



EXECUTIVE ORDER IMPOSING SANCTIONS ON PERSONS UNDERMINING WEST BANK PEACE, SECURITY, AND STABILITY

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On February 1, 2024, President Biden issued an “Executive Order on Imposing Certain Sanctions on Persons Undermining Peace, Security, and Stability in the West Bank.” [Executive Order \(EO\) 14115](#) declares a “national emergency” to urgently address the situation in the occupied West Bank and “in particular high levels of extremist settler violence, forced displacement of people and villages, and property destruction” and provides for the imposition of sanctions for this purpose. The EO notes that such actions “constitute an unusual and extraordinary threat to the national security and foreign policy of the United States.”

This issue brief explains what the EO does and to whom it may be applied, looks at how it has been applied thus far and the reactions to it, and provides recommendations to the Biden Administration on how to further apply the EO to address the urgent situation in the West Bank – and particularly forced displacement and settler violence targeting civilians.

To whom does the Executive Order apply?

The EO [authorizes](#) the imposition of sanctions on “any foreign person determined to be responsible for or complicit in, or to have directly or indirectly engaged or attempted to engage in actions that threaten the peace, security, or stability of the West Bank.” Sanctionable actions under the EO include: 1) an act of violence or threat of violence targeting civilians, 2) efforts to place civilians in reasonable fear of violence with the purpose or effect of necessitating a change of residence to avoid such violence, 3) property destruction, and 4) seizure or dispossession of property by private actors.

The EO, which can be applied to both Israelis and Palestinians, also provides for sanctions against individuals in the West Bank who have committed “acts of terrorism.” It should be noted that separate from the EO, Hamas is a [target](#) of three US sanctions programs and the US government has implemented three [new rounds](#) of sanctions against Hamas since October 7, including [designations](#) of key Hamas officials. Since the 2006 Palestinian parliamentary elections, the Treasury Department has [considered](#) Hamas to have a property interest in the transactions of the Palestinian Authority; thus, US persons are prohibited from carrying out transactions with the PA unless authorized to do so.

In addition to perpetrators who engage directly in violent acts and terrorism, persons may also be sanctioned under the EO for promulgating policies – including “directing, enacting, implementing, enforcing, or failing to enforce policies” – that destabilize the West Bank, threatening peace and security there. **This underscores the potentially sweeping impact of the EO:** the Biden Administration has created a tool that could enable it to take action against senior government officials responsible for policies that deepen the occupation, expand the settlement enterprise, demolish homes, and displace Palestinians (or fail to protect them from settler violence).

Furthermore, entities – including government entities – and their leaders that are engaged in acts described in the EO may be designated. The EO also applies to entities that are owned or controlled by, or act on behalf of, sanctioned individuals, as well as to those who materially support sanctioned “persons” by providing funds, goods, or services – including through crowdfunding platforms. The making of donations benefiting those targeted by the EO is explicitly prohibited, which holds potential [consequences](#) for US-based charities that direct funds to designated individuals and entities.

How do the sanctions work? Does the EO provide for penalties beyond sanctions?

Actions taken pursuant to the EO include freezing any US assets of sanctioned individuals and entities (which they own directly or indirectly, at the level of 50 percent or more) and blocking transactions in the US – including by US citizens – that involve any property or interests in property of the sanctioned persons. This includes receipt or provision of funds that benefit sanctioned persons. Donations to charitable institutions are handled like any other financial transaction; thus, charitable giving to sanctioned persons is prohibited.

The [Office of Foreign Assets Control](#) (OFAC) of the US Treasury Department administers and enforces economic sanctions; it has the ability to designate and add individuals and entities to the Specially Designated Nationals and Blocked Persons (SDN) List. The legal framework for sanctions pertaining to the West Bank is established by the [International Emergency Economic Powers Act](#) (IEEPA) and the [National Emergencies Act](#) (NEA).

In addition to sanctions, the EO provides for the suspension of designated individuals from entering the US, under the authority of the [Immigration and Nationality Act](#). This complements a prior State Department [policy](#) announced in December 2023 to institute visa restrictions against those “involved in undermining peace, security, or stability in the West Bank.”

What did the first rounds of sanctions under the EO achieve?

To date, three rounds of sanctions pursuant to the EO have been announced:

- The [first round](#) announced upon the EO’s issuance designated [four violent settlers](#), including David Chai Chasdai who led the [deadly pogrom](#) in the West Bank town of Huwara in February 2023.
- The [second round](#) announced on March 14, 2024 imposed sanctions on two illegal [farming outposts](#), [Zvi’s Farm and Moshe’s Farm](#), which the State Department noted as having been used as bases for “perpetrat[ing] violence against Palestinians.” It also designated their owners and an additional violent settler, Neriya Ben Pazi, who “expelled Palestinian shepherds from hundreds of acres of land.”
- The [third round](#) announced on April 19, 2024 imposed sanctions on two entities for establishing crowdfunding campaigns to benefit individuals designated in the first round of sanctions under the EO. It also designated [Benzi Gopstein](#), a top ally of Minister of National Security Itamar Ben-Gvir. Gopstein founded and leads [Lehava](#), an anti-miscegenation group whose [members](#) “have engaged in violence, including assaults on Palestinian civilians.”

US sanctions against settler violence have paved the way for other countries, including [Britain](#), [France](#), and [New Zealand](#), to enact similar measures. In [tandem](#) with the third round of US designations, the [European Union](#) announced its own complementary sanctions.

How were sanctions received in Israel?

The Bank of Israel announced that Israeli banks must comply with the EO. It [noted](#) in a statement, “Evading such sanctions regimes can expose banks to significant risks, including compliance risks, money laundering and combating the financing of terrorism risks, legal risks, and reputation risks.” Three major Israeli banks [announced](#) they would freeze the bank accounts of settlers sanctioned under the EO. A legal analyst for a major Israeli newspaper [called](#) the sanctions “potentially devastating” for the settler movement in that they “prohibit any economic activity with the sanctioned entity.”

Prime Minister Benjamin Netanyahu [called](#) President Biden’s EO “inappropriate” and “highly problematic” and protested directly to the President and to Secretary of State Blinken. Finance Minister Bezalel Smotrich, who [serves](#) as the de facto first civilian governor of the occupied West Bank, [pushed](#) Israeli banks to ignore US sanctions, asked the Finance Ministry to find ways to circumvent them, and [threatened](#) to take measures to cut off Palestinian banks from the Israeli financial system as retribution. The US Treasury Department later issued a [letter](#) clarifying that Israeli banks would not be liable under the EO for processing transactions by sanctioned individuals for subsistence and basic human needs. While [humanitarian exemptions](#) are typical of OFAC sanctions, Smotrich [claimed](#) a victory.

Some Israeli civil society organizations and journalists reacted positively. Nadav Weiman of Breaking the Silence [said](#), “Since the sanctions that were imposed by the U.S., England and now France, everybody’s talking about settler violence, right? Israelis understood. We stopped living in a bubble because now everybody understands that there’s a price.” Peace Now [called](#) the sanctions by the US and other countries an act of “friendship” that pushes the Israeli government to deal with settler violence and “put an end to the illegal outposts.” Haaretz analyst Zvi Bar’el [opined](#) that the Israeli government’s failure to act against settler violence “created a reality in which armed militias employ terror” threatening the citizens and national security of the US and other countries, such that these allies “are obliged to act on their own in order to defend themselves, just like Israel acts against countries that are unable or unwilling to stop terror militias operating within their territory while threatening Israel’s security.”

Can designated persons be removed from the sanctions list?

Yes. OFAC [notes](#) that the “power and integrity” of the sanctions it administers comes in part from its willingness to remove persons from the SDN list, consistent with US law. It states: “The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior.”

How should the Biden Administration further utilize the EO?

Combating settler violence and the settlement enterprise’s efforts to push Palestinian families from their land is key to addressing the escalating situation in the West Bank. Settler violence has [surged](#) since October 7. As of publication of this brief, the UN [has recorded](#) 794 attacks by Israeli settlers to date since Hamas’ attack, killing at least 10 Palestinians. Given the urgency of this

situation and in keeping with its [commitment](#) to “continue to pursue actions under this EO,” the Biden Administration should take the following actions:

1. **Ensure effective enforcement:** OFAC must ensure that all sanctions issued pursuant to the EO are fully implemented and enforced. It must ensure that banks are freezing assets and blocking transactions – as required, while allowing for specific humanitarian exemptions – and that donations to designated persons are halted. Violations of the EO must incur prescribed penalties. In order for the EO to be effective and not merely symbolic, active enforcement will be vital.
2. **Target political leaders:** The Administration should continue to target close associates of Israeli leaders like Smotrich and Ben-Gvir who are sanctionable under the EO, as it did in the case of Benzi Gopstein. In addition, it should make clear that elected Israeli officials who design and implement policies that undermine peace, security, and stability in the West Bank can also be designated.
3. **Designate entities that fuel settler violence:** The Administration should investigate and issue designations for entities that allocate land and provide loans for [herding and farming](#) outposts that engage in settler violence and displace Palestinian communities. The [Settlement Division](#) of the World Zionist Organization (WZO) and Israeli [Regional Councils](#) in the West Bank should be priority targets given their reported provision of [land](#) and [funds](#) to individuals and entities directly engaged in settler violence and displacement.
4. **Sanction nonprofit and charitable organizations that violate the EO:** The Administration should sanction American and Israeli-registered [nonprofits](#), [charities](#), and [organizations](#) engaged in crowdfunding activities that benefit designated persons and disburse funds to extremist settlers. For example, the US-registered nonprofit [Central Fund for Israel](#) has sent at least [\\$75 million](#) to settler organizations since 2015; it has provided a substantial percentage of the budget for the [Israel Land Fund](#), a group that dispossesses Palestinians in East Jerusalem.
5. **Ensure transparency, oversight, and accountability:** As required by the [relevant laws](#) that provide the legal framework for the EO, the Administration must submit reports to Congress regarding the declared “national emergency.” In order to ensure transparency and provide for Congress to conduct oversight and hold the Administration accountable for effective implementation of the EO, reporting should include analysis of settler violence, explanations of how designees were chosen for sanctioning, details regarding enforcement challenges, and assessments of the impact of sanctions.