UNODC
United Nations Office on Drugs and Crime

StAR
Stolen Asset Recovery Initiative
The World Bank • UNODC

Taking action on the management and disposal of seized, confiscated and returned assets

Note prepared by UNODC and the StAR Secretariat[1]

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1. Opportunities for G20 action

1. This note is submitted to the G20 ACWG with a view to exploring its interest to further advance policy in the area of managing and disposing of seized, confiscated and returned assets under the Chinese G20 presidency in 2016.

2. The management and disposal of seized and confiscated assets by the State creates multiple policy and practical challenges both at the domestic level as well as in the context of international asset recovery cases. Countries have been tackling these through very diverse approaches and with varying levels of success. In the past 10 years, the international community has seen a number of actual cases of return. With this growing body of experience in returns, some valuable lessons can be drawn to identify effective ways to return assets, and good practices in terms of various modalities for a return consistent with the United Nations Convention against Corruption (UNCAC). At the same time, due to the technical complexities and challenges as well as the diversity of approaches adopted by countries to tackle them, there is both a strong demand for, as well as an increasing body of, good practices and lessons learned. This provides fertile ground for the development of global knowledge and guidance on effective ways to manage and dispose of seized and confiscated assets domestically as well as on the administration, return and disposition of assets where more than one jurisdiction is involved.

3. On the basis of the assumption that a well-functioning domestic system for the management and disposal of seized and confiscated assets could also facilitate the process to reach agreement on the return and disposal of assets in international asset recovery cases, there is a clear opportunity for the G20 to consider: (1) developing knowledge on approaches taken by its members in the management, use and disposal of seized and confiscated assets at domestic level, as well as on special agreements and arrangements on the return and disposal of assets in international cases and setting up transparent and accountable regimes for their management; (2) to explore the demand for, and feasibility of, developing basic principles

[1] An earlier version of this note was shared with the G20 Anti-Corruption Working Group at its meeting in June 2015.

for the management and disposal of recovered and returned assets in line with article 57 of UNCAC; and, if such demand is confirmed, (3) to embark on developing the process and content for basic principles for the management and disposal of recovered and returned assets.

2. Existing standards and tools

4. Despite a certain level of coherence of policy objectives, at the domestic level there is a rich and diverse set of approaches across countries to create laws, institutions and operational arrangements aimed to provide practitioners with the mechanisms needed to deprive offenders of their ill-gotten gains, administer these assets in a way that maintains their value while minimizing the administrative and financial burden to the State. Such mechanisms also seek to provide for the disposal of assets in a timely and efficient manner with the objective to secure money for value, protect buyers against retaliation and prevent the offenders from re-establishing control over the asset, as well as to ensure that the proceeds from the disposal of such assets or the assets themselves are used for the benefit of victims.

5. At the international level, Chapter V of UNCAC regulates the recovery and return of corruption proceeds. It establishes the recovery and return of such assets as a "fundamental principle" and stipulates that States parties shall afford one another the widest measure of cooperation and assistance in that regard (article 51). Moreover, the Convention sets forth substantive provisions to address specific measures and mechanisms of international cooperation for the purpose of the recovery and repatriation of assets derived from offences covered by UNCAC. In its article 57, it establishes for the first time that proceeds of embezzlement should be returned upon confiscation to the country of origin, whereas for the proceeds of other offences, a differentiating regime has been adopted taking into account damages, prior ownership and victims.[2]

6. Following the entry into force of UNCAC, a variety of initiatives have emerged at the international level to support countries tackling the described challenges both domestically as well as within the context of international asset recovery cases.

   - The issue of administration of seized assets has been addressed, among others, by the G8 Best Practices for the Administration of Seized Assets (2005)[3], which are intended in particular to help States preserve the value of seized assets during the pendency of primarily domestic confiscation proceedings.
   - In 2006, the G8 endorsed the Principles and Options for Disposition and Transfer of Confiscated Proceeds of Grand Corruption with a view to provide greater

[2] Different from UNCAC, the United Nations Convention against Transnational Organized Crime (UNTOC) establishes the principle of asset sharing and the restitution to victims. Based on UNTOC, UNODC developed a model agreement on international asset sharing which was endorsed by the UN Crime Commission in May 2005 and by the UN General Assembly in December 2005. This model on sharing confiscated proceeds of crime can be used by countries to strengthen international cooperation in the confiscation and disposal of the proceeds of crime covered by the UNTOC It is, however, not applicable to asset recovery under UNCAC.

