.
• **Bank Leumi**: the 2nd largest bank in Israel by managed assets. Bank Leumi has been identified by Who Profits to have accompaniment agreements with construction companies. Recent settlement construction financed by Bank Leumi includes projects in the West Bank settlements Alfei Menashe, Givat Ze’ev and Ma’ale Adumim, as well as East Jerusalem settlement neighbourhoods Har Homa and Pisgat Ze’ev. It also provided loans and financial services to various settlement Regional Councils.

BNP Paribas’ investments in Bank Hapoalim stand in sharp contrast with its own declared policies. BNP Paribas Group is one of the founding signatories of the UN Principles for Responsible Investing (UNPRI). In 2012, the Group published its own Declaration on Human Rights, committing itself to “respecting the internationally accepted Human Rights standards as defined in the International Bill of Human Rights (the United Nations Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights).” BNP Paribas is also a member of the association “Entreprises Pour les Droits de l’Homme” (Businesses for Human Rights).

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• **Mizrahi Tefahot Bank**: the 3rd largest bank in Israel by managed assets. Mizrahi Tefahot Bank has been identified by Who Profits to have accompaniment agreements with construction companies. Recent settlement construction financed by Mizrahi Tefahot Bank includes projects in the West Bank settlements Ariel, Beitar Illit, Ma’ale Adumim, and the East Jerusalem settlement neighbourhoods Har Homa, Neve Ya’akov, Pisgat Ze’ev and Ramat Shlomo. It also provided loans and financial services to various settlement Regional Councils.

• **Israel Discount Bank**: the 4th largest bank in Israel by managed assets. Mercantile Discount Bank, the 7th largest bank by managed assets, is a subsidiary of Israeli Discount Bank. Israel Discount Bank has been identified by Who Profits to have accompaniment agreements with construction companies. Recent settlement construction financed by Israel Discount Bank includes projects in the West Bank settlements Alfei Menashe and Gilo, and the East Jerusalem settlement neighbourhood Neve Ya’akov. It also provided several loans to the Gush Etzion settlement Regional Council.

2.3. – Deutsche Bank

As on 12 March 2018, Deutsche Bank owns or manages shares in five Israeli banks that are heavily involved in the Israeli settlement enterprise, for a total amount of 21.96 million Euros (details in annex 2).

Deutsche Bank has financial relationships with the following five Israeli banks:
However, by investing in Israeli banks that actively support the illegal Israeli settlement enterprise, facilitate land grab and contribute to IHL violations – Deutsche Bank is acting against its own stated policy.

2.4. – Specific positions of Belgian banks on occupation and settlements

In October 2017 the Fair Finance Guide Belgium (www.bankwijzer.be/www.scandes-banques.be) published an assessment of the corporate social responsibility efforts of banks active in Belgium. As such the Guide specifically assessed if “companies the bank is involved with respect International Humanitarian Law and do not enable settlements, including their economic activities, in occupied territories.” The result of this assessment is summarized below:

• **Triodos Bank**: This bank stipulates in its very strict minimum standards and exclusions that it “excludes companies that do not respect international humanitarian law and enable settlements of occupied territories, or are involved in controversies related to operating in occupied territories.”

• **VDK Bank**: Although this regional bank is unlikely to give loans to companies or banks in Israel, there is still a possibility of involvement through investments, either for the bank itself or for third parties. VDK’s “code for sustainable and ethical banking” clearly stipulates that ‘VDK does not abuse or take advantage of situations in which human rights are insufficiently protected, even if the legislative framework is inadequate. VDK recognizes that there are vulnerable groups such as people who live in occupied territories.”

21.96 million

The financial relationship of BNP Paribas with the settlements

- **First International Bank of Israel**: the 5th largest bank in Israel by managed assets. FIBI among others has been found to accompany a housing project in Beitar Illit, as well as being involved in the financing of several road construction projects that serve settlements.

Deutsche Bank’s investments stand in sharp contrast with its own declared policies. In a special statement on human rights issued in 2015, Deutsche Bank stated that it is “fully committed to its responsibilities to respect human rights.” In the statement, and reiterated in the Group’s 2016 Corporate Responsibility report, Deutsche Bank claims that its HR policies are guided by:

- The UN Guiding Principles on Business and Human Rights,
- The Universal Declaration of Human Rights,
- The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work,
- The Principles of the UN Global Compact,
- The UN Principles for Responsible Investment (PRI),
- The OECD Guidelines for Multinational Enterprises
- The IFC Performance Standards.

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- The OECD Guidelines for Multinational Enterprises
- The IFC Performance Standards.
• **KBC**: This bank mentions that Environmental, Social and Governance (ESG) screenings by ESG data providers are being used to blacklist UN Global Compact (UNGC) worst offenders. KBC is very transparent with respect to its blacklist, which is published on its website along with a “Group Policy on blacklisted companies.” However, this list only includes a mere 110 companies, only three of whom are excluded on the basis of UNGC offences.

• **Van Lanschot**: This bank included the Geneva Convention on the Protection of Civilian Persons in Time of War (1949), which forbids settlements and economic activities in occupied territories, in its “Convention Library” (for Asset Management).

