

Mr. Daniel H. Schulman  
President and CEO

PayPal  
2211 North First Street  
San Jose, CA 95131

Dear Mr. Schulman,

Since 2016, Palestinians and human rights defenders have raised concerns that PayPal is contributing to human rights violations and discriminatory practices against Palestinians in the occupied Palestinian territory (oPt) by denying Palestinians access to PayPal's platform and simultaneously allowing access to Israeli settlers illegally residing in the oPt.<sup>1</sup> We request that PayPal, as a global leader of online payment solutions, provide Palestinians residing in the oPt, i.e. the West Bank, East Jerusalem, and the Gaza Strip with access to the platform.

In its "Responsible Business Practices", including the "Code of Business Conduct & Ethics" and the "Third Party Code of Conduct",<sup>2</sup> PayPal places compliance with applicable law, as well as the highest ethical standards, including environmental, labour and human rights, at the centre of its business practice. We regret the absence of PayPal's same standards in the oPt, thus depriving Palestinians access to PayPal's services and violating the most basic principles of equality including the prohibition of discrimination under international human rights law.<sup>3</sup> Furthermore, we are also dismayed that PayPal has chosen the Anti-Defamation League (ADL) as a partner. While we welcome efforts to fight racism and extremism, the ADL has been at the helm of efforts to undermine support for Palestinian's human rights by working to make advocacy for Palestinian rights synonymous with anti-semitism.

It further indicates an absence of human rights due diligence by PayPal, as stated in the UN Guiding Principles on Business and Human Rights (UNGPs), an authoritative framework for business responsibility and adherence to compliance with international law.<sup>4</sup> Notably, the UN Working Group on Business and Human Rights warns that if a "business finds (either through its own due diligence or other means) that it has caused or contributed to an adverse human rights impact, it has a responsibility to actively engage in remediation, either by itself or in cooperation with other actors".<sup>5</sup>

Israeli settlements are illegal under international law, and a binding mandate from the UN Security Council, affirms that "the establishment by Israel of settlements in the Palestinian territory occupied since 1967, including East Jerusalem, has no legal validity and constitutes a

---

<sup>1</sup> Sullivan, Ben. (2016) Palestinians Say They Need PayPal, But PayPal Isn't Interested. Vice. Retrieved from:

<https://www.vice.com/en/article/4xaq89/palestinians-say-they-need-paypal-but-paypal-isnt-interested>

<sup>2</sup> PayPal. Responsible Business Practices. Retrieved from:

<https://about.pypl.com/how-we-work/responsible-business-practices/default.aspx>

<sup>3</sup> Article 2(1), International Covenant on Civil and Political Rights (1966).

<sup>4</sup> OHCHR. Guiding Principles on Business and Human Rights (2011).

<sup>5</sup> UN OHCHR. (June 6, 2014). Statement on the implications of the Guiding Principles on Business and Human Rights in the context of Israeli settlements in the Occupied Palestinian Territory. p. 6. Retrieved from: <https://www.ohchr.org/Documents/Issues/Business/OPTStatement6June2014.pdf>

flagrant violation under international law”<sup>6</sup> and several other acts are under investigation at the International Criminal Court,<sup>7</sup> and have been condemned by the International Court of Justice in the past. PayPal runs a serious risk of contributing to salient human rights violations through the provision of services to the illegal settlements.

As a population living under prolonged military occupation<sup>8</sup> Palestinians face extreme restrictions on imports, exports, and movement as a result of Israel’s discriminatory laws, policies and practices in the West Bank and more severely so in the Gaza Strip. Such practices have crippled the Palestinian economy causing de-development and limited opportunities for Palestinians to access livelihood and work opportunities. Our research has shown that access to Paypal would improve the lives of over 80 percent of Palestinian households,<sup>9</sup> generate employment opportunities for over 42,000 annual college graduates,<sup>10</sup> accelerate the growth of hundreds of small businesses and startups, and facilitate the work of numerous civil society organizations that rely on crowd-funding.

PayPal currently operates successfully in over 200 countries including some which struggle with major economic and political instability, such as Somalia and Yemen. The State of Palestine has taken essential economic, social, and legal steps to be prepared as a safe, profitable market for PayPal’s operations. Notably, the U.S. Treasury Department has been working with the Palestine Monetary Authority for several years to strengthen safeguards against abuse.<sup>11</sup> We are therefore confident that the State of Palestine is capable of compliance with PayPal service’s regulatory requirements.

We, the undersigned organizations, call on PayPal to adhere to international law, and PayPal’s own ethical values and standards, and bring to an end discrimination against Palestinians in the oPt by making its services immediately accessible. We urge PayPal to engage directly with Palestinian stakeholders, including Palestinian civil society, to work together for sustainable solutions that adhere to international law and business responsibility standards.

Sincerely,

---

<sup>6</sup> UNSC/RES/2334 (2016).

<sup>7</sup> “Statement of ICC Prosecutor, Fatou Bensouda, Respecting an Investigation of the Situation in Palestine” (3 March 2021), available at: <https://www.un.org/unispal/document/statement-of-icc-prosecutor-fatou-bensouda-respecting-an-investigation-of-the-situation-in-palestine/>

<sup>8</sup> Al-Haq. (April 2, 2021). The Legal Architecture of Apartheid – by Dr. Susan Power. Retrieved from: <https://aardi.org/2021/04/02/the-legal-architecture-of-apartheid-by-dr-susan-powers-al-haq/>

<sup>9</sup> 7amleh - the Arab Center for the Advancement of Social Media. (2018). Palestine & PayPal. Retrieved from: <https://7amleh.org/wp-content/uploads/2018/12/Palestine-PayPal-English.pdf>

<sup>10</sup> Palestinian Central Bureau of Statistics. (2019). Distribution of Graduates from Palestinian Higher Education Institutions by Specialization and Sex. Retrieved from: [https://www.pcbs.gov.ps/Portals/\\_Rainbow/Documents/Higher\\_Education\\_2019\\_03E.html](https://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Higher_Education_2019_03E.html)

<sup>11</sup> Butcher, Mike. (2016). Tech Crunch. Retrieved from: <https://techcrunch.com/2016/09/09/paypal-brushes-off-request-from-palestinian-tech-firms-to-access-the-platform/>