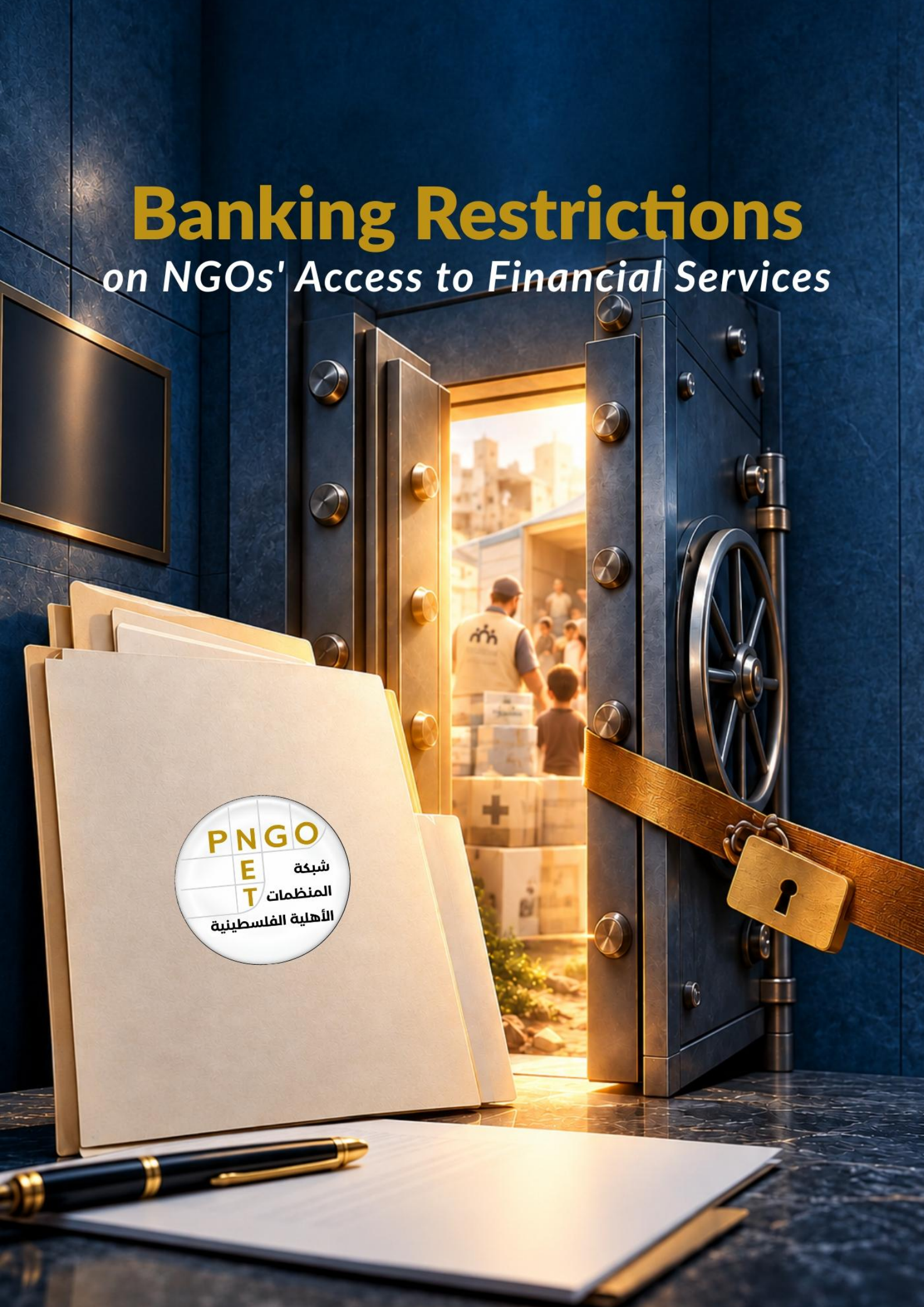
Banking Restrictions

on NGOs' Access to Financial Services



شبكة المنظمات الأهلية الفلسطينية

Palestinian NGO's Network - PNGO

Banking Restrictions

on NGOs' Access to Financial Services

2026

Introduction

As part of its work to monitor freedom of association and the freedom of non-governmental organisations (NGOs) to operate, and in response to administrative and financial challenges facing NGOs nationwide, the Palestinian Non-Governmental Organizations Network (PNGO) prepared a questionnaire to examine these challenges, restrictions and obstacles in detail. The findings will inform follow-up with the relevant authorities to identify solutions that safeguard organisations' freedom to operate in the current circumstances, particularly amid the continuing genocidal war in the Gaza Strip despite the announcement of a ceasefire, and the ongoing attacks, demolitions and forced displacement in Jerusalem and the West Bank.