• **Argenta, Belfius, BNP Paribas, ING, Bank Degroof Petercam and Deutsche Bank**: These banks do no mention a specific position or policy regarding situations of occupation and settlement expansion. This means that there is no impediment for involvement in the Israeli settlement industry.

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# BEST PRACTICES

In this regard it should also be noted that the policies of some banks are much more detailed and specific, which reduces much more any possible involvement in occupied territories. Other banks can use the following “best practices” as an inspiration:

• **Skandia (Sweden), policy on Human Rights**: “Ensures that any activity in occupied and non-self-governing areas takes place with regard to the interests of residents, does not violate international law, does not consolidate the occupant’s power or undermines conflict. Particular focus on companies that risk contributing to the occupation of the occupant’s population or contribute to restrictions on freedom of movement, as well as companies that extract or purchase natural resources from occupied areas.”

• **Nordea (Sweden), RI Policy**: “We expect companies to obey internationally recognized human rights principles and to prevent and manage its impact on human rights. Human rights related issues includes complicity in human right abuses, modern slavery and child labour, occupational safety and health, the rights of indigenous people and displacement of local communities, freedom of association and collective bargaining and international humanitarian law.”

“Companies with business operations in conflict areas: Business operations in areas affected by conflict are exposed to higher risk due to instable political conditions, weak regulatory frameworks, and pervasive violence. Companies may, knowingly or unknowingly, have business operations and products with high potential impact on the conflict or human rights violations.”
• **KD Bank (Germany),** “Exclusion criterion: Human Rights Controversies – Major controversies relating to human rights:

“Activities in occupied/disputed territories are assessed within the exclusion criterion Human Rights. International humanitarian law establishes obligations on occupying powers concerning, inter alia, humane treatment and physical integrity of the people in the disputed territory, respect for existing laws, respect for and protection of real and personal property, and the management of public property, including natural resources. The Fourth Geneva Convention also prohibits the occupying power from transferring parts of its own civilian population into the territory that it occupies. Regarding all these issues, companies operating in occupied/disputed territories may become complicit in human rights violations of the people in the occupied region. The severity of the assessment depends on the question how direct the company’s activities contribute to the violation of the human rights of the affected people. A severe controversy / exclusion is assigned in cases where the company, with its products/services, directly contributes to the human rights violation (e.g. of the right to self-determination, the right to freedom) of people in disputed territories (e.g. Palestine, Western Sahara), e.g. through:
- offering surveillance equipment clearly intended to be used to prevent Palestinian people's freedom of movement;
- offering services used in the demolition of e.g. Palestinian property;
- offering considerable mortgage loans to Israeli settlers to build new houses for Israeli settlers;
- Significant construction activities / services; exploiting natural resources.”

• **Triodos Bank:** “excludes companies that do not respect international humanitarian law. This is assessed on a case-by-case basis applying relevant UN Conventions and international human rights’ legislative frameworks”.
3

THE LEGAL FRAMEWORK

PRACTICE
WHAT IS
ALREADY AGREED
Financing Occup'Annexation

Several legal obligations and guidelines exist that are directly applicable to the involvement of financial institutions in Israeli settlements. Financial institutions urgently need to practice what they already agreed upon.

3.1. – The international legal context

Israeli settlement maintenance and expansion form the cornerstone of the 51-year old occupation of the Palestinian territories and are illegal according to international law. This has been reiterated several times by the International Court of Justice, the UN Security Council, the UN General Assembly and the High Contracting Parties to the Fourth Geneva Convention. Most recently, UN Security Council resolution 2334 (December 2016) confirmed that Israeli settlements have ‘no legal validity and constitute a flagrant violation under international law’.

The two most relevant International Humanitarian Law (IHL) instruments with regards to Israeli settlements are the 1949 Fourth Geneva Convention and the 1907 Hague Regulations. In 2004 the International Court of Justice explicitly confirmed that the Fourth Geneva Convention applies to Israel’s occupation of the Palestinian territories.

Article 49(6) of the Fourth Geneva Conventions states that ‘the Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies’. This is also explicitly listed as a war crime in article 8(b)(viii) of the Rome Statute that established the International Criminal Court (ICC, 1998) and in article 85(4)(a) of the First Additional Protocol to the Geneva Conventions (1977). Article 49 of the Fourth Geneva Convention also prohibits the “individual or mass forcible transfer” of protected persons, an illegal act which constitutes a “grave breach” of the Fourth Geneva Convention. The ICC has jurisdiction over crimes committed in the Palestinian territories since June 13, 2014.

Israeli settlements are considered war crimes under international law

Additionally, under International Humanitarian Law the occupying power is prohibited from confiscating or destroying public and private property. Article 46 of the Hague Regulations prohibits the confiscation of private property, while article 53 of the Fourth Geneva Convention prohibits the destruction of public and private property. IHL also limits how the occupying power can use public property and prohibits damaging or depleting of natural resources in the occupied territory. Pillaging is strictly prohibited and may amount to a war crime. The occupying power may use the resources of the occupied territory only under the strict condition that this benefits the occupied population.

