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

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Executive summary

The draft bill (DOC 56 1310/001, dated 19 January 2026)[1] introduced in the Belgian Chamber of Representatives proposes a statutory prohibition on 'financial institutions'[2] providing 'contributions' (broadly defined to include financing, investment, portfolio management, insurance and other services)[3] to entities associated with a wide list of activities linked to maintaining what the 'illegal situation'[4] in the Occupied Palestinian Territories (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)[5] 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, addresses 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.[6]

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[1] Draft Bill to prohibit financial institutions from contributing to the maintenance of the illegal situation in the Occupied Palestinian Territories, in implementation of the Advisory Opinion of the International Court of Justice of 19 July 2024, submitted by Mr Achraf El Yakhloufi and others, 19 January 2026 https://www.lachambre.be/site/wwwcfm/flwb/flwbcheckpdf.cfm?docn=56K1310001&language=fr.

[2] Art 2(1), 'financial institution: any bank, credit institution, portfolio manager, insurance company, pension fund or other entity governed by Belgian law or having its registered office, central administration or principal place of establishment on Belgian territory, whose principal activity consists in providing financial services'.

[3] Art 2(4).

[4] Art 2(3), 'illegal situation: the presence of Israel, and Israel's policies and practices in the Occupied Palestinian Territories, characterised as violations of peremptory norms of international law (*jus cogens*) by the International Court of Justice in its Advisory Opinion of 19 July 2024, as well as acts as defined in the Convention of 9 December 1948 on the Prevention and Punishment of the Crime of Genocide, in light of the legal findings of the International Court of Justice of 26 January 2024 and of the United Nations Commission of Inquiry of 16 September 2025'.

[5] ICJ, Legal Consequences arising from the Policies and Practices of Israel in the Occupied Palestinian Territory, including East Jerusalem (Advisory Opinion) [2024] ICJ Rep (19 July 2024) https://www.icj-cij.org/case/186.

[6] European Convention on Human Rights (adopted 4 November 1950, entered into force 3 September 1953) ETS No 5, art 7 https://www.echr.coe.int/documents/d/echr/convention_ENG

- 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 (iv) 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.

I. Draft Bill overview

I.1 Core object and operative prohibition (Article 4)

The bill's stated objective is to prohibit financial institutions from providing financial services to 'enterprises associated with the illegal occupation' of the Palestinian territories, presented as implementation of Belgium's 'international obligations'. The operative prohibition (Article 4) states that it is forbidden for financial institutions, as defined in Article 2(1), to contribute 'directly or indirectly' to maintaining the illegal situation in the Occupied Palestinian Territories 'by providing financial services' to entities associated with activities listed in Article 3. It further states that this prohibition 'gives effect' within the Belgian legal order to the ICJ prohibition on rendering aid or assistance.

I.2. Definitions (Article 2)

Article 2 provides definitions that are wide in scope:

- Art 2(1), 'financial institution': any bank, credit institution, portfolio manager, insurance company, pension fund, or other entity subject to Belgian law or having its registered office, central administration or principal establishment in Belgium, whose principal activity is providing financial services.
- Art 2(2), the 'Occupied Palestinian Territories' are defined as the West Bank (including East Jerusalem) and the Gaza Strip.
- Art 2(3), the 'illegal situation' is defined with a dual reference: (i) the presence, policies, and practices of Israel in the occupied territories characterised as violations of peremptory norms (jus cogens) by the ICJ's 19 July 2024 advisory opinion; and (ii) 'acts' as defined in the Genocide Convention of 1948[7], 'in light of' the ICJ's 26 January 2024 legal findings and the UN Commission of Inquiry of 16 September 2025[8].
- Art 2(4), 'contributions' are defined very broadly: any investment, financing, loan, subscription, portfolio management, insurance, or any other financial service provided to a company or entity associated with Article 3 activities.

[7] Convention on the Prevention and Punishment of the Crime of Genocide (adopted 9 December 1948, entered into force 12 January 1951) 78 UNTS 277 https://treaties.un.org/doc/publication/unts/volume%2078/volume-78-i-1021-english.pdf

[8] Human Rights Council, Sixtieth session, Legal analysis of the conduct of Israel in Gaza pursuant to the Convention on the Prevention and Punishment of the Crime of Genocide, Conference room paper of the Independent International Commission of Inquiry on the Occupied Palestinian Territory, including East Jerusalem, and Israel, 16 Sept 2025 A/HRC/60/CRP.3 https://www.un.org/unispal/document/commission-of-inquiry-report-genocide-in-gaza-a-hrc-60-crp-3/.