[3] http://www.coe.int/t/dghl/monitoring/moneyval/web_ressources/G8_BPAssetManagement.pdf

transparency, predictability, and effectiveness in the disposition and transfer of confiscated assets in grand corruption cases. The principles reaffirm the commitment to the disposition and return of assets, including in embezzlement cases, as articulated in article 57 of UNCAC. The principles govern, subject to national law, how transfers could be accomplished consistent with UNCAC, including, where appropriate, pursuant to voluntary agreements executed in accordance with paragraph 5 of article 57.

- A study carried out by the Organization of American States (OAS)[4] analyses the systems for the management of seized and confiscated assets in the region and highlights the existence of two main models: (1) entities with extended functions, ranging from the search of potential assets to their identification, seizure, forfeiture, management, coordination, destination, etc.; and (2) entities tasked with the mere management of assets.
- A study published by the International Centre for Asset Recovery (ICAR) of the Basel Institute on Governance identifies a number of core themes – notably efficiency, accountability and transparency – that were common to all of the main international asset return cases in the past 10-15 years, but which have been addressed differently in each of the analysed cases[5].
- A study produced by the joint UNODC/World Bank Stolen Asset Recovery (StAR) Initiative[6] outlines four possible measures that can be adopted to manage the funds, and benefits and disadvantages are illustrated for each of these: (1) country systems: ordinary channels through the public financial management systems; (2) enhanced country systems: enhanced channels building on the ordinary system, which adjustments to make them more agile and transparent; (3) autonomous funds that are designated for specific programmes with clear public reporting and accountability requirements; and (4) assignment of the management to non-governmental organizations (NGOs).
- The issue of confiscated assets is also addressed, among others, by the FATF Best Practices on Confiscation (Recommendations 4 and 38) and a Framework for Ongoing Work on Asset Recovery (2012)[7], which sets out international best practices to assist countries in their implementation of Recommendations 4 and 38, and to address impediments to effective confiscation and asset recovery in the international context. The FATF, for example, recommends the establishment of asset forfeiture funds by Member States, to give consideration to use all or at least a portion of confiscated property for law enforcement, health, education or other appropriate

[4] OAS, Asset Management Systems in Latin America and Best Practices Document on Management of Seized and Forfeited Assets, 2011: http://www.cicad.oas.org/lavado_activos/grupoExpertos/Decomiso%20y%20ED/Manual%20Bienes%20Decomisados%20-%20BIDAL.pdf

[5] Jimu, Ignasio Malizani. 2009. Managing Proceeds of Asset Recovery: The Case of Nigeria, Peru, the Philippines and Kazakhstan. Basel Institute on Governance Working Paper 06: https://www.baselgovernance.org/sites/collective.localhost/files/publications/biog_working_paper_06.pdf

[6] StAR Initiative (UNODC — World Bank), Management of Returned Assets: Policy Considerations, 2009: https://star.worldbank.org/star/publication/management-returned-assets

[7] http://www.fatf-gafi.org/media/fatf/documents/reports/Best%20Practices%20on%20%20Confiscation%20and%20a%20Framework%20for%20Ongoing%20Work%20on%20Asset%20Recovery.pdf

purposes, and regardless of the specific end use, to ensure that confiscated property is used transparently and to fund projects that further the public good.

