EN
E-002945/2026
Answer given by Mr Šefčovič
on behalf of the European Commission
(1.9.2026)

The Commission took note of the allegations made in the Global Echo report[1] on the existence of a compensation scheme for exporters from illegal settlements in the Occupied Palestinian Territory (OPT) and the Golan Heights. Official information about the scheme is not publicly available since 2009.

Israeli illegal settlements in the OPT are not part of Israel's territory. Hence, trade with these settlements falls outside of the territorial scope of the EU – Israel Association Agreement[2]. Therefore, goods from the illegal settlements do not benefit from preferential treatment. The EU thereby differentiates between goods from Israel and from the illegal settlements upon importation and customs clearance, regardless of any potential *ex post* compensation.

As explained in the reply to written question E-000112/2026[3], in accordance with a 'Technical Arrangement'[4] concluded by the EU and Israel, Member States' customs authorities are responsible for checking whether the postal codes appearing on Israeli proofs of origin, presented to them, correspond to any of the postal codes appearing in the list of non-eligible locations made available to them by the Commission and refuse preference, where such is the case.

Claims for preferential treatment are submitted by importers in a customs declaration. The customs administrations of the Member States verify the correctness of the data introduced in the import customs declaration.

On 13 July 2026, at the Foreign Affairs Council, Member States discussed options for further trade-related measures vis-à-vis products originating in the settlements, as presented by the Commission, in accordance with the conclusions of the European Council of June 2026[5].

[1] https://www.globalecho.law/wp-content/uploads/2026/06/Global-Echo_Importing-Occupation_June-2026_ENG.pdf.
[2] https://eur-lex.europa.eu/eli/agree_internation/2000/384/oj/eng.
[3] https://www.europarl.europa.eu/doceo/document/E-10-2026-000112-ASW_EN.html.
[4] https://taxation-customs.ec.europa.eu/eu-israel-technical-arrangement_en.
[5] https://www.consilium.europa.eu/media/r1rowtfb/en-20260619-european-council-conclusions.pdf.