

The Miliband Package of Sanctions on Settlement: New sanctions powers and the urgent E1 test

Parliamentary briefing, 14 October 2026

BPP welcomes the Government's substantial expansion of its sanctions powers. The new Statutory Instrument, promised when the Miliband package of sanctions was announced, delivers a broad measure covering serious violations of international humanitarian law. From 15 October, ministers will have a powerful additional means of deterring such violations. The immediate test is whether they use it to deter participation in E1 before bids close on 19 October.

Summary of asks

Sanctions SI No 1071 comes into force on 15 October and must be approved by both Houses within 28 days of 12 October. BPP asks parliamentarians to press ministers, in the approval debates and through written questions, to:

1. **Designate before 19 October.** Announce three or four evidence-led designations as soon as the SI takes effect and before E1 bids close, prioritising settlement financiers, developers, insurers, advertisers and responsible officials with UK exposure.
2. **Warn UK business.** Issue an explicit warning to E1 bidders and their banks, insurers, contractors and UK business partners, setting out the new powers and their consequences.
3. **Confirm the settlement grounds.** State on the record that the IHL ground covers the occupier's transfer of its own population into occupied territory, the forcible transfer of protected persons and the unlawful destruction or appropriation of property.
4. **Act on child detention.** Assess the evidence on the detention of Palestinian children urgently for designations under the new liberty ground.
5. **Use the aid obstruction ground.** Say whether ministers will apply it to those restricting or blocking aid to Gaza.
6. **Set a timetable.** Commit to completing the remaining elements of *the Miliband package*, as rapidly as possible.[1]

The settlement trade ban is not part of this SI and will need separate regulations.

What the SI delivers

The Global Human Rights and International Humanitarian Law Sanctions Regulations 2026, SI 2026/1071, were made on 12 October, laid on 13 October and come into force on 15 October. They replace the 2020 regime, preserving existing designations and licences, and add three grounds: serious violations of international humanitarian law, obstruction of humanitarian assistance, and serious violations of the right to liberty and security of person (regulations 1, 4 and 48–51). As a made-affirmative instrument, the SI requires both Houses to approve it within 28 days of 12 October. The approval debates are the occasion to press the asks summarised above.

Crucially, the powers reach beyond direct perpetrators to those who facilitate, incite, promote or support qualifying conduct, provide it with finance, goods or technology, conceal evidence of it or benefit from it, and to persons owned or controlled by, acting for or associated with them (regulation 8). Banks and commercial entities are within reach where the evidence meets the criteria. Designation requires reasonable grounds to suspect involvement; a criminal conviction is not required (regulation 6). Available measures are asset freezes and prohibitions on making funds or economic resources available, travel bans and director disqualification (regulations 5–8 and 14–21). An urgent procedure also allows ministers to mirror designations already made by the EU, US, Canada or Australia for up to 112 days while the UK case is completed (regulation 6(5)–(7)).

Use the powers now to deter E1

Ministers should announce three or four strong initial designations as soon as the SI takes effect, before 19 October, against individuals or entities already implicated in serious IHL violations. Priorities should include settlement financiers, developers, insurers, advertisers and responsible officials, with a focus on UK exposure and the strongest evidence. The cases can rest on existing violations: ministers need not wait for construction in E1 to begin.

E1 bids for 1,234 homes will still close on 19 October. Following the intervention of Israel's Attorney General, the Israel Land Authority has confirmed that the tender box will not be opened, nor the bids considered, before 19 November, after the Israeli election on 27 October. That postponement is, however, under legal challenge. Minister Smotrich has petitioned the Israeli High Court of Justice against it, asking principally that the tender proceed in the ordinary course on its original timetable, including the opening of the bid box at the scheduled time on 19 October, and in the alternative that the bids be opened and the winners announced shortly after the election rather than on 19 November.[2] A decision is expected before 19 October. Even if the postponement is upheld, it does not remove the need to deter commitments now: bidders and their backers commit on 19 October, and Peace Now warns that contracts could still be signed before a new Israeli government is formed.[3] Early designations would show bidders and their backers that enabling settlement violations carries concrete financial and commercial consequences.

Global Echo Litigation Center, author of *Importing Occupation*, a report on how settlement products are obscured to enter European markets,[4] is conducting an investigation into the E1 tender. Global Echo intends to give its initial findings, with supporting evidence, to the Foreign, Commonwealth and Development Office before 19 October, to support evidence-led designations. Further work will continue after bids close and before they are opened.

A clear warning to UK companies

UK companies should urgently review any dealings with banks, developers, insurers or other entities implicated in serious IHL violations, including the financing and servicing of settlement construction. Providing finance, goods or technology, supporting violations or benefiting from them can bring a business within the designation criteria. Once a person is designated, dealing with their funds or economic resources, or making funds available to them or to entities they own or control, is a criminal offence for UK persons wherever they operate, subject to exceptions and licences (regulations 3 and 14–19). Business with Israel alone is not a designation ground.