- ICAR and the Swiss Federal Department of Foreign Affairs in October 2013 organized an international workshop on "Returning Stolen Assets" in Küsnacht, Switzerland, with participants from 13 requesting and requested States. Using past experiences as a basis for discussion, the workshop concluded with a number of principles that should ideally be considered by concerned States in future asset returns, including, notably, that: returned assets should be disposed of in a transparent and accountable way, involving whenever possible representatives from all concerned stakeholder groups in the determination of end use; returned assets should benefit the victims of the original crime; five different models can be distinguished when looking at past experiences; and due consideration should be given to the sustainability and long-term impact of programmes financed through returned assets.
- Target 16.4 of the Sustainable Development Goals requires strengthening the recovery and return of stolen assets by 2030. Furthermore, the recovery and return of stolen assets has been identified in the Addis Ababa Action Agenda[8] of the 3rd International Conference on Financing for Development (Addis Ababa, 13-16 July 2015) as a crucial element towards the financing of the post-2015 sustainable development.

3. Past experiences in the management and disposal of returned assets

7. The objective of the successful management and disposal of returned assets is to ensure that corruption does not pay and that the returned funds can be used for the benefit of the people. The use of the returned assets for the benefit of the public would serve as a strong message highlighting the commitment and determination of governments in their fight against corruption. Thus, financial management systems used to receive, manage and dispose of returned assets need to provide for adequate transparency and robust accountability mechanisms. Considerations that are likely to influence national authorities' decision regarding the appropriate choice of management arrangements include the strengths and weaknesses of the financial management system, the amount and timing of assets returned, and the overall governance context. Perceptions, expectations and opinions may diverge markedly between key stakeholders in the administration, civil society and the broader public.

8. Article 57 seems to assume that usually assets are returned and disposed of using the pre-existing financial management systems of the countries involved. In addition, article 57(5) of the Convention provides that "States parties may also give special consideration to concluding agreements or mutually acceptable arrangements, on a case-by-case basis, for the final disposal of confiscated property". Such bilateral agreements have been concluded between States parties on some occasions. However, the information available remains limited and it seems not yet possible to draw generic conclusions. Thus further research and

[8] http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf (see paragraph 25)

collection of information on the cases of asset disposal and management would be desirable. Based on the still rudimentary experience available, in addition to the use of a pre-existing system of managing public finances, there seem to be three alternative arrangements emerging. First, “enhanced” country systems which build on the existing country system with adjustments aimed at improving control and accounting systems to address any identified weaknesses. Second, autonomous funds that are established as public entities with discrete governance and management arrangements which ensure clear lines of accountability for the delivery of specific outputs and services. Third, specific types of autonomous funds established with the governance structures independent of the authorities of the countries in which the assets were returned. Importantly, civil society can be actively involved and have significant roles in all the types of the arrangements.

9. Several cases illustrating the practical use of the above-mentioned typologies are included below. As can be observed, different models demonstrate particular advantages but can also present particular challenges in their implementation.

Nigeria

10. The Nigeria case is an example of enhanced government procedures. The intended use of the returned assets was broad and linked to the Millennium Development Goals.

11. General Sani Abacha, who governed Nigeria from 1993 to 1998, is believed to have looted between US $3 and $5 billion over the five years of his rule. The primary methods used were abuse of the country’s financial systems and looting of the public treasury through the central bank; inflation of the value of public contracts; extortion of bribes from contractors; and other fraudulent transactions. The proceeds were laundered through a complex web of banks and front companies in several countries, principally Nigeria, the UK, Switzerland, Luxembourg, Liechtenstein, Jersey, and the Bahamas. In December 1999, the Swiss authorities accepted a request for mutual legal assistance, which led to the issuance of a general order to freeze the funds. In a 2004 ruling, Swiss authorities concluded that since there was adequate proof of the criminal origin of the Abacha funds, the formal forfeiture requirement - a verdict in Nigerian court - could be waived.

12. After a series of negotiations, which led to the selection of the World Bank as a bona fide third party for the monitoring of recovered assets, repatriation finally took place in 2005 and early 2006, for a total of $505.5 million. The stated purpose for the money was for the incremental funding of Millennium Development Goals (MDG)-related activities in the budget (such as health, education, and rural infrastructure programmes) within the context of the Government’s new National Economic Empowerment and Development Strategy (NEEDS). With a grant from the Swiss Government, the World Bank mobilized Nigerian civil society organizations to participate in the review and analysis of the use of the looted funds. The review found that the funds had generally been used to increase budget spending in support of the MDG areas, as intended. The funds were originally to be received in 2004 and were therefore included in the 2004 budget. Because of delays in the transfer of funds, the incremental budget spending was in the end financed through new debt, which was retired when the funds were received in 2005. This delay complicated the tracking of the spending which in and of itself was difficult because of weaknesses in the Nigerian public

financial management system. Notwithstanding these difficulties, a World Bank Public Expenditure Review concluded that the funds had generally been used in accordance with agreed objectives.

