

Legal Opinion on Draft Belgian Bill on Financial Institutions and the Occupied Palestinian Territories

Dr Irene Pietropaoli

On 19 January 2026, a [Draft Bill](#) to prohibit financial institutions from contributing to the maintenance of the illegal situation in the Occupied Palestinian Territories (OPT) was introduced in the Belgian Chamber of Representatives. The bill proposes a statutory prohibition on 'financial institutions' providing 'contributions' (broadly defined to include financing, investment, portfolio management, insurance and other services) to entities associated with a wide list of activities linked to maintaining what the 'illegal situation' in the OPT.

As a matter of international law implementation, the bill seeks to operationalise the 'non-assistance' dimension reflected in (i) the 19 July 2024 [advisory opinion](#) of the International Court of Justice (ICJ) which confirmed the illegal nature of Israel's occupation of the Palestinian Territories and (ii) the general law of State responsibility applicable to serious breaches of peremptory norms - particularly the duties of non-recognition, non-assistance, and cooperation to bring to an end an unlawful situation.

This [legal opinion](#) requested by the Belgian House of Representatives addressed the following key issues related to legal certainty, foreseeability, institutional design, and EU law compatibility:

- Key operative concepts (especially 'entities associated', 'directly or indirectly', and the bill's definition of '*situation illégale*' incorporating references to genocide-related determinations and a UN Commission of Inquiry date) may create enforceability and rights-of-defence risks, including under Article 7 ECHR standards where measures are punitive in nature.
- The bill delegates the organisation of controls to the King and allows further specification of activities by royal measure but does not specify (i) the competent supervisory authority, (ii) the procedure for findings of infringement, (iii) due process guarantees, or (iii) how the new regime interfaces with existing Belgian sanctions/AML supervision and EU sanctions compliance frameworks.
- The bill may be treated under EU law as a restriction on capital movements and financial services with third-country and intra-EU effects, requiring a justification and proportionality. It could also be challenged as an attempt to create autonomous restrictive measures.

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