

Economic Activity of Public Bodies (Overseas Matters) Bill by *Matthew Smith, Barrister and Partner at Bates Wells* (3rd July 2023)

[The Economic Activity of Public Bodies \(Overseas Matters\) Bill](#) was introduced into the House of Commons on 19th June 2023, and it was accompanied by a [press release](#) explaining the Government's reasons for acting. The Bill will receive its Second Reading on 3rd July. The headline aims of the legislation are to:

- **prohibit UK public bodies, including local councils, pension funds and universities, from making procurement and investment decisions that are influenced by political or moral disapproval of foreign state conduct (clauses 1 and 2)**
- **prohibit those public bodies from publishing certain statements, including any which indicate that, but for the ban, they would have taken foreign state conduct into account when making a procurement or investment decision (clause 4)**
- **ensure that UK public bodies follow the central Government's lead when it comes to foreign policy**

Some opponents of the Bill [fundamentally object to it as an unwarranted curtailment of the freedom of public bodies to adopt a different foreign policy stance from the central Government](#). Others are concerned that the Government intends to use the Bill to target the global BDS (Boycott, Divestment and Sanctions) campaign, which urges non-engagement with Israel pending the achievement of three key objectives for the Palestinians. The Schedule to the Bill contains certain exceptions to the prohibitions against the disapproval of foreign state conduct and the making of related statements, respectively. The Secretary of State and Minister for the Cabinet Office do have powers to amend the Schedule - and thus the exceptions – see clause 3(2) and to specify a country or territory to which the prohibitions do not apply (clause 3(5)). However, the effect of clause 3(7) is that [those powers may not be used to dis-apply the prohibitions in respect of Israel, the Occupied Palestinian Territories or the Occupied Golan Heights](#). This could give [rise to breaches of international law](#).

The Labour Party and [various Conservative MPs have](#) warned of the Bill's potential to prevent action which would otherwise be welcomed (e.g., in support of the Uyghur minority in China).

MPS are urged to:

- **probe the desirability of requiring public bodies to align themselves with central Government foreign policy**
- **interrogate the merit of clause 3(7) of the Bill and any possible adverse consequences of its retention**
- **consider voting against the Economic Activity of Public Bodies (Overseas Matters) Bill**

For further information, contact the author at m.smith@bateswells.co.uk. Contact Prof Alison Scott-Baumann for access to other experts at as150@soas.ac.uk, and visit [our website](#) for more information. *The views expressed in SOAS ICOP Briefings are those of the authors and do not necessarily represent those of SOAS.*