Peru

13. The Peruvian case is an example of setting up an autonomous fund to manage the restituted assets (the Fund for Special Administration of Money Obtained Illicitly to the Detriment of the State, or FEDADOI).

14. The purpose of the FEDADOI was to ensure the transparent management of the funds. Funds were earmarked to sectors or institutions included in the regulatory framework that established the FEDADOI. According to a report by the National Anticorruption Initiative (INA), it is estimated that the economic impact of systemic corruption during the Fujimori regime was US $1.8 billion. The bulk of the ill-gotten funds, estimated at US $800 million, came from alleged bribes paid during the awarding of procurement contracts for national defence. The payment of these bribes was facilitated by a legal provision that allowed the executive to treat the bidding process as confidential on the grounds of "national security." The money was laundered through shell companies based in tax havens.

15. After Fujimori's resignation, the transition government, led by interim President Valentin Paniagua, put in place a new anti-corruption framework, which included the creation of special prosecution agencies and anti-corruption courts. In November 2000, Swiss authorities froze $48 million linked to the chief of police intelligence, Vladimiro Montesinos, who was alleged to have colluded with President Fujimori. In March 2001, the Cayman Islands froze nearly $33 million, which was repatriated to Peru in August 2001. In August 2002, the Swiss authorities returned $77.5 million to the Peruvian Government, and in January 2004, after the signature of a bilateral agreement, the United States repatriated to Peru $20 million in funds forfeited from Montesinos and one of his associates.

16. In October 2001, the Government of Peru set up the FEDADOI. The goal of the fund was to provide a framework that would allow the appropriate and transparent management of the proceeds of corruption recovered by the State. The FEDADOI had its own organizational structure, comprised of a five-member board: one representative each from three line ministries, one from the financial intelligence unit, and one from the cabinet office. The funds were deposited in separate account and kept separate from other government revenue. Once the board of the FEDADOI agreed to appropriate funds to a particular programme or agency, these appropriations were included in the budget law as earmarked funds. The appropriation item could not be modified by Congress. Once the budget law was approved, the funds would be directly disbursed from the separate bank account to each programme or agency. In April 2012, FEDADOI's functions were transferred to the newly created National Commission for Seized Assets (Comisión Nacional de Bienes Incautados, CONABI) under the Presidency of the Ministerial Council of Peru.

The Philippines

17. The Philippines case is another example of setting up an extra-budgetary fund to manage the returned assets. The funds were to be used to support agrarian reform.

18. Ferdinand Marcos governed the Philippines between 1965 and 1986, when the "People Power Revolution" ousted him. During his years in power, it is estimated that Marcos accumulated between $5 and $10 billion at the cost of the country. His wealth was accumulated through the outright takeover of large private enterprises; the creation of state-owned monopolies in vital sectors of the economy; awarding government loans to private individuals acting as fronts for Marcos; the direct raiding of the public treasury and government financial institutions; and kickbacks and commissions from firms working in the Philippines. The proceeds were laundered through the use of shell corporations and invested in real estate in the United States or deposited in disguised accounts in various domestic and offshore banks.

19. After the fall of Marcos, a Presidential Commission of Good Governance was set up and made responsible for recovering his ill-gotten gains. The efforts to recover the assets extended over a period of 18 years. In 1997, $624 million of Marcos' deposits in Switzerland were transferred to an escrow account in the Philippine National Bank, and in 2004, after a forfeiture decision by the Philippine Supreme Court, transferred to the Philippine Ministry of Finance. The funds were then transferred to an off-budget "Agrarian Reform Fund" set up to finance agrarian reform programmes.

