

HUMAN RIGHTS WATCH

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March 26, 2017

Ms. [REDACTED]
Spokesperson
Bank Leumi
Via E-mail: [REDACTED]@[REDACTED].il
Telephone: [REDACTED]

Dear Ms. [REDACTED],

Human Rights Watch is preparing a publication analyzing the activities of Israeli banks in Israeli settlements in the West Bank, through the lens of the United Nations Guiding Principles on Business and Human Rights (UNGP). The purpose of this letter is to invite you to provide information on such activities and your understanding of the domestic legal framework guiding those activities. Our report will reflect all pertinent information that you provide by April 23.

Human Rights Watch is an independent, nongovernmental organization that monitors and reports on human rights in 90 countries around the world. Our Israel and Palestine team researches and reports human rights violations by Israel, the Palestinian Authority, and Hamas.

In January 2016, Human Rights Watch published a report, [Occupation, Inc.](#), analyzing business activities in Israeli settlements located in the occupied West Bank, through the lens of the UNGP. Our research indicates that by supporting, facilitating, and expanding settlements, business activity in Israeli settlements inherently contributes to and benefits from serious violations of human rights and international humanitarian law. For these reasons, we recommend that businesses cease settlement-related activities.

Our current research indicates that some banks are contributing to violations of human rights and international humanitarian law by providing services that help maintain and expand settlements, including financing construction projects, providing mortgages for settlement homes, operating bank branches within settlements, and providing loans and financial services to settlement municipalities.

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I would be grateful if you would respond to the following questions:

1. Is Bank Leumi familiar with the UN Guiding Principles on Business and Human Rights? If so, what if any steps has it taken to implement them?
2. Does Bank Leumi have written policies regarding human rights compliance? If so, please send copies.
3. Does Bank Leumi have specific policies regarding business activities in Israeli settlements? If so, please send copies.
4. Other than the obligation to open a bank account for those who fit the criteria, are there any legal obligations that require Bank Leumi to provide services in and to Israeli settlements in the West Bank, including but not limited to providing loans to municipalities and mortgages to homeowners, financing construction projects, and operating bank branches and ATMS? If so, please specify the applicable law.
5. Has Bank Leumi ever been involved in litigation related to declining to provide services in Israeli settlements in the West Bank?
6. Would a bank face any legal repercussions if it refrained from opening a branch because of its location in a particular geographic area and/or closed a branch because of its location in a particular geographic area? If so, please specify the applicable law.
7. Does the 1974 Israeli Sale Law (Houses) (The Protection of House Purchasers), which requires contractors to obtain guarantees as a condition of moving forward with a construction project, impose any kind of obligation on a particular bank to provide such guarantees to a particular project or prevent the bank from declining to do so for reasons unrelated to the financial soundness of the project?
8. A recent report by the nonprofit organization Who Profits cites a number of projects in which Bank Leumi is involved in Israeli settlements in the West Bank. Can you confirm the bank's involvement in the following projects?
 - a. Providing a loan of up to US\$5 million to the Gush Etzion Regional Council in or after May 2016;
 - b. Providing a \$10.9 million loan to the Mateh Binyamin Regional Council in or after February 2015;
 - c. Providing a \$2.52 million loan to the Har Hevron Regional Council in or after June 2015;
 - d. Accompanying stage 4 of a construction project in Alfei Menashe, "Amirei Nof," according to a June 2015 agreement;
 - e. Accompanying a road pavement, development, and infrastructure project in Givat Ze'ev, according to a 2013 agreement; and
 - f. Accompanying a housing project, "Medoragey Hadar," in Ma'ale Adumim, completed in 2016.

Of course, please correct any inaccurate details in this list.

Please send your written response by April 23, 2017, so that we can reflect it in our publication. We of course also welcome any additional comments or responses you wish to provide, and we will reflect all pertinent information that you provide in our upcoming publication.

I thank you in advance for your kind cooperation.

Sincerely yours,

Sari Bashi
Israel and Palestine Advocacy Director
Middle East and North Africa
Human Rights Watch
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