In addition to grave breaches of international humanitarian law, the Israeli settlement enterprise also violates several International Human Rights Law (IHRL)
provisions protected by the International Covenant on Civil and Political Rights (ICCPR) and by the International Covenant on Economic, Social and Cultural Rights (ICESCR). In 2004 the International Court of Justice confirmed that human rights treaties such as the ICCPR and ICESCR apply to the occupied Palestinian territory.

Furthermore, international criminal law also prohibits an individual or company from knowingly benefitting from the fruits of illegal activity. Article 6 of the United Nations Convention Against Transnational Organized Crime prohibits the ‘acquisition, possession or use of property, knowing, at the time of receipt, that such property is the proceeds of a crime.’66 A 2013 report by the UN Special Rapporteur on the situation of human rights in Occupied Palestinian Territories analyzed businesses’ responsibilities under international criminal law, and concluded that the involvement of some businesses in the settlement industry ‘in certain instances can be enough to make them accomplices to that crime.’67

### 3.2. – The responsibilities of private businesses

Although states are considered the primary duty bearers for the protection and promotion of international law, there is a growing recognition that banks and private business enterprises also have significant responsibilities in this regard.

#### 3.2.1. The United Nations Guiding Principles on Business and Human Rights

The United Nations Guiding Principles on Business and Human Rights, adopted by UN Member States in 2011, set out a list of authoritative principles to which private companies are obliged to adhere.68 They require companies to:

- Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur (Guiding Principle 13a); and
- Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts (Guiding Principle 13b).

The UN Guiding Principles oblige private businesses to assess human rights impacts of their investments

As a result, all companies (regardless of their size, sector, operational context, ownership and structure69) have a responsibility to undertake human rights due diligence. This human rights due diligence includes the identification, assessment and mitigation of adverse human rights impacts, as well as the establishment of processes to take effective action on the findings from impact assessments, and the obligation to integrate them to track the effectiveness of responses. Finally, it also comprises the creation of processes to publicly communicate how the company addresses these impacts.
In its “Statement on the implications of the Guiding Principles on Business and Human Rights in the context of Israeli settlements in the Occupied Palestinian Territory” (2014), the UN Working Group on the issue of human rights and transnational corporations confirmed that:

- Business enterprises doing business, or seeking to do business, in or connected to the Israeli settlements in the OPT need to be able to show that they neither support the continuation of an international illegal situation nor are complicit in human rights abuses. They also need to prove that they can effectively prevent or mitigate the risk of human rights violations and that they are able to account for their efforts in this regard – including, when necessary, terminating their business interests or activities. Failure to undertake effective human rights due diligence can lead to adverse human rights impacts or to complicity in abuses committed by other actors. In this regard it should also be noted that the UN Office of the High Commissioner for Human Rights in January 2018 explicitly stated that ‘considering the weight of the international legal consensus concerning the illegal nature of settlements themselves, and the systemic and pervasive nature of the negative human rights impact caused by them, it is difficult to imagine a scenario in which a company could engage in activities in the settlements in a way that is consistent with the UN Guiding Principles and with international law.’ Both the UN Human Rights Council and Human Rights Watch have expressed similar views.

- The UN Guiding Principles require that if a business finds (either through its own due diligence or by other means) that it has caused or contributed to an adverse human rights impact, it has a responsibility to actively engage in remediation. If the business discovers that it has caused adverse human rights impacts, it should take the necessary steps to cease the activity that causes the impact and thus end this specific business relationship. The UN Working Group also cites several recent examples of business enterprises that have terminated their relationships or activities associated with Israeli settlements due to the risks involved. Although the UN Guiding Principles do not explicitly require companies to end their operations if they are involved in human rights abuses, they do warn companies that they should be prepared to ‘accept any consequences- reputational, financial or legal- of the continuing connection’. The UN has defined businesses’ complicity as ‘the indirect involvement of companies in human rights abuses. In essence, complicity means that a company knowingly contributed to another’s abuse of human rights’.

- In the context of the occupied Palestinian Territories, “enhanced” due diligence (the heightened care with which such processes need to be implemented) is required. “Enhanced” due diligence actions may include, among others, increasing the frequency of human rights impact assessments; formally integrating human rights considerations into the due diligence process; and improving the transparency of business operations to ensure accountability and accountability. Enhanced due diligence should be conducted in a systematic and comprehensive manner, and should be carried out in collaboration with local human rights organizations and other stakeholders to ensure effective and meaningful engagement with communities affected by human rights abuses.
rights principles into relevant business contracts; exercising “extreme caution” in all business activities and relationships involving acquisition of assets; and seeking formal advice from the enterprise’s home state, as well as from international organizations and mechanisms.  

• Even if businesses in the settlements are operating in compliance with Israeli law, corporate responsibility to respect human rights exists over and above compliance with national regulations.

• In addition to human rights, International Humanitarian Law (IHL) standards are also applicable to business enterprises in situations of armed conflict, as confirmed by the International Committee of the Red Cross. IHL imposes obligations on managers and staff not to breach IHL and cautions that both individual personnel and the enterprise itself risk being exposed to criminal or civil liability if they do so anyway. This kind of risk should be an important element in a business enterprise’s risk assessment of its activities in the context of an armed conflict.