20. When the Philippine Commission on Audit audited the fund in 2006, it noted that a part of the recovered assets had been used to finance excessive, unnecessary expenses unlikely to benefit the intended agrarian reform beneficiaries. It also concluded that some of the procurement had been carried out at inflated prices and that a significant share of the spending had been on not approved or non-priority projects.

Kazakhstan

21. The case of Kazakhstan stays apart as it demonstrates a specific type of autonomous fund whose governance structure was independent of the authorities of the country in which the assets were returned.

22. As reflected in a verified complaint for confiscation filed in a United States court, officials of the Government of Kazakhstan were the beneficial owners of accounts into which bribes on behalf of United States oil companies were paid over a period of years. When one of those accounts came under suspicion, US$ 84 million were transferred into an account in the name of the Ministry of Finance of the Republic of Kazakhstan which contained assets subject to the power of disposal by a high official of the Kazakh Government who was implicated in the corrupt conduct described above. Switzerland later forfeited the account in question.

23. In May 2008, an agreement was reached between Kazakhstan, Switzerland and the United States on the return of above-mentioned assets. The solution agreed to in the Mercator

situation channelled the confiscated funds through a foundation for specified purposes. The agreement established the BOTA Foundation independent of the Government of Kazakhstan, its officials, and their personal or business associates. The Foundation was to conduct the BOTA Programme to benefit poor children, social organizations and education purposes in Kazakhstan, subject to monitoring by the Governments of the United States and Switzerland. The administration, management, and expenditures of the BOTA Foundation were to be conducted by a reputable international non-governmental organization serving as the BOTA Programme Manager, supervised and monitored by the World Bank. In October 2008, under the supervision of the World Bank, the Board of Trustees of BOTA selected the International Research & Exchanges Board (IREX) to manage the Foundation for the first four years, while the Save the Children Non-Governmental Organization was to act as a subcontracting consultant.

4. Ongoing initiatives

24. At its 5th session the Conference of the States Parties to the United Nations Convention against Corruption adopted resolution 5/3 on “Facilitating international cooperation in asset recovery” which, inter alia, “encourages States parties and the United Nations Office on Drugs and Crime to share experience on the management, use and disposal of frozen, seized and confiscated assets, and to identify best practices as necessary, building upon existing resources that address the administration of seized assets, and to consider developing non-binding guidelines on this issue”. This mandate was renewed in resolution 6/3 on “Fostering effective asset recovery”.

25. In carrying out this mandate, the United Nations Office on Drugs and Crime (UNODC) started in early 2014 to work with the Regione Calabria, Italy, in the field of management, use and disposal of seized and confiscated assets. This initiative seeks to identify good practices with a view to developing relevant tools and guidelines on the issue of administration of seized and confiscated assets, both at the domestic level and within the context of international asset recovery cases.

26. A first expert group meeting held in April 2014 produced a set of findings and recommendations on how to possibly advance the work of the international community in the areas of: (i) international cooperation in identifying, seizing and confiscating criminal assets, particularly those of Mafia-based criminal organizations; (ii) domestic management, use and disposal of seized and confiscated assets; and (iii) management of returned assets in asset recovery cases. The outcomes of the Meeting[9] reaffirmed that the management of assets recovered and returned in line with the requirements of Chapter V of UNCAC constituted a crucial topic for a large number of countries.

[9] http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2014-September-11-12/V1405186e.pdf

27. Building on the outcome of this workshop, UNODC conducted an international expert group meeting in September 2015 in Vienna specifically focusing on the domestic management, use and disposal of seized and confiscated assets.

28. The outcomes[10] of the meeting highlight important issues confronting countries when developing and implementing systems and structures for the management of seized and confiscated assets. The discussions in Vienna underlined that the variety of legal systems and their characteristics concerning the freezing, seizing and confiscating of assets, as well as the management of such assets, is very much related to the different policy objectives pursued and defined at the national level. These policy objectives include law enforcement objectives such as depriving criminals of their ill-gotten assets, compensating victims, and undermining organized crime, terrorