



Foreign, Commonwealth
& Development Office



Department for
Business & Trade

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The Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
London
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2 June 2026

Dear Liam,

Thank you for your letter of 28 April. We are replying as Minister for the Middle East for the Foreign, Commonwealth and Development Office and Minister of State for Trade for the Department for Business and Trade and in consultation with HM Revenue and Customs (HMRC).

The situation in the West Bank remains a priority for this Government and we welcome your continued engagement on this matter. You will have seen the Prime Minister's letter to Dame Meg Hillier MP of 13 April, responding to your points raised during the Liaison Committee meeting in March. In your current letter you rightly highlight the recent escalation in settler violence and the reports of further settlements in the West Bank being approved by the Israeli Cabinet. We strongly condemn these actions. Settlement expansion must stop and individuals perpetrating violence must be held accountable. This Government has repeatedly taken action in response, including sanctioning individuals and entities linked to settler violence in the West Bank. Last year alongside Australia, Canada, New Zealand and Norway, we also sanctioned Israeli government ministers Itamar Ben-Gvir and Bezalel Smotrich, in a personal capacity, in response to their repeated incitements of violence against Palestinian communities.

At the same time, we are working to support the Palestinian Authority and helping it to deliver vital public services for Palestinians in the face of unacceptable restrictions by the Israeli government, including the withholding of tax revenues. This includes supporting the salaries of health workers in the West Bank to continue their work and providing technical expertise to support the education system. In addition to this, our Special Envoy, Michael Barber continues to work to support effective PA governance. We continue to lead multilateral diplomatic efforts to pressure the Israeli government to ensure the protection of civilians and make clear that any unilateral attempt to alter the geographic or demographic

make-up of Palestine would be wholly unacceptable and inconsistent with international law, including at the UN Arria meeting of UNSC members organised by the UK on 8 May:- [Settlements in the West Bank are a flagrant violation of international law and must cease: UK statement at the UN Arria meeting on the West Bank - GOV.UK](#). As stated previously, we will continue to consider a wide range of options in relation to how we respond to the West Bank and to preserve and advance a two-state solution.

Settlements are illegal. Businesses are made aware of the UK position not to encourage trade with settlements (as outlined in the Overseas Business Risk Guidance). We have spoken to and will continue to speak with international partners about further steps we could take. This includes discussions with the small number of countries that have considered legislation and procedures to ban settlement trade, who we understand have been challenged by how to overcome and address complex issues. Challenges include the interconnected economies of Palestine and Israel, and the importance of distinguishing and protecting legitimate trade with both states. We continue to encourage and support trade between UK and Palestinian businesses in the West Bank. We will of course inform the House of any developments in our position.

We have consulted HMRC in relation to your further specific questions. HMRC advise that importers claiming preference under the UK-Israel Trade and Partnership Agreement are required to make a legal declaration that the goods were not produced in any non-eligible settlement. Where HMRC is not satisfied that the origin requirements are met, preferential tariff treatment is denied and HMRC may take proportionate compliance action in line with its statutory powers and risk-based approach. HMRC typically issues warning letters first, but significant breaches or repeated offences will incur Civil Penalties of up to £2500 per contravention.

HMRC does not routinely collate or publish data on the number or value of consignments where preferential tariff treatment has been refused, nor do we comment on the details, outcomes, or existence of specific compliance or enforcement activity. The placing of this information in the public domain could undermine ongoing or future investigations. As the situation on the ground remains fluid, this Government regularly publishes details of its engagements and statements in relation to Israel and Palestine on GOV.UK and these can be found here: [Israel and the UK - GOV.UK](#), [Palestine and the UK - GOV.UK](#).

Yours ever,



HAMISH FALCONER MP

Minister for the Middle East, North Africa, Afghanistan, and Pakistan



SIR CHRIS BRYANT MP

Minister of State for Trade for the Department for Business and Trade