Ministers should issue an explicit warning to E1 bidders and their banks, insurers, contractors and UK business partners, explaining the new powers and their consequences. A prompt first wave of designations would give that warning credibility.

What remains to be done

The SI supplies the broad IHL power but designation decisions are separate and essential. The instrument does not name settlement conduct. Ministers should state on the record, in the approval debates, that the ground covers the occupier's transfer of its own population into occupied territory, the forcible transfer of protected persons, and the unlawful destruction or appropriation of property.

The Miliband package of sanctions will also include a settlement trade ban. The SI does not deliver it: that will require new regulations. An operational ban on settlement goods can be achieved by introducing new territorial, activity-based import prohibitions under the Sanctions and Anti-Money Laundering Act 2018 (SAML), following the Crimea model in the Russia (Sanctions) (EU Exit) Regulations 2019.[5] Swift action on trade is both possible and desirable, but it is less time-sensitive than using the new sanctions powers before E1 bids close.

Liberty and the detention of Palestinian children

The addition of the right to liberty and security of person is particularly welcome. It opens a route to designations for serious arbitrary or unlawful detention, including of Palestinian children, and of those responsible for or enabling it. Save the Children estimated in November 2023 that 10,000 Palestinian children had passed through Israeli military detention over the preceding 20 years.[6] At the UN high-level dialogue it convened on 22 September 2026, it presented its policy brief *Tortured*, documenting torture, solitary confinement, deprivation of food and medical care and denial of legal protections, with conditions deteriorating sharply since October 2023.[7–8] The UN Secretary-General’s 2026 report on children and armed conflict verified 981 Palestinian children detained by Israeli forces in 2025, 180 of them in administrative detention without charge or trial at the year’s end; at least 347 were held in May 2026, the highest figure in eight years.[9]

Ministers should assess this evidence urgently for designations under regulations 4(2)(d), 6 and 8. Detention alone does not meet the test: the evidence must give reasonable grounds to suspect involvement in a serious violation of the right, such as prolonged detention without charge or trial or systematic denial of legal protections. Ill-treatment in custody already falls within the existing ground on torture and cruel, inhuman or degrading treatment (regulation 4(2)(b)).

Obstruction of humanitarian assistance

Regulation 4(4) makes obstruction of the delivery or distribution of, or access to, humanitarian assistance a free-standing designation ground. The formula is not new: it already appears in UK country regimes such as those for Sudan and South Sudan.[10] What is new is its worldwide reach in a regime tied to no country, which brings Gaza and the West Bank within scope. It is also an enhanced power. Unlike the human rights and IHL grounds it carries no ‘serious’ threshold and does not require the obstruction to be unlawful under IHL: impeding deliveries or denying access is enough, and ‘activity’ includes an omission (regulation 4(6)), so refusing permits or closing crossings can qualify as readily as blocking a convoy. The involvement provisions apply in full, reaching those who facilitate, finance or profit from obstruction, those associated with them, and officials who intentionally or recklessly fail to investigate or prosecute it (regulation 8). In practice ministers now have a direct legal basis to designate those responsible, official or private, for the restrictions on aid to Gaza that the Foreign Secretary cited in announcing the package, and the groups that have blocked aid convoys, without first establishing a human rights or IHL violation. The power is discretionary and its value depends on use. Ministers should be asked in the approval debates whether they will apply it to those obstructing aid to Gaza.

Sources

Regulation numbers in the text refer to the Global Human Rights and International Humanitarian Law Sanctions Regulations 2026, SI 2026/1071.

[1] BPP and Co-op, *Recommendations for the rapid implementation of the Miliband package*, October 2026, pp 1–4 (accompanying this briefing).

[2] Minister Smotrich, petition to the Israeli High Court of Justice against the postponement of the E1 tender, October 2026.

[3] Peace Now, official notice on the E1 tender timetable, 11 October 2026.

[4] Global Echo Litigation Center, *Importing Occupation: Europe’s Complicity in Palestinian Dispossession through Settlement Agricultural Trade*, June 2026.

[5] Russia (Sanctions) (EU Exit) Regulations 2019, SI 2019/855, Part 5 (Trade), including regulation 47 (imports from Crimea).

[6] Save the Children, statement on children in military detention, 26 November 2023.

[7] Save the Children, UN high-level dialogue on Palestinian children in military detention, 22 September 2026.

[8] Save the Children, *Tortured: the escalating abuse of Palestinian children in Israeli military detention*, policy brief, presented 22 September 2026.

[9] UN Web TV, Childhood in Custody: event summary with UN detention figures, 22 September 2026.

[10] South Sudan (Sanctions) (EU Exit) Regulations 2019, SI 2019/438, regulation 6; Sudan (Sanctions) (EU Exit) Regulations 2020, SI 2020/753.