Survey methodology

The survey was conducted from 29 August to 12 September 2026. The analysis covered responses from 98 Palestinian NGOs: 74 operating in the Gaza Strip, 11 in the West Bank and Jerusalem, and 13 in both areas.

The questionnaire included conditional questions based on organisations' answers to earlier questions. The number of respondents therefore varies from one question to another. Unanswered questions that did not apply to an organisation were not treated as missing data. Percentages were calculated using the number of relevant responses for each indicator.

The findings are based on information reported by participating organisations. Some beneficiary estimates may include people counted more than once across services or projects and do not necessarily represent unique individuals affected.

Distinguishing between inactive and frozen accounts

The category of inactive accounts may include accounts frozen by a bank decision, as well as accounts that have become inactive because no transactions have been made for a specified period.

1 Executive Summary

The survey findings reveal a widespread, **systemic banking problem** that directly affects Palestinian NGOs' ability to operate, particularly in the Gaza Strip. The problem has three interrelated dimensions:

1. **Bank accounts are unusable or inactive** for a substantial proportion of associations and NGOs.
2. **Organisations face difficulties opening new accounts** or have their applications rejected, in most cases without clear reasons being provided.

3. **Existing accounts are frozen or restricted**, disrupting salary payments, other payments, procurement, project implementation and the receipt of funding.

The Gaza Strip is experiencing an acute banking crisis: **59%** of its organisations have inactive accounts, while **52.7%** have had their accounts frozen. The most frequently cited reason is **delayed approval of boards of directors by the Ministry of Interior in Ramallah**, accounting for 34.1% of account-freezing cases in Gaza. In a further **31.7%** of such cases, banks provided no reason, reflecting a lack of transparency.

The situation in **the West Bank appears** relatively better, although restrictions include **deposit limits, cheque books and foreign-currency transfers**. In addition, **Israeli designations** and US sanctions have resulted in the closure of accounts belonging to human rights organisations and other NGOs, including Al-Haq, Addameer and Bisan.

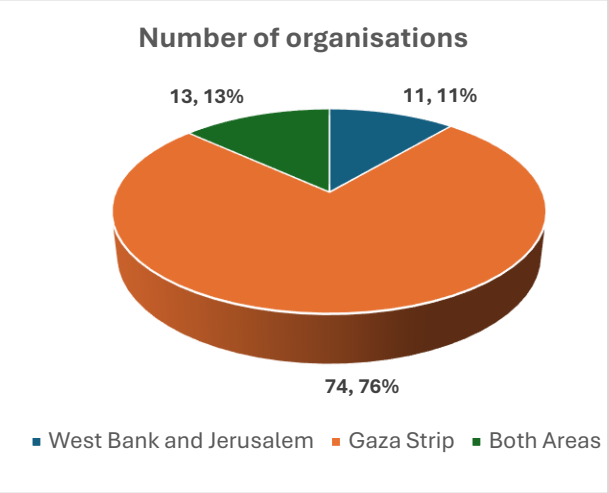
The most significant effects are the **suspension of projects, the inability to pay salaries and the loss of funding**. These threaten the continuity of NGO work in Palestine, particularly in the Gaza Strip, which is already experiencing genocide and catastrophic humanitarian conditions.

Of particular concern, **42 of the 98 organisations (43%) reported that problems with registration, renewal, approval of boards of directors or institutional documentation had affected their ability to open, maintain or use accounts.** This indicates that a significant part of the banking crisis stems from the interaction between regulatory and administrative requirements and organisations' access to financial services.

The impact extends beyond the organisations themselves. The reported data indicate that **hundreds of thousands of people benefiting from NGO projects and services may be affected directly or indirectly** by banking restrictions.