• Where transnational corporations are involved, their “home” states (European states for example) have crucial roles to play in assisting these corporations and host states (= Israel) to ensure that businesses do not become involved in human rights abuse. States should help ensure that business enterprises operating in those contexts are not involved in human rights abuses. They can do so by engaging with business enterprises to help them identify, prevent and mitigate risks; providing assistance to assess and address risks; denying access to public support and services for an enterprise involved in gross human rights abuses and that refuses to cooperate in addressing

BELGIAN NATIONAL ACTION PLAN ON BUSINESS AND HUMAN RIGHTS

In 2017 the Belgian government published a National Action Plan (NAP) on Business and Human Rights. The NAP wants to raise awareness about human rights among various Belgian stakeholders: companies, trade representatives abroad, diplomats and citizens. It also promises that Belgium will play an important role in the negotiation of a legally binding UN Treaty on Business and Human Rights.

While these are important first steps, the NAP also contains several flaws. It focuses exclusively on voluntary initiatives and does not create a binding framework that holds companies responsible for human rights violations. A legally binding due diligence, as is present in France, is not mentioned in the NAP. The NAP contains 33 proposals for action, but these are only related to the exchange of information. Furthermore, the 33 actions do not include any indicators that measure progress, while their timing is not specified. Finally, the NAP’s proposals meant to guarantee the right to remedy are insufficient.
the situation; and by ensuring that their current policies, legislation, regulations and enforcement measures are effective in addressing the risk of business involvement in gross human rights abuses. To this end, States – home as well as host States – should review their policies, legislation, regulations and enforcement measures to ensure that they effectively serve to prevent and address the heightened risk of business involvement in abuses in conflict situations.81

• When a business enterprise is controlled by a state or when its acts can be attributed to a state in some other way, a human rights abuse by the business enterprise may entail a violation of the state’s own obligations under international human rights law. States should also take additional steps to protect against human rights abuses by business enterprises that are owned or controlled by the state, or receive substantial support and services from State agencies, such as official investment insurance or guarantee agencies.82

Moreover, the UN Guiding Principles explicitly state that “business relationships” include relationships with business partners, value chain stakeholders, and any other non-state or state entity directly linked to its business operations, products or services.83

The UN cannot imagine a scenario in which a company can engage in settlement activities in a way that is consistent with international law

This means that supply chain relationships also require due diligence on human rights impacts, as well as action on prevention and mitigation.

The UN Guiding Principles are also not limited to production and trade relationships, but extend to financial institutions as well. This was confirmed by the UN Office of the High Commissioner for Human Rights (OHCHR), which in April 2013 stated that ‘the Guiding Principles apply to institutional investors holding minority shareholdings’, and that ‘minority shareholdings of institutional investors constitute a “business relationship” for the purposes of Principle 13(b)’. Hence, the OHCHR concluded that “institutional investors would be expected to seek to prevent or mitigate human rights risks identified in relation to shareholdings” and that “if efforts in this regard are not successful, the Guiding Principles stipulate that the institutional investor should consider ending the relationship.”85 In a similar vein, a July 2017 Interpretative Notice by the OHCHR highlighted the responsibility of banks to conduct human rights due diligence, in order to identify whether and how they are involved in activities with adverse human rights impacts. The OHCHR notice stated that the impact of a bank can be ‘those that it may contribute to through its own activities and impacts that may be directly linked to its operations, products or services through its clients or customers (i.e. its ‘business relationships’).’86

3.2.2. The OECD Guidelines for Multinational Enterprises, the UN Principles for Responsible Investment and the UN Global Compact

In a way similar to the UN Guiding Principles, the Organization for Economic
Cooperation and Development (OECD) Guidelines for Multinational Enterprises state that enterprises should carry out ‘on-going’ human rights due diligence and should ‘seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts’.

In addition, the OECD guidelines add that ‘where an enterprise contributes or may contribute to an adverse human rights impact, it should take the necessary steps to cease or prevent its contribution.’

Since 2006 there are also the UN Principles for Responsible Investment. These principles are a voluntary and aspirational set of investment principles that offer a choice of actions for incorporating considerations regarding Environmental, Social and Corporate Governance (ESG) into investment practice. By agreeing with these principles, institutional investors commit, among others, to incorporate ESG issues into investment analysis, decision-making processes and ownership policies and practices.

Human rights are also included in the 10 Principles of the UN Global Compact. Principle 1 states that ‘businesses should support and respect the protection of internationally proclaimed human rights’, while principle 2 promises that businesses will ’make sure that they are not complicit in human rights abuses’.

3.2.3. The United Nations Database for businesses involved in the settlement industry

The 2013 Report of the United Nations Fact-Finding Mission (FFM) has highlighted several business activities that are vital to maintaining and expanding Israeli settlements, and thus constituted human rights violations. The FFM observed that:

‘Private entities have enabled, facilitated and profited from the construction and growth of the settlements, either directly or indirectly (...) Private companies must assess the human rights impact of their activities and take all necessary steps— including by terminating their business interests in the settlements— to ensure that they do not have an adverse impact on the human rights of the Palestinian people, in conformity with international law as well as the Guiding Principles on Business and Human Rights. The mission calls upon all Member States to take appropriate measures to ensure that businesses domiciled in their territory and/or under their jurisdiction, including those owned or controlled by them, that conduct activities in or related to the settlements respect human rights throughout their operations’.