I.3. Prohibited activity catalogue and executive specification (Article 3)

Article 3 enumerates 11 categories of relevant 'activities', including: arms and dual-use transfers to Israel; ICT enabling maintenance of the illegal situation; exploitation of Palestinian natural resources obtained illegally; transfer of energy contributing to the illegal situation; waste dumping to Palestinian villages; supply of materials facilitating the construction or expansion of Israeli settlements and the separation wall; provision of equipment for the demolition and illegal appropriation of Palestinian homes and property; banking and financial transactions supporting the unlawful situation; provision of services sustaining settlements (including transport); allocation of profits of companies owned by settlers; and holding Palestinian financial and economic markets 'under tutelage' via restrictions and administrative or legal constraints. Article 3(2) further provides that the King may further specify the list of activities described in Article 3(1). [18]

I.4. Sanctions (Article 5)

The bill provides for an administrative fine between EUR 50,000 and EUR 5,000,000, without prejudice to criminal prosecution based on Article 136quater of the Belgian Criminal Code.

Draft bill text and legal issues overview

Article	What the text does	Legal issue
Art 2(1), definition of 'financial institution'	Captures banks, credit institutions, portfolio managers, insurers, pension funds, and 'other entities' with Belgian law nexus or principal establishment in Belgium.	Potential overbreadth (e.g., investment firms, payment institutions, intra-group treasury vehicles) and uncertainty on perimeter.
Art 2(3), definition of 'illegal situation'	Links *jus cogens* findings from 19 July 2024 ICJ advisory opinion to Genocide Convention 'acts' 'in light of' 26 Jan 2024 ICJ findings and 16 Sept 2025 COI.	Foreseeability, presumption-of-innocence signalling, evidentiary and judicial-review vulnerability.
Art 2(4) definition of 'contributions"	Encompasses almost every core financial-service line: lending, investment, underwriting/subscription, portfolio management, insurance.	Could operate like a de facto sanction regime without the standard EU/Belgian sanctions infrastructure (lists, licensing, competent authorities).
Art 3 activity list and royal power to specify	Creates a broad, partly open-textured list; allows executive precision.	Delegation risk and legal certainty issues, especially with punitive sanctions.
Art 5, sanctions	Administrative fine EUR 50k–5m; references possible criminal prosecution under Article 136quater Belgian Criminal Code.	Needs clear procedure, competent authority, and alignment with criminal-law legality and ECHR standards for punitive measures.

II. International Law framework referred to in the Draft Bill

II.1. The 19 July 2024 ICJ Advisory Opinion and Third-State duties

The bill's rests on the proposition that Belgium must not recognise an unlawful situation and must not aid or assist in maintaining it, flowing from the 19 July 2024 IJ advisory opinion and customary

international law.[9] Although the draft bill focuses on financial institutions (private actors), it is framed as an instrument of State compliance: i.e., the State uses regulation of domestic financial actors to avoid the state of Belgium rendering aid or assistance and to prevent the Belgian financial system from sustaining the unlawful situation.

II.2. State responsibility: serious breaches and duties of non-recognition, non-assistance, and cooperation

The International Law Commission's Articles on State Responsibility (particularly the provisions addressing serious breaches of peremptory norms) articulate a structured set of consequences, including duties (i) to cooperate to bring to an end the serious breach, (ii) not to recognise as lawful a situation created by it, and (iii) not to render aid or assistance in maintaining that situation.[10] The bill is directly aligned with (iii) non-assistance, and only indirectly with (ii) non-recognition (because it does not create explicit recognition or differentiation rules such as territorial labelling, contracting exclusions, or public procurement restrictions). It does not directly implement (i) cooperation, except insofar as domestic restrictions might be characterised as a unilateral measure aimed at termination of illegality.

II.3. International Humanitarian Law: Common Article 1 and 'ensuring respect'

The bill's explanatory text explicitly links third-State duties to ensure respect for international humanitarian law, referring to the Fourth Geneva Convention. Common Article 1 of the Geneva Conventions[11] obliges High Contracting Parties 'to respect and to ensure respect' for the Conventions 'in all circumstances'. The ICRC's updated commentary explains "ensure respect" as having a broader dimension extending beyond a State's own forces, emphasising the obligation's relevance to the conduct of other parties.[12] A domestic prohibition on certain forms of financial support can be a form of 'ensuring respect' through lawful means.

II.4 UN resolutions as interpretive support

UN Security Council Resolution 2334 (2016) reaffirms that Israeli settlements in the occupied Palestinian territory have 'no legal validity' and calls upon states to distinguish between the territory of Israel and

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[9] See, Irene Pietropaoli Obligations of Third States and Corporations to Prevent and Punish Genocide in Gaza, SOMO and Al-Haq, 5 June 2024 https://www.somo.nl/wp-content/uploads/2024/06/Obligations-of-Third-States-and-Corporations-to-Prevent-and-Punish-Genocide-in-Gaza-3.pdf.

[10] Responsibility of States for Internationally Wrongful Acts 2001, Text adopted by the Commission at its fifty-third session, in 2001, and submitted to the General Assembly as a part of the Commission's report covering the work of that session. The report, which also contains commentaries on the draft articles, appears in Yearbook of the International Law Commission, 2001, vol. II (Part Two). Text reproduced as it appears in the annex to General Assembly resolution 56/83 of 12 December 2001, and corrected by document A/56/49(Vol. I)/Corr.4 https://legal.un.org/ilc/texts/instruments/english/draft_articles/9_6_2001.pdf.

[11] Geneva Convention (I) for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field (adopted 12 August 1949, entered into force 21 October 1950) 75 UNTS 31;
Geneva Convention (II) for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of Armed Forces at Sea (adopted 12 August 1949, entered into force 21 October 1950) 75 UNTS 85;
Geneva Convention (III) relative to the Treatment of Prisoners of War (adopted 12 August 1949, entered into force 21 October 1950) 75 UNTS 135;
Geneva Convention (IV) relative to the Protection of Civilian Persons in Time of War (adopted 12 August 1949, entered into force 21 October 1950) 75 UNTS 287, common art 1 https://ihl-databases.icrc.org/en/ihl-treaties/gciv-1949

[12] ICRC, commentary of 2025 https://ihl-databases.icrc.org/en/ihl-treaties/gciv-1949/article-1/commentary/2025

the territories occupied since 1967.[13] Following the ICJ advisory opinion, the UN General Assembly adopted Resolution ES-10/24 calling for implementation-related measures consistent with the advisory opinion framework.[14] This supports that Third States should adopt measures consistent with non-recognition and non-assistance obligations.

II.5. UN Guiding Principles on Business and Human Rights

In Pillar I, the UN Guiding Principles on Business and Human Rights (UNGPs) clarify state duty to provide policy and regulatory frameworks to prevent and address corporate-related human rights harms.[15]

II.6. Draft Bill and requirements signalled by the Advisory Opinion framework

The ICJ advisory opinion's requirements for Third States are best read as obligations of conduct under general international law (non-recognition, non-assistance, cooperation), not as a single mandated model statute.

Advisory Opinion, Third States responsibility	Primary legal expression	Draft Bill mechanism	Alignment assessment	Drafting enhancement to better reflect obligation
Non-assistance (do not aid/assist in maintaining unlawful situation)	State responsibility rules on serious breaches (bill's Article 4 rationale)	Prohibits financial institutions from providing broadly defined 'contributions' to entities associated with listed activities; 'directly or indirectly'	High conceptual alignment, but designation, listing and clear tests may be needed to clarify operational uncertainty	Add 'material contribution' and 'knowledge' or 'should have known' tests; define association thresholds; create list or determination mechanism
Non-recognition (do not recognise as lawful the situation created by serious breach)	State responsibility rules; UNSC 2334 'distinguish' language provides practical analogue	No explicit differentiation or recognition rules; operates indirectly by restricting finance	Partial and indirect	Add explicit territorial differentiation clauses (e.g., settlement-related activities), consistent with EU differentiation practice
Cooperation to end (cooperate through lawful means)	State responsibility rules on serious breaches	No structured cooperation mechanism; purely domestic prohibition	Unilateral measures might contribute to direct alignment	Add reporting to federal government or Parliament; mandate