2 Characteristics of the survey sample

Area	No. of Organizations
West Bank and Jerusalem	11
Gaza Strip	74
Both	13
Total	98



The survey largely reflects the situation of organisations operating **in the Gaza Strip**. Including those working in both areas, 87 organisations operate in Gaza, representing 89% of all respondents.

3 Status of bank accounts

Of the 98 organisations:

- 94 (95.9%) have an account with a Palestinian bank.
- 4 (4.1%) have no account with any Palestinian bank.

The data show that having an account does not necessarily mean being able to use it. Among organisations with bank accounts:

- 47 reported that their account was active.
- 47 reported that their account was inactive.

Thus, approximately half of the organisations with a bank account reported that it was inactive. The problem is therefore not confined to the absence of accounts; it also concerns actual access to accounts and the ability to use them for an organisation's financial transactions.

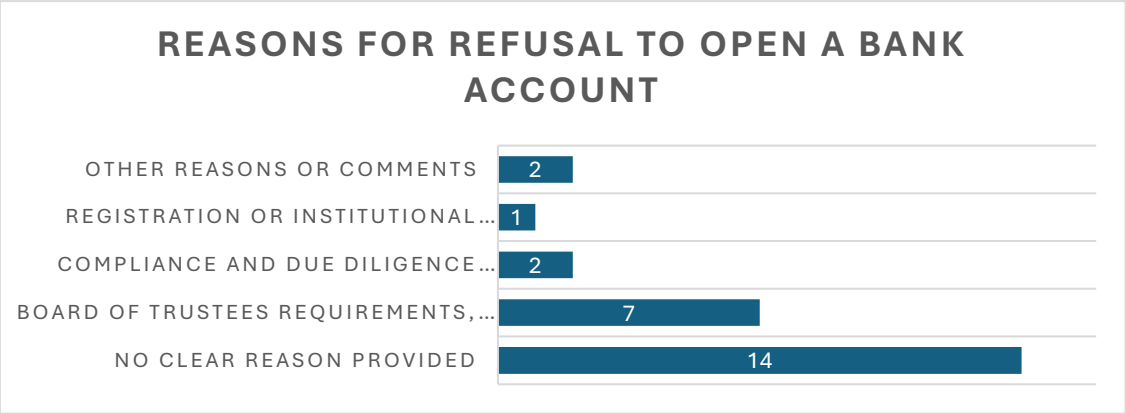
The breakdown by area of operation further illustrates the scale of the problem in the Gaza Strip:

- In the Gaza Strip, 42 organisations reported inactive accounts, compared with 29 reporting active accounts.
- In the West Bank and Jerusalem, 3 reported inactive accounts, compared with 8 reporting active accounts.

- Among organisations operating in both areas, 2 reported inactive accounts, compared with 10 reporting active accounts.

The burden of account inactivity is therefore clearly concentrated in the Gaza Strip.

4 Difficulties opening new bank accounts



Twenty-six organisations reported that they had tried unsuccessfully to open a bank account in the organisation's name during the preceding 12 months, while 25 said that they had not tried. Responses identified the reasons banks had refused to open accounts; however, 14 of the 26 organisations had received no clear explanation from the bank.

This is a particularly important governance and transparency issue. Organisations cannot address the grounds for refusal or fulfil outstanding requirements unless the bank clearly and specifically explains why it will not open an account.