In March 2016, as a direct consequence of the FFM report, the UN Human Rights Council tasked the Office of the UN High Commissioner for Human Rights (OHCHR) to create a UN database of all local and international business enterprises that are involved in the settlement industry.
The council also requested that the database be updated annually. Only entities established as business enterprises were considered for consideration, while non-governmental organizations, charities, sports associations or federations are excluded. The OHCHR listed 10 types of activities that will be included in the UN Database, including ‘banking and financial operations helping to develop, expand or maintain settlements and their activities, including loans for housing and the development of businesses.’

The OHCHR was originally expected to submit its report to the UN Human Rights Council in March 2017, but in early 2017 the deadline was extended to December 2017. Meanwhile, reports appeared that both the United States and Israel were exerting heavy pressure to indefinitely delay the publication of the database. In December 2017 a petition signed by over 400 members of Israeli civil society (including a former attorney general and former members of the Knesset, retired diplomats and eight winners of the Israel Prize) urged the OHCHR to publish the database.92

On January 31, 2018 the OHCHR published a preliminary progress report on the development of the UN database. In this report the OHCHR stated that it had selected a total of 206 companies, but that, due to limited resources it was only able to contact 64 companies. The OHCHR did not reveal

**EU MEMBER STATES’ BUSINESS ADVISORIES**

Since 2014, at least 18 EU member states have issued advisories in which they caution businesses operating within their jurisdiction about the financial, reputational and legal risks if they would become involved in the Israeli settlement industry. Aside from this, the Netherlands actively discourages its businesses to do business in the settlements, despite not having published a formal business advisory.97

Most of these European business advisories, including Belgium’s, are almost identical to each other. They stress that Israeli settlements are illegal under international law, are an obstacle to peace and render a two-state solution impossible. They also warn businesses that financial transactions, investments, purchases, acquisitions and other economic activities (including tourism) in Israeli settlements or benefiting Israeli settlements involve economic and legal risks. Most business advisories also stress that possible violations of international humanitarian law and human rights law should be taken into account. Companies and EU citizens contemplating financial or economic interest in the settlements should seek appropriate legal advice before taking any steps.

In January 2018, the Danish Parliament voted to strengthen the Danish guidelines against investments in the occupied Palestinian territories for both public and private entities.99
3.3. – Third state responsibilities

The numerous Israeli jus cogens violations of international law result in erga omnes obligations on the part of third states, including EU member states, to cooperate to bring such illegal situation to an end. As the 2004 Advisory Opinion of the International Court of Justice and the International Commission of Jurist’s Draft Articles on Responsibility of States for Wrongful Acts confirmed, third states have an obligation:

- To ensure respect for international humanitarian law;
- To not recognize an illegal situation;
- To not render aid or assistance in maintaining an illegal situation.\(^94\)

The obligation not to render assistance to illegal Israeli settlements has also been addressed specifically by UN Security Council resolution 465 (1980), which ‘calls upon all States not to provide Israel with any assistance to be used specifically in connection with settlements in the occupied territories’.\(^95\) UN Security Council resolution 2334 (2016) also calls on UN member states to ‘distinguish, in their relevant dealings, between the territory of the State of Israel and the territories occupied since 1967’.\(^96\)

Under common article 1 of all Four Geneva Conventions of 1949, all High Contracting Parties ‘undertake to respect and to ensure respect for the present Conven-
4

CONCLUSION AND RECOMMENDATIONS
Financial institutions play a critical role in facilitating the functioning and growth of illegal Israeli settlements. By investing in Israeli banks involved in settlements, financial institutions operating in Belgium are supporting the illegal Israeli settlement enterprise. They need to divest from Israeli banks that are directly or indirectly involved in the Israeli settlement industry.

Israeli settlements are the cornerstone of the 51-year old occupation and annexation of Palestinian territories and are illegal according to international law. This illegality has been reiterated several times by the International Court of Justice, the UN Security Council, the UN General Assembly and the High Contracting Parties to the Fourth Geneva Convention. Most recently, UN Security Council resolution 2334 (23 December 2016) confirmed that Israeli settlements have ‘no legal validity and constitute a flagrant violation under international law’. In addition to being a flagrant violation of international law, the Israeli settlement enterprise also prevents any sustainable social and economic development and lie at the core of multiple human rights violations. Consequently, Resolution 2334 calls upon UN member states to ‘distinguish, in their relevant dealings, between the territory of the State of Israel and the territories occupied since 1967.’

Financial institutions play a critical role in facilitating the functioning and growth of illegal Israeli settlements. Funding is one of the most important pillars of the Israeli settlement enterprise, as it cannot exist without it. By receiving funds from Israeli banks, illegal Israeli settlements are able to expand and prosper, at the expense of Palestinian communities that they suffocate and forcibly displace. Israeli banks provide special loans for the building of settlements; provide financial services to local and regional settlement councils; and provide mortgage loans for homebuyers in settlements. They also manage operating branches in all settlement, provide services to businesses that are active in the settlements and benefit from access to the Palestinian monetary market.

Meanwhile, financial institutions play a critical role in facilitating the functioning and growth of illegal Israeli settlements. Considering the heavy social and humanitarian impacts on the Palestinians and the fact that the existence of the settlements is an impediment to the development of an independent Palestinian economy, financial institutions have a responsibility to ensure that they are not involved in any way – directly or indirectly – in violations of international humanitarian law and human rights law. Hence, they need to prevent or mitigate any adverse impact and have the obligation to avoid complicity through their business relationships.

Indeed, under the “UN Guiding Principles on Business and Human Rights” and
the “OECD Guidelines for Multinational Enterprises”, banks and private businesses have an obligation to carry out human rights due diligence. Failure to undertake effective due diligence can lead to adverse human rights impacts or to complicity in abuses committed by other actors.

In this regard it should be noted that the UN Office of the High Commissioner for Human Rights has stated explicitly that it is ‘difficult to imagine a scenario in which a company could engage in activities in the settlements in a way that is consistent with the UN Guiding Principles and with international law’. Both the UN Human Rights Council and Human Rights Watch have expressed similar views. Consequently, European banks and businesses active in the Israeli settlement industry should terminate all relationships or activities associated with the settlements. If they refuse, they risk being complicit in violations of international law, and suffer the resulting reputational, financial and legal consequences.

By investing in these Israeli banks, financial institutions operating in Belgium are supporting the illegal Israeli settlement enterprise

This report demonstrated the entangled web of finances through which financial institutions active in Belgium are related to Israeli banks that are heavily involved in the Israeli settlement enterprise. Deutsche Bank owns or manages shares in five such Israeli banks, for a total amount of 21.96 million Euros. In addition, BNP Paribas owns or manages shares in one such Israeli bank, for a total amount of 6.08 million Euros. The resources invested in Israeli banks by Deutsche Bank and BNP Paribas end up in the use of entities that violate human rights and international humanitarian law, such as the local and regional settlement councils or construction companies operating in the settlements.

By actively providing the financial basis for the maintenance and expansion of the settlement enterprise, Israeli banks are complicit in grave violations of international law. By investing in these Israeli banks, financial institutions operating in Belgium are supporting the illegal Israeli settlement enterprise, and are therefore directly contradicting their own stated policies of corporate social responsibility and commitment to the United Nations Principles for Responsible Investment (UNPRI).

This report therefore calls on financial institutions in Belgium to immediately divest from Israeli banks that are directly or indirectly involved in the Israeli settlement industry. Precedents for such divestment exist. In order to comply with their responsibilities to respect international law, many public and private international financial institutions (including the Dutch pension fund PGGM, the Danish pension fund Sampension and the United Methodic Church pension fund) have recently announced that they are ending their investments in several Israeli banks because of the latter’s involvement in settlements activities.
RECOMMENDATIONS

• TO FINANCIAL INSTITUTIONS OPERATING IN BELGIUM:

1. BNP Paribas and Deutsche Bank: terminate all current relationships or activities associated with Israeli settlements.

2. All banks, especially Argenta, Belfius, ING, BNP Paribas and Deutsche Bank: develop a formal and explicit policy that excludes entities involved in Israeli settlements or any other occupied territories in the future.

• TO THE BELGIAN GOVERNMENT:

3. **Immediately update, expand and actively promote the existing business advisory on Israeli settlements.** This update could include a reference to UN Security Council resolution 2334, the trend of increased annexation in the occupied Palestinian territories and the need to exercise “enhanced” due diligence. Such “enhanced” due diligence actions may include, among others, increasing the frequency of human rights impact assessments; formally integrating human rights principles into relevant business contracts; and exercising “extreme caution” in all business activities and relationships involving acquisition of assets. Inspiration for such update can be found, among others, in Denmark.

4. **Consider new legislation, regulations and enforcements measures that oblige Belgian banks and companies to exercise a more thorough general due diligence, in order to avoid any practices that harm human rights.** Inspiration for such legislation can be found, among others, in France.

5. Specifically with regard to Israeli settlements, and based on the observations and findings described in this report, **consider new legislation, regulations and enforcements measures that prohibit Belgian banks and businesses in all sectors to be invested in relationships or activities associated with the Israeli settlements.**

6. Insist that the EU and its member states play an active and ambitious role in the current **multilateral negotiations on a legally binding UN Treaty on Business and Human Rights.**

7. **Publicly call for the rapid and full publication of the UN Database on companies associated with the settlement industry.** Ensure that sufficient resources are allocated to the Office of the High Commissioner for Human Rights (OHCHR), so it can publish and annually update the UN Database.

8. To take its responsibility, as biggest shareholder in BNP Paribas, **pressure the bank into withdrawing from all current relationships or activities associated with the settlements,** and into developing a formal and explicit policy to exclude entities involved in Israeli settlements or in any other occupied territory in the future.