[13] UN Security Council, Resolution 2334 (2016), UN Doc S/RES/2334 (23 December 2016) https://undocs.org/S/RES/2334(2016).
[14] UN General Assembly, Resolution ES-10/24: Advisory opinion of the International Court of Justice on the legal consequences arising from the policies and practices of Israel in the Occupied Palestinian Territory, including East Jerusalem, UN Doc A/RES/ES-10/24 (18 September 2024) https://undocs.org/A/RES/ES-10/24.
[15] UN Human Rights Council, Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, UN Doc A/HRC/17/31 (21 March 2011) https://undocs.org/A/HRC/17/31

Advisory Opinion, Third States responsibility	Primary legal expression	Draft Bill mechanism	Alignment assessment	Drafting enhancement to better reflect obligation
				engagement at EU level
Ensure respect for IHL (Common Article 1)	Common Article 1; ICRC commentary	Bill states it implements third-state responsibility and references Geneva Convention duties	Enforcement design should meet legality and due-process requirements	Explicit supervisory guidance duties; clear enforcement procedure

III. Belgian constitutional and statutory law

III.1. Constitution and division of competences

Article 1 of the bill states it regulates a matter referred to in Article 74 of the Belgian Constitution, referring to the applicable federal legislative procedure. The bill operates in a space where (i) the federal level has core competences in financial regulation and (ii) the Belgian federal system allocates significant competences to Regions and Communities, with the precise allocation governed by special institutional laws. The bill's subject matter is framed as international-obligation implementation through regulation of financial actors, which is naturally federal, but its activity list covers domains (e.g., arms or dual-use exports) that are regulated through layered Belgian and EU regimes, creating coordination issues.

III.2 Relationship to Belgian sanctions, anti-money laundering, and supervisory infrastructure

Belgium already operates, in parallel with EU restrictive measures, an extensive compliance ecosystem involving supervisors and reporting channels, particularly in the context of asset freezes and embargoes. The National Bank of Belgium publishes guidance on financial embargoes and asset freezes and recommends internal reporting arrangements, including the role of anti-money laundering (AML) compliance officers and notifications to competent public authorities.[16] The bill does not specify how its new prohibition interacts with:

- internal policies, procedures, and controls for restrictive measures now structured at EU level (including the European Banking Authority Guidelines that apply from late 2025 for governance and controls to ensure implementation of Union and national restrictive measures)[17] and
- the existing AML reporting ecosystem involving the Belgian Financial Intelligence Processing Unit and its guidelines to obliged entities, which also situate restrictive measures within a broader compliance architecture.[18]

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[16] National Bank of Belgium, Embargos financiers et gel d'avoirs: commentaires et recommandations de la BNB https://www.nbb.be/fr/supervision-financiere/prevention-du-blanchiment-de-capitaux-et-du-financement-du-terrorisme-52.

[17] European Banking Authority, Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures (EBA/GL/2024/15, 14 November 2024) https://www.eba.europa.eu/activities/single-rulebook/regulatory-activities/anti-money-laundering-and-countering-financing-terrorism/guidelines-internal-policies-procedures-and-controls-ensure-implementation-union-and-national.

[18] CTIF CIF, Lignes Directrices Destinées Aux Entités Assujetties Visées À l'article 5 De La Loi Du 18 Septembre 2017 Relative À La Prévention Du Blanchiment De Capitaux Et Du Financement Du Terrorisme Et À La Limitation De

The bill creates something functionally adjacent to a sanctions regime and as such it may need the standard design components that make sanctions operable (i.e. designation, listing, licensing, derogations, competent authority assignment, formal guidance mandate, data-sharing interfaces, and consistent enforcement).

III.3. Administrative fines, punitive character, and legality/foreseeability

The bill provides an administrative fine of EUR 50,000 to EUR 5,000,000 for 'any infringement', without setting out the competent authority, the infringement determination procedure, or due process safeguards in the statutory text, leaving control organisation to royal action. Because administrative fines at this level can be punitive in substance, they may implicate legality and foreseeability standards developed under Article 7 ECHR and related case-law on what counts as 'criminal for Convention purposes (often analysed through criteria developed in cases such as *Engel*).[19] The European Court of Human Rights' Article 7 Guide synthesises the requirement that offences and penalties be sufficiently clear and foreseeable (*lex certa*), particularly where sanctions are severe.[20]

III.4. Article 136quater of the Criminal Code

The bill states that administrative fines apply 'without prejudice' to the possibility of criminal prosecution under Article 136quater. Article 136quater sits within Belgium's provisions on serious violations of international humanitarian law (war crimes), listing grave acts such as torture and wilful killing in armed conflict contexts. The bill may need to specify the theory of criminal liability that would connect a financial service to an Article 136quater offence (e.g., complicity or participation), and clarify necessary mental elements.