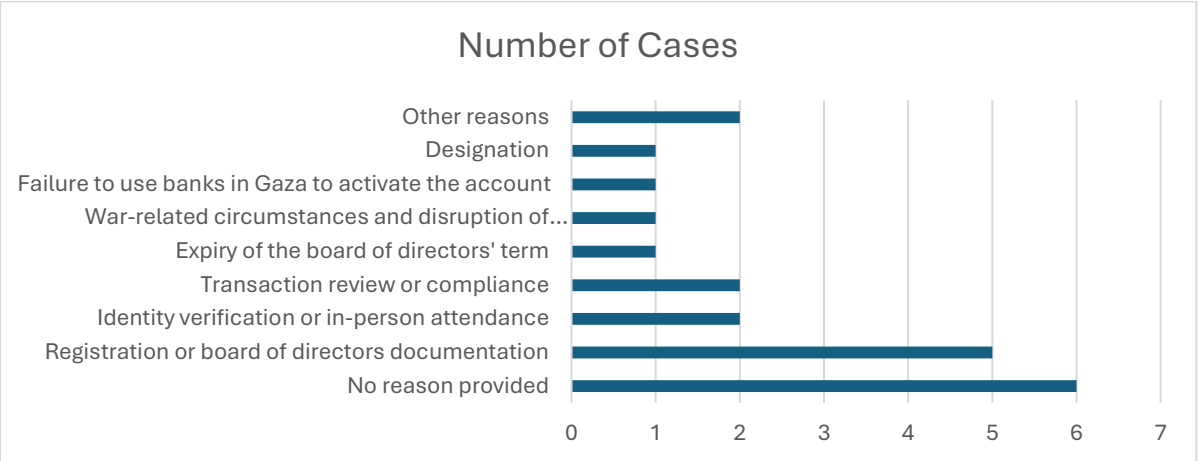
5 Frozen and restricted accounts

Twenty organisations reported that their accounts had been frozen or restricted at different times:

- 15 cases within the preceding 12 months.
- 4 cases within the preceding three months.
- 1 case within the preceding six months.

Account freezes and restrictions are therefore not merely historical incidents; they continued in the period immediately before the survey.

Reported reasons for freezing or restricting accounts:



Once again, the data reveal a lack of clear explanations: six organisations reported that the bank had provided no reason for freezing or restricting their account.

6 Difficulties restoring access to accounts

Of the 45 organisations that answered the question on restoring access to their bank account, 31 (68.9%) reported that access had not been restored, 12 (26.7%) said that the account remained under review, and two (4.4%) reported that access had been restored.
The data therefore indicate that problems persist for extended periods and that many cases lack a prompt or clear resolution.

Organisations also reported additional requirements for restoring or maintaining access, including:

- Attending in person.
- Completing additional verification remotely.
- Providing documentation from the Ministry of Interior.
- Completing procedures relating to the general assembly.

These requirements are particularly significant for organisations operating in Gaza, where movement, travel and access to bank branches or central authorities may be severely limited or impossible.

7 How governance and approval of boards of directors relate to the banking crisis

The survey findings show a close relationship between bank account activation and approval of boards of directors. Forty-two organisations (42.9%) answered “yes” to the question concerning problems with registration, renewal, board of trustees documentation, elections or approval of the board of directors; 50 (51%) answered “no”, and six (6.1%) were unsure.

In other words, approximately one in two organisations faces, or has faced, an institutional or regulatory problem affecting its ability to use its accounts or open new ones.

Open-ended responses reveal a recurring sequence: elections are held; documents are submitted; the organisation awaits approval of its board of directors or authorised signatories; the bank’s records remain out of date; the account is frozen or not activated; and the organisation is unable to pay salaries or implement projects.

This points to a procedural chain involving the organisation, the Ministry of Interior and the bank. Delays anywhere in this chain can disrupt the organisation’s financial operations.

8 Impact of banking restrictions on project implementation

The qualitative responses to this question are particularly revealing. They show that the impact extends beyond financial or administrative matters. The main effects can be grouped as follows.

1. Disruption of salary payments

Several organisations reported being unable to:

- Pay staff salaries.
- Pay allowances.
- Maintain workforce stability.
- Meet their obligations to employees.

2. Disruption of payments to suppliers

Organisations reported:

- Accumulating debts.
- Delayed payments to suppliers.
- Difficulties purchasing supplies.
- Delayed deliveries.
- The possibility of additional liabilities or penalties.

3. Suspension or delay of projects

- Complete suspension of projects.
- Suspension of some activities.
- Delays in implementing activities.
- Postponement of new projects.
- Loss of grants and projects.
- Termination of contracts with donors.

4. Impact on essential services

Some organisations provide critical services directly to people, including health services. They reported that banking restrictions had led to:

- Reduced service provision.
- Suspension of some medical services.
- Difficulties purchasing supplies.
- Direct harm to beneficiaries.

In some cases, a bank account has therefore become a practical prerequisite for maintaining humanitarian or social services, rather than simply an accounting tool.

