



Briefing Note: UK Government Measures on Trade with Israeli Settlements

Date: 2 October 2026

Audience: UK Importers, Procurement Teams, Compliance Functions

Summary

On 8 September 2026, the UK Government announced that it would introduce an import ban on goods originating from Israeli settlements in the Occupied Palestinian Territories (OPTs), including the occupied West Bank. The Government also announced plans for wider restrictions targeting services and commercial activities that support settlement expansion, alongside strengthened sanctions powers.

The measures are intended to distinguish Israeli settlements in the occupied territories from businesses operating within Israel's internationally recognised pre-1967 boundaries (the Green Line). The Government has stated that trade with Israel will continue to be supported.

Implementation status: As at 2 October 2026, the new import ban and associated restrictions are announced measures for which further legislation and implementation guidance are expected. The Government has indicated that it intends to have the legislation in place within six to nine months of the September announcement. Importers should not assume that the new ban is already in force, but should prepare for implementation and continue to comply with existing customs, origin and trade requirements.

Key Implications for Importers

UK businesses importing goods from Israel, the Occupied Palestinian Territories or through regional distributors should:

- **Review product-origin data:** Identify the actual place of production and any other relevant origin information for goods sourced directly or indirectly from the region.
- **Identify settlement-origin goods:** Establish whether products originate in Israeli settlements in the occupied territories, including where goods are shipped, processed, packaged or re-exported through Israel or third countries.
- **Assess supplier and intermediary exposure:** Review relationships with manufacturers, distributors, agents and other commercial intermediaries connected with settlement-related activity.

- **Prepare for new restrictions:** Monitor the forthcoming legislation, sanctions designations and official guidance on prohibited goods, services, enforcement and compliance.
- **Maintain existing tariff compliance:** Goods produced in Israeli settlements are already excluded from preferential tariff treatment under the UK–Israel Trade and Partnership Agreement. Importers should continue to follow the applicable HMRC origin and customs requirements.

Immediate Actions Recommended

1. Supply Chain Mapping

- Map suppliers, manufacturers, production sites, distributors and intermediaries across relevant supply chains.
- Verify the actual place of production for goods sourced from Israel or through regional distribution hubs.
- Obtain updated certificates of origin, production-site details and supplier declarations.
- Review the reliability of existing origin records, including postal codes and production-location information used for customs purposes.
- Establish a process for identifying and investigating inconsistencies in origin declarations.

2. Contract Review

- Review supplier agreements for compliance obligations, termination rights, change-of-law provisions and force majeure clauses.
- Consider requiring suppliers to notify the business of changes to production sites, sourcing arrangements or distribution routes.
- Assess whether contractual warranties and indemnities adequately address inaccurate origin declarations or breaches of applicable trade restrictions.
- Consider whether contracts permit the suspension of orders while origin or compliance concerns are investigated.

3. Risk Assessment

- Identify potential legal, financial, operational and reputational exposure associated with settlement-origin goods and settlement-linked commercial activities.
- Assess the effect of possible restrictions on current inventory, goods in transit, outstanding purchase orders and future procurement.
- Consider potential disruption, alternative sourcing arrangements, lead times and pricing implications.
- Review whether relevant services, financing, construction, infrastructure or real-estate arrangements may fall within the proposed wider restrictions.
- Document material risks, assumptions and mitigation measures.

4. Governance and Compliance Monitoring

- Brief procurement, legal, customs, logistics and compliance teams on the announced measures.
- Assign responsibility for monitoring legislation, sanctions designations and official implementation guidance.
- Establish an escalation process for uncertain or potentially affected goods and transactions.
- Retain evidence supporting origin assessments, supplier due diligence and compliance decisions.
- Ensure that relevant staff understand the distinction between the announced future restrictions and existing legal obligations.

What Is Changing — and What Is Not

Announced changes

- **Import restrictions:** The Government intends to prohibit imports of goods originating in Israeli settlements in the occupied territories.
- **Services and commercial activity:** The Government has announced plans to restrict services supporting settlement expansion and to introduce powers to target individuals and companies involved in relevant activities.
- **Additional measures:** The announced package includes a ban on advertising or promoting land and property in settlements in the UK, as well as strengthened human rights sanctions powers.

Existing position and important distinctions

- **No general import ban on Israel:** The announced goods restriction is geographically focused on settlements in the occupied territories, rather than Israeli-origin goods generally.
- **Existing tariff rules remain relevant:** Settlement-origin goods are not eligible for preferential tariff treatment under the UK–Israel Trade and Partnership Agreement. This is distinct from the proposed import ban. [3]
- **Implementation details remain important:** The precise scope, commencement date, enforcement arrangements, exemptions and treatment of goods already ordered or in transit should be confirmed against the final legislation and official guidance.
- **Indirect sourcing is not a substitute for origin verification:** Importers should not assume that routing goods through Israel or another country changes their relevant origin or removes potential exposure to the announced measures.

Next Steps

Businesses should begin supply-chain due diligence now rather than wait for the new restrictions to come into force. Priority should be given to identifying potentially

affected products, obtaining reliable production-location evidence, reviewing supplier contracts and assessing alternative sourcing arrangements.

Importers should monitor updates from:

- The Department for Business, Innovation, Science and Trade (BIST), as applicable to the relevant guidance, legislation and functions, including trade policy, trade sanctions and related matters.
- HM Revenue & Customs (HMRC), including customs, import/export and origin requirements, and its relevant trade-sanctions enforcement functions.
- The Foreign, Commonwealth & Development Office (FCDO), including UK sanctions policy and sanctions designations and relevant sanctions announcements.
- The Office of Trade Sanctions Implementation (OTSI), where relevant to trade-sanctions licensing, compliance and civil enforcement.
- The Office of Financial Sanctions Implementation (OFSI), part of HM Treasury, where relevant to financial-sanctions licensing, compliance and enforcement.

Further guidance is expected alongside the legislation. Importers should review the final requirements before making decisions about affected shipments, contracts or transactions.

Key Message

UK importers should prioritise traceable product-origin information, supplier due diligence and preparedness for the announced settlement-related trade restrictions. The new import ban should be treated as an announced future measure until the applicable legislation and commencement arrangements confirm otherwise. Existing customs, preferential-tariff and sanctions obligations continue to require attention.

Sources

[1] House of Commons Library, *UK-Israel relations 2026: E1 settlement plan, trade and sanctions*, published 11 September 2026.

<https://commonslibrary.parliament.uk/research-briefings/cbp-12195/>

[2] UK Parliament, Written Question 19600, Government response on restrictions concerning settlement-origin goods and services, answered 17 September 2026.

<https://questions-statements.parliament.uk/written-questions/detail/2026-07-16/19600>

[3] UK Government, *Notice to importers: imports from Israel into the United Kingdom*, updated 22 August 2025.

<https://www.gov.uk/government/publications/notice-to-importers-treatment-of-goods-from-israeli-settlements/notice-to-importers-imports-from-israel-into-the-united-kingdom>

This briefing is for general information and operational planning. It is not legal advice. Businesses should verify the applicable legislation and official guidance before taking decisions on specific transactions.