IV. EU law, ECHR, and international economic law compatibility

IV.1. EU internal market: capital movements and financial services

A prohibition on Belgian-linked financial institutions providing investments, loans, portfolio management, or insurance to certain foreign or cross-border entities may be treated as a restriction on capital movements within the meaning of Article 63 TFEU, which prohibits restrictions on movement of capital between Member States and between Member States and third countries.[21] It may also implicate cross-border provision of financial services (Article 56), particularly where Belgian-established actors provide services to recipients in other Member States or where group structures and passporting are involved; the EU describes Article 56 as prohibiting restrictions on providing services cross-border.[22] Article 65 TFEU permits certain restrictions, including measures justified on grounds of public policy or public security and measures to prevent infringements of national law, including in prudential supervision. Any national restriction must still satisfy core EU proportionality and non-discrimination constraints (including avoidance of arbitrary discrimination or disguised restrictions). The draft bill may need to be expanded to (i) be tightly defined, (ii) be operationally implementable, and (iii) clearly pursue

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l'utilisation Des Espèces Concernant La Transmission d'informations A La Cellule De Traitement Des Informations Financieres, 2020 https://www.ctif-cfi.be/images/documents/French/lignes_directrices_CTIF_version_01102024.pdf

[19] Engel and others v Netherlands (No 1) (1976) 1 EHRR 647 (ECtHR) https://hudoc.echr.coe.int/eng?i=001-57479

[20] European Court of Human Rights, Guide on Article 7 of the European Convention on Human Rights https://ks.echr.coe.int/documents/d/echr-ks/guide_art_7_eng

[21] EU, Consolidated version of the Treaty on the Functioning of the European Union - PART THREE: UNION POLICIES AND INTERNAL ACTIONS - TITLE IV: FREE MOVEMENT OF PERSONS, SERVICES AND CAPITAL - Chapter 4: Capital and payments - Article 63 (ex Article 56 TEC) https://eur-lex.europa.eu/eli/treaty/tfeu_2008/art_63/oj/eng

[22] EU, Free movement of services https://eur-lex.europa.eu/EN/legal-content/glossary/free-movement-of-services.html

legitimate public interests grounded in international law compliance, with transparent procedures and review mechanisms.

IV.2. EU differentiation practice on OPT as supportive precedent

The EU has an established practice of not recognising Israel's sovereignty over Palestinian territories occupied since June 1967; the European Commission's Interpretative Notice on indication of origin of goods explicitly states that, in line with international law, the EU does not recognise such sovereignty and does not consider those territories part of Israel's territory.[23] The Court of Justice of the European Union in the *Psagot* judgment addressed labelling of goods from settlements, and its press materials underscore the requirement that goods from occupied territories bear indication of territory of origin and, where from settlements, an additional indication.[24] These sources are not direct legal authority for a Belgian prohibition on financial services, but they demonstrate that EU law has already operationalised a form of non-recognition and differentiation in an internal-market context.

V. Implementation and compliance

V.1. Scope of prohibited activities

Because 'contributions' include investments, loans, subscriptions, portfolio management, and insurance, the bill potentially covers:

- Corporate lending, project finance, syndicated loans, revolving credit facilities,
- Underwriting and distribution of securities (the bill's term *souscription* is broad),
- Asset management (including discretionary mandates, collective investment products, indexed products),
- Insurance products potentially relevant to construction, transport, security-linked activities (subject to how 'associated' is interpreted).

The drafting would likely force regulated entities to implement broad screening and exit and avoidance rules.

V.2. Due diligence for activity association screening

Belgian institutions already operate screening and governance systems for restrictive measures and embargo and asset freeze compliance, supported by supervisory guidance. The draft bill would require a different type of due diligence: not merely matching names against lists but determining whether a counterparty is 'associated' with activities that 'contribute' to maintaining the unlawful situation. Compliance would likely necessitate enhanced corporate structure mapping (subsidiaries, joint ventures,

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[23] Official Journal of the European Union, Interpretative Notice on indication of origin of goods from the territories occupied by Israel since June 1967 (2015/C 375/05) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52015XC1112%2801%29

[24] EU, J udgment of the Court (Grand Chamber) of 12 November 2019.

Organisation juive européenne and Vignoble Psagot Ltd v Ministre de l'Économie et des Finances.

Request for a preliminary ruling from the Conseil d'État.

Reference for a preliminary ruling — Regulation (EU) No 1169/2011 — Provision of food information to consumers — Mandatory indication of the country of origin or place of provenance of a foodstuff where failure to indicate this might mislead the consumer — Requirement that foodstuffs originating in territories occupied by the State of Israel bear the indication of their territory of origin, accompanied, where those foodstuffs come from an Israeli settlement within that territory, by the indication of that provenance.

Case C-363/18 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A62018CJ0363

beneficial ownership), sectoral and geographic risk assessments, and contractual representations and covenants, and escalation and legal sign-off processes when 'association' is arguable.

V.3. Supervisory and enforcement mechanisms

The bill states the King may organise control (Article 6) but does not assign competence to existing supervisors or describe enforcement mechanism. The most practical path would typically involve defined roles for supervisors and competent authorities already engaged with restrictive measures compliance (e.g., market conduct supervisors and relevant public treasury functions), complemented by standardised reporting expectations.

Enforcement options

Enforcement model	Belgian design choice	Pros	Cons
Pure administrative enforcement (bill model)	Administrative fines for breaches; supervisory inspections; remedial directions.	Faster and scalable; aligns with prudential and market supervision.	Needs clear competent authority, statutory procedure, rights-of-defence, and appeal; Article 7 risk if punitive without safeguards.
Hybrid: administrative plus licensing or authorisation (sanctions-style)	Designated list of covered entities or activities; licensing or derogations; reporting; penalties for violations.	Higher legal certainty; easier operationalisation; closer to EU restrictive-measures model.	Requires significant drafting and institutional set-up; may intensify EU pre-emption concerns if seen as autonomous sanctions.
Criminal enforcement	Prosecutorial focus on intentional participation or complicity; administrative regime for strict compliance.	Strong deterrence for egregious conduct.	Bill's Article 136quater reference is not a clear fit for financial facilitation.
Civil liability or disclosure-based approach	Mandate disclosure of exposures; require due diligence; allow civil claims for harms; administrative penalties for reporting failures.	Lower EU-sanctions character; may be more proportionate; supports market discipline.	May underdeliver on 'non-assistance' objective unless combined with targeted prohibitions.

Affected financial actors

Actor category	Exposures implicated	Operational impacts
Banks and credit institutions	Corporate lending, trade finance, project finance, correspondent banking, payment flows, custody.	Screening and exit of clients with settlement or occupation-related revenue; contract termination/run-off issues; increased legal review.
Investment and portfolio managers	UCITS/AIF portfolios, discretionary mandates, index replication, stewardship or voting.	'Associated entity' determinations; potential tracking error for indexed products; client disclosure obligations.
Insurers	Construction and engineering, transport, political risk, liability.	Underwriting restrictions and claims-handling questions; potential need for exclusion clauses and beneficial ownership checks.

Actor category	Exposures implicated	Operational impacts
Pension funds	Strategic asset allocation, external mandates, passive strategies.	Portfolio exclusions; governance decisions; potential impact on returns and fiduciary interpretations.
'Other entities' providing financial services	Could capture certain investment firms or vehicles depending on interpretation.	Perimeter uncertainty; inconsistent implementation risk; supervisory fragmentation unless clarified.

VI. Conclusions

- The draft bill is a credible attempt to translate the non-assistance dimension of the international law framework it invokes into Belgian domestic law by targeting financial flows and services.
- As drafted, it may be vulnerable on legal certainty and enforceability grounds because key operative concepts are open while the sanction is severe, and because the enforcement and competent authority architecture is largely delegated without statutory safeguards.
- Substantial EU-law questions arise because the measure restricts capital movements and services and may resemble an autonomous national restrictive-measures regime; these risks are manageable with tighter drafting and proportionality.
- Implementation for banks, insurers, asset managers, and pension funds to be practicable at scale needs (i) a designation mechanism or (ii) highly specific, objective tests aligned with existing sanctions-compliance governance expectations.