9 Impact on donor relations

The responses show that banking restrictions have also begun to affect trust and contractual relationships between local organisations and donors.
Some organisations reported:

- Postponement of new projects.
- Withdrawal or termination of projects.
- Loss of grants.
- Difficulties receiving funding.
- Transfer of project funds to intermediary organisations or other organisations with which they have cooperative relationships.
- Damage to donors' and suppliers' confidence in the organisation.

This is particularly important for the localisation of humanitarian action. When a local organisation cannot use its bank account, donors may turn to intermediary arrangements instead of direct funding. In practice, this can increase response costs and reduce local organisations' financial and operational control.

10 Types of accounts affected

The available data indicate that the overwhelming majority of affected accounts are institutional bank accounts held in the organisation's name. One case involved the use of a personal account for organisational purposes.

11 Scale of the impact on beneficiaries

The survey data indicate that banking restrictions affect NGOs beyond their administration and finances, extending directly to the **people benefiting from their projects and services**. Of the 98 participating organisations:

- 66 reported that beneficiaries of their current projects were expected to be affected by banking restrictions.
- **Based on the figures provided by the organisations, the total number of beneficiaries expected to be affected was approximately 3,746,319**. This total is the sum of the organisations' estimates. The same person may have been counted more than once because they receive multiple or repeated services from the same organisation or from different organisations, depending on the range of services and each organisation's specialisation. It does not necessarily represent a count of unique individuals actually affected by banking restrictions.

The impact extends beyond direct beneficiaries

Qualitative responses show that disruption of bank accounts can affect beneficiaries through several pathways:

- Delays in or suspension of project implementation.
- Inability to pay staff salaries, affecting continuity of service provision.
- Delayed payments to suppliers for necessary goods and supplies.
- Postponement of activities or reductions in their scope.
- Difficulties receiving donor funding.
- Loss or postponement of some grants and projects.
- Reduction or suspension of essential services, including health and social services.
- Recourse to intermediary financial arrangements that may delay resources reaching beneficiaries.

Banking restrictions therefore fundamentally threaten continuity of service provision; they are more than an internal administrative or financial problem for organisations.

12 Main patterns emerging from the data

The survey findings can be summarised in five main patterns.

Pattern 1 The problem extends beyond frozen accounts

The crisis affects an entire chain of processes: opening an account, activating it, updating organisational information, making transfers, withdrawing and disbursing funds, and keeping the account active.

Pattern 2 The Gaza Strip is the most affected

Approximately 74% of participating organisations operate in Gaza alone, in addition to those working in both areas. The findings clearly show that account inactivity and operational restrictions are more prevalent in Gaza.
This is linked to Gaza's particular circumstances, including the destruction or closure of bank branches, restrictions on movement, difficulties accessing premises and central authorities, and the complexity of conducting financial operations during the aggression.

Pattern 3 Lack of transparency about the reasons for refusals or freezes

One of the most important findings is that a notable number of organisations report that the bank:

- Did not explain why it refused to open an account; or
- Did not explain why it froze an account; or
- Kept the account under review without a clear resolution.

This raises questions about organisations' right to a clear explanation and accessible complaint and review procedures.

Pattern 4 Administrative delays become a financial crisis

A delay in approving a board of directors or updating authorised signatories may initially appear to be an administrative matter. It can, however, lead to an account freeze, unpaid salaries, non-payment of suppliers, project delays, loss of funding and harm to beneficiaries.
Addressing registration and approval procedures is therefore not a separate administrative issue; it is part of safeguarding the continuity of humanitarian and development work.

Pattern 5 Banking restrictions threaten localisation

If a local organisation cannot access its bank account, it may be forced to:

- Use an intermediary organisation.
- Transfer project funds to another organisation.
- Postpone implementation.
- Refrain from applying for new grants.
- Use alternative financial arrangements.

This may weaken direct funding to local organisations and undermine the principles of partnership and local leadership.

13 Overall conclusion

The survey findings reveal growing banking restrictions that directly affect Palestinian NGOs' ability to access their bank accounts, open new accounts and carry out financial transactions. These restrictions extend beyond account freezes to include delays in updating institutional information, approval of boards of directors and authorised signatories, compliance and verification requirements, and unclear reasons for refusals or freezes in a number of cases. They directly affect salary and supplier payments, the receipt of funding, project implementation and the continuity of services for affected communities, particularly in the Gaza Strip.