9. **To take its responsibility, as sole shareholder in Belfius, to pressure the bank into developing a formal and explicit policy that excludes entities involved in Israeli settlements or any other occupied territory in the future.**
METHODOLOGY

The research in this report relies on shareholder reports from the Thomson Reuters Eikon international financial database on all major Israeli banks involved in the financing of construction on occupied land, namely Leumi Bank, Hapoalim Bank, Mizrahi Tefahot Bank, Israel Discount Bank, First International Bank of Israel, Union Bank and Bank of Jerusalem.

Reports were analyzed to identify holdings in these Israeli banks by ten banks that are operating in Belgium, including those screened by the Fair Finance Guide Belgium (www.bankwijzer.be / www.scandesbanques.be): Triodos bank, Van Lanschot, vdk bank, Argenta, ING, KBC, Belfius, Deutsche Bank, BNP Paribas and Dexia Bank.

Who Profits then conducted in-depth research on the financial institutions identified (Bank Deutsche Bank and BNP Paribas), relying on publicly available sources such as company annual reports, annual and semi-annual reports of numerous asset management funds, and media coverage.
## ANNEX 1
### DETAILED OVERVIEW OF BNP PARIBAS’ INVOLVEMENT IN ISRAELI BANKS

### TABLE 1: SHARES OWNED OR MANAGED BY BNP PARIBAS AND ITS INVESTMENT ADVISORS

<table>
<thead>
<tr>
<th>INVESTOR</th>
<th>NO. OF SHARES</th>
<th>VALUATION IN EUR</th>
<th>COUNTRY</th>
<th>FILING DATE</th>
<th>INVESTOR TYPE</th>
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*Source: Thomson Reuters Eikon, accessed 12-03-2018*

### TABLE 2: SHARES OWNED OR MANAGED BY BNP PARIBAS THROUGH ITS MUTUAL FUNDS

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<tr>
<th>INVESTOR</th>
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*Source: Thomson Reuters Eikon, accessed 12-03-2018*
## ANNEX 2

**DETAILED OVERVIEW OF DEUTSCHE BANK’S INVOLVEMENT IN ISRAELI BANKS**

### TABLE 3: SHARES OWNED OR MANAGED BY DEUTSCHE BANK AND ITS INVESTMENT ADVISORS / HEDGE FUNDS

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<th>INVESTOR</th>
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*Source: Thomson Reuters Eikon, accessed 12-03-2018*
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<td>1,143.00</td>
<td>4,344.89</td>
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| Hapoalim Bank                  |               |                   |           |             |
| db X-trackers MSCI EAFE        | 445,930.00    | 3,339,614.36      | United States | 31-01-2018 |
| Hedged Equity Fund             |               |                   |           |             |
| DB X-Trackers MSCI World Index | 97,584.00     | 730,816.33        | United Kingdom | 31-01-2018 |
| UCITS ETF                      |               |                   |           |             |
| db x-trackers MSCI Wd          | 56,460.00     | 404,564.13        |           | 28-02-2018  |
| Financials Index UCITS ETF     |               |                   |           |             |
| db x-trackers MSCI World       | 23,743.00     | 170,130.47        | Germany   | 28-02-2018  |
| Value Factor UCITS ETF (DR)    |               |                   |           |             |
| Deutsche X-trackers MSCI All World ex US Hedged Equity ETF | 7,411.00 | 55,501.72 | United States | 31-01-2018 |
| db x-trackers MSCI World Minimum Volatility UCITS ETF (DR) | 4,102.00 | 29,392.88 | United States | 28-02-2018 |
| Deutsche EAFE Equity Index Fund | 4,008.00      | 29,503.69         | United States | 31-12-2017 |
| CFS - Deutsche MSCI World Index Fund | 1,595.00 | 11,945.11 | Germany | 31-01-2018 |
| db x-trackers Custom Global Equity | 842.00      | 4,775.23          | United Kingdom | 30-09-2016 |
| Deutsche X-trackers FTSE       | 809.00        | 6,058.68          | United States | 31-01-2018 |
| Dev ex US Compre Fctr ETF      |               |                   |           |             |

.../...
### INVESTOR

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<tr>
<th>INVESTOR</th>
<th>NO. OF SHARES</th>
<th>VALUATION IN EUR</th>
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<td>31-01-2018</td>
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Source: Thomson Reuters Eikon, accessed 12-03-2018
REFERENCES

2. Who Profits Research Center (2017): 'Financing Land Grab: The Direct Involvement of Israeli Banks in the Israeli Settlement Enterprise.'
3. Ibid.
9. Delimited by the Oslo agreements, Area C represents more or less 60% of the West Bank and is still to this day under the total control of the Israeli army.
10. OCHA Occupied Palestinian Territory, Monthly figures. See “Demolition of structures” https://www.ochaopt.org/content/monthly-figures
12. 11.11.11, CNCD-11.11.11 et al (2017): ‘Occup’Annexation - The shift from occupation to annexation in Palestine.’
17. ‘The staggering economic cost of occupation: The Palestinian economy would be at least twice as large without Israeli occupation, UNCTAD report says’, 6 September 2016, United Nations Conference on Trade and Development.
19. UN Human Rights Council (2018): 'Database of all business enterprises involved in the activities detailed in paragraph 96 of the report of the independent international fact-finding mission to investigate

