



The Palestinian Authority plans to pay prisoners and the families of shaheeds three months in advance to gain time to find ways to circumvent the Israeli ban.

December 29, 2020

Overview

- ▶ Israel recently informed the Palestinian Authority (PA) that on January 1, 2021, after a number of postponements, **the banks in Judea and Samaria would be banned from providing banking services to the families of shaheeds, prisoners and released prisoners who receive monthly payments from the PA.** That means that any bank that transfers funds or anyone who receives funds for the aforementioned persons exposes himself to confiscation, forfeiture and legal suits. According to PA data, **the banks handle about 25,000 accounts of the families of Palestinian prisoners and shaheed family members** (al-Ghad TV, November 26, 2020).
- ▶ At the end of December 2020, before the enforcement of the Israeli ban, **the PA proposed paying the prisoners and families of shaheeds three months in advance.** According to **Qudri Abu Bakr**, chairman of the authority of prisoners and released prisoners' affairs, **towards the end of December 2020 the PA will pay for the coming three months, thereby circumventing Israel's threats against the banks** (Safa, December 27, 2020). **Intissar al-Wazir**, who chairs of the PLO Martyrs' Fund, said **they would pay the families for three months beginning December 2020** (al-Najah News, December 27, 2020). In the meantime, Qudri Abu Bakr appealed to the government of France to intervene and relieve the pressure exerted by Israel on the Palestinian banks (al-Kawfiya TV, December 18, 2020).



Qudri Abu Bakr, chairman of the authority of prisoners and released prisoners' affairs (Watan TV on YouTube, November 22, 2020).

► By paying three months in advance the PA gains time to finalize the "creative solutions" it proposed over the past year. The solution centers around the establishment of a dedicated bank ("The Bank of Independence for Development and Investment") with no connections to the global financial system. The PA is also considering **hiring released terrorists, either in reality or on paper, to work in the PA's civilian institutions or security forces** (see **Appendix**). In ITIC assessment, the PA's objective is to achieve a number of goals:

- ◆ **To continue payments to prisoners**, released prisoners and the families of shaheeds, while **continuing to receive tax revenues from Israel, which the PA needs more than ever.**
- ◆ **To prevent the banks operating in Judea and Samaria from exposure to sanctions and legal action.**
- ◆ **To facilitate the rehabilitation of relations with the incoming American administration, which will make it possible to receive American financial aid again and prevent legal action against the PA in the United States.**¹

► The PA's financial support of Palestinian terrorists imprisoned in Israel, released prisoners and families of shaheeds is a function of the Palestinian ethos, whose main component is the armed struggle against Israel. The payments are anchored in Palestinian law and make up a significant part of the PA's yearly budget. Israel's demand to stop the payments, and its deducting the equal sum from the tax revenues transferred to the PA, **did nothing to change** the fundamentals of the ethos. **The PA has been meticulous about transferring the funds every month**, despite its financial crisis, which has been worsened by the Covid-19 epidemic and its refusal to accept the tax revenues from Israel. **Therefore no fundamental change can be expected in PA policy which would genuinely have a negative effect on the payments made to the Palestinians terrorist prisoners and the families of the shaheeds. All that can be expected are cosmetic changes that will redefine the payments and how they are transferred.**

¹ In the past there were a number of court actions in the United States against the PA because of its responsibility for Americans harmed in terrorist attacks. The cases were renewed in recent months after an **American law was amended, making it possible to sue the PA in the United States** if it could be proved that the PA had given practical support to prisoners, the wounded, their families and the families of shaheeds who had **been involved in terrorist activities in which American citizens had been harmed**. It is therefore doubtful if the PA's creative solutions will pass the test of American law and in fact prevent legal action against the PA in the United States.

Appendix

Solutions being formulated by the PA to regulate payments to prisoners and the families of shaheeds :Update

- ▶ **In February 2020 General Nadav Padan, Commander of the Central Command, issued an order banning the banks operating in Judea and Samaria from transferring funds to the families of shaheeds, prisoners and released prisoners.** According to the order, banks which serve as conduits for payments to Palestinian prisoners and the families of shaheeds violate the antiterrorism law. The bank's directors and employees would be **considered criminally complicit** if they continued conducting transactions for the accounts of prisoners in Israeli jails, on the grounds that they were funding terrorism (Israeli media, May 9, 2020).² **Israel postponed enforcing the order a number of times. Tamir Yadai**, who currently commands the Central Command, authorized the final postponement until the end of December 2020, and therefore **the order will go into effect on January 1, 2021.**
- ▶ After the order had been issued the PA began looking for a way to circumvent it to be able to continue making the payments. Various options were examined and **the PA decided to establish a government banking institution that would handle the bank accounts of prisoners and the families of shaheeds. The institution would have no connection to Israeli or international banking.** The PA government authorized the founding of the bank on June 1, 2020 and began establishing it (Facebook page of the Friends of Qudri Abu Bakr, June 2, 2020). On July 20, 2020, **Bayan Qasem** was appointed CEO (Wafa, July 20, 2020). On July 27, 2020, the government announced the future bank would be called the **Bank of Independence for Development and Investment** (Wafa, July 27, 2020).³

² For further information, see the June 4, 2020 bulletin, "The Palestinian Authority plans to establish a bank to enable it to transfer payments to Palestinian prisoners and the families of shaheeds," and the June 28, 2020 bulletin, "The Palestinian Authority takes practical steps to set up a government bank to handle payments to prisoners and families of shaheeds."

³ For further information, see the October 1, 2020 bulletin, "The Palestinian Authority continues preparations for founding a bank which will enable it to transfer funds to terrorist prisoners and the families of shaheeds."



Bayan Qasem, appointed CEO of the new bank (al-Iqtisadi website, July 21, 2020).

- ▶ So far it is unclear when the bank will begin operations. Intissar al-Wazir, who chairs the PLO's Martyrs' Fund, recently said that Mahmoud Abbas and the PA had decided to use the new bank for payments to the families of shaheeds. She said the list of families would be provided to the bank from the Palestinian banks currently handling their accounts to keep them from being affected by Israel's threats (al-Najah News, December 27, 2020).
- ▶ In the meantime, the PA is examining ways to change the payment system to prisoners and their families. **Two solutions have been proposed, both of them cosmetic, which will not essentially change payments to terrorists but will rather change how their status is defined.**⁴ One option (which received extensive internal Palestinian criticism) was calling the payments "social payments," related to the socio-economic situation of the families involved. **Another option, which was proposed in the past, is to register released terrorist prisoners as rank and file workers in the PA's institutions and security forces and to pay them a "salary" (real or imaginary) for their work.**
- ▶ At the end of December 2020, before the enforcement of the general's order, the PA decided to advance three months of payments, thereby avoiding having to deposit the funds in Palestinian banks in Judea and Samaria. **That way the PA ensures the families of shaheeds and prisoners will receive money until March 2021 and gains time to complete its plans for future payments.**

⁴ For further information, see the November 26, 2020 bulletin, "The Palestinian Authority is looking for creative ways to continue transferring payments to terrorist prisoners and to families of shaheeds, circumventing Israeli opposition."