Main problems compiled in the order presented in the source across all areas:

Rank	The Problem	Repetition	Percentage of all 98 organisations
1	Delayed approval of the board of directors by the Ministry of Interior in Ramallah	30	30.6%
2	No reason provided by the bank for freezing or restricting the account	15	15.3%
3	Complete suspension of projects and activities	22	22.4%
4	Inability to pay staff salaries	15	15.3%
5	Delays in project implementation and payments	14	14.3%
6	Loss of projects and donor funding	10	10.2%
7	Restrictions on cash withdrawals and transfers	8	8.2%

Rank	The Problem	Repetition	Percentage of all 98 organisations
8	Transaction review or compliance	4	4.1%
9	No account transactions or dormancy	3	3.1%
10	US or Israeli sanctions	3	3.1%
11	Restrictions on opening new accounts	3	3.1%
12	Impact on beneficiaries and services	6	6.1%
13	Problems with cheque books and deposit limits	4	4.1%
14	Difficulties communicating with the Ministry of Interior	5	5.1%
15	Accounts frozen because of the war	6	6.1%
16	Banks' refusal to activate accounts in Gaza	3	3.1%

14 Gap analysis and recommendations

Main gaps:

1. **Lack of bank transparency:** no reason was provided in 31.7% of account-freezing cases.
2. **Slow government procedures:** delays in approving boards of directors paralyse NGO operations.
3. **Impact of the war:** destruction of premises, dispersal of members and loss of communication.
4. **Double standards:** organisations in the West Bank are relatively better able to operate than those in Gaza.
5. **Political sanctions:** these affect human rights organisations.
6. **Banks' refusal to activate accounts in Gaza:** three explicit refusals were reported.

Recommendations:

1. PNGO and human rights organisations should intervene with the Ministry of Interior to expedite approval of boards of directors.
2. Engage the Palestine Monetary Authority and banks to facilitate account opening for organisations and expedite the lifting of restrictions on NGOs, particularly those holding valid Ministry of Interior approval.
3. Require banks to provide clear reasons for any account freeze or restriction.
4. Establish an emergency mechanism for activating accounts during emergencies, including war and disasters.
5. Coordinate with international donors to maintain funding despite banking restrictions.
6. Bring legal proceedings against arbitrary measures taken by banks and the Ministry of Interior.
7. Encourage organisations to diversify their banking relationships and open accounts with more than one bank to ensure alternatives are available.
8. Strengthen transparency and compliance to reduce the risk of account freezes arising from suspected money laundering.
9. Call on international actors to lift restrictions on financial transfers to Gaza.

15 Recommendations for advocacy

1. Ensure continuity of essential banking services for NGOs and prevent the automatic suspension of accounts because of delays in administrative procedures that can be resolved.
2. Establish a clear, prompt appeal and review mechanism for cases in which an account-opening application is refused or an account is frozen or restricted.
3. Require banks to provide clear written reasons for refusing to open an account or freezing it, specifying the documents or procedures needed to resolve the problem.
4. Introduce transitional arrangements for accounts when a board of directors' term expires, so that the end of its statutory term does not automatically render the bank account unusable, particularly where the organisation has already initiated election and renewal procedures.
5. Develop banking arrangements suited to Gaza's humanitarian context, including remote verification and information updates when in-person attendance is impossible.
6. Protect direct humanitarian and development funding to local organisations from the effects of banking restrictions, ensuring that banking problems do not lead to the loss of grants or force organisations or donors to channel funds through intermediaries.

Specific recommendations for PNGO to pursue with the relevant stakeholders

- Ask banks to explain in writing why they refuse to open accounts, freeze them or restrict their use, enabling organisations to identify the requirements for resolving the problem.
- Establish clear procedures and requirements for reactivating bank accounts.
- Facilitate remote identity verification and information updates wherever banking requirements permit, particularly for organisations operating in the Gaza Strip whose representatives cannot attend in person.
- Develop arrangements to address cases involving delayed approval of boards of directors or updates to authorised signatories' details, taking legal and regulatory requirements into account.
- Strengthen coordination between PNGO, the Palestine Monetary Authority, banks and official bodies to follow up unresolved cases and identify practical solutions.