20 ‘Israeli protests: 430,000 take to streets to demand social justice’, 4 September 2011, The Guardian.
22 UN Human Rights Council (2013): ‘Report of the independent international fact-finding mission to investigate the implications of the Israeli settlements on the civil, political, economic, social and cultural rights of the Palestinian people throughout the Occupied Palestinian Territory, including East Jerusalem’, A/HRC/22/63
26 See also a Who Profits report that focusses on the role of Israeli banks in road construction (January 2018): https://www.whoprofits.org/content/paving-way-role-israeli-banks-road-construction-occupied-palestinian-territory-0.
28 Idem, p 62.
29 Idem, p 78.
30 Idem, p 82.
35 ‘Statement regarding exclusion of Israeli banks’, 8 January 2014, PGGM.
36 ‘Israeli banks on ineligible list for pension agency’, United Methodist Church, 13 January 2016.
37 ‘Danish pension fund excludes four companies for role in Israeli occupation’, 11 October 2017, Middle East Monitor.
38 ‘Dexia verkoopt zijn deelneming van 58,9 % in Dexia Israel Bank’, 18 March 2018, Dexia. See also ‘Dexia Group sells its shares in Dexia Israel’, April 2018, Who Profits Research Center.
39 All individual bank profiles in this section were provided by Profundo.
40 Société Fédérale de Participation et d'Investissement, a public interest société anonyme (public limited company) acting on behalf of the Belgian government.
44 All individual bank profiles in this section were provided by Profundo.


'VDK-code voor duurzaam en ethisch bankieren', VDK.


'Israel’s Settlements Have No Legal Validity, Constitute Flagrant Violation of International Law, Security Council Reaffirms', para 1, 23 December 2016, United Nations.

Article 49 and Article 147 of the Fourth Geneva Convention (1949); See also Rule 129 of Customary International Law, International Committee of the Red Cross.

Articles 43, 55 Hague Regulations (1907); articles 53 and 64 Fourth Geneva Convention (1949).

Article 55 Hague Regulations (1907).

Article 47 Hague Regulations (1907); article 33 Fourth Geneva Convention (1949); article 8(2)(b)(xvi) Rome Statute of the International Criminal Court.


A/68/376, para 57.


UN Guiding Principles on Business and Human Rights 1 and 14.

See in this regard also UN Human Rights Council (2013): ‘Report of the independent international fact-finding mission to investigate the implications of the Israeli settlements on the civil, political, economic, social and cultural rights of the Palestinian people throughout the Occupied Palestinian Territory, including East Jerusalem’, A/HRC/22/63, para 117, which calls on business to consider terminating their business interests in the settlements to ensure that they do not have an adverse impact on the human rights of the Palestinian people.


‘Statement on the implications of the Guiding Principles on Business and Human Rights in the context of Israeli settlements in the Occupied Palestinian Territory’, 6 June 2014, UN Office of the High Commissioner for Human Rights, p 8; See also UN Guiding Principle 22.


See UN Guiding Principles on Business and Human Rights, commentary to guiding principle 19.


See https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment.

90 UN Human Rights Council (2013): ‘Report of the independent international fact-finding mission to investigate the implications of the Israeli settlements on the civil, political, economic, social and cultural rights of the Palestinian people throughout the Occupied Palestinian Territory, including East Jerusalem’, A/HRC/22/63, para 117.


92 ‘Hundreds of Israelis urge publication of UN settlement database’, 4 December 2017, Middle East Monitor.


97 For an overview see https://www.ecfr.eu/article/eu_member_state_business_advisories_on_israel_settlements.


99 The unofficial translation of the updated Danish guidelines is as follows: ‘The Parliament refers to motion number V 53 from 2016 and takes note of the call in the UN Security Council Resolution 2334 to differentiate in relevant dealings between Israeli territory and the occupied areas. The Parliament calls for new agreements between Denmark and Israel to, in line with resolution 2334 and EU policy, clearly state that they are inapplicable in these areas. The Parliament calls on the Government to strengthen the guidance of private and public investors to make it easier to identify engagements and activities taking place in or in support of settlements, including to update, on an on-going basis, the State’s guidelines on responsible investments with an outset in the UN and OECD guidelines and statements from MKI. The Parliament further expresses its support for the on-going work of OHCHR on the matter.’


106 Based on bankwijzer.be.
CONTACT

11.11.11
Koepel van de Vlaamse Noord-Zuidbeweging
Vlasfabriekstraat 11
1060 Brussel

Willem Staes
Policy officer Middle East
(+32) (0)2 536 11 26
Willem.Staes@11.be

www.11.be

CNCD-11.11.11
Centre National de Coopération au Développement
9 quai du commerce
1000 Bruxelles

Nathalie Janne d’Othée
Chargée de recherche et de plaidoyer Moyen-Orient et Afrique du Nord
(+32) (0) 2 250 12 64
nathalie.janne@cnkd.be

www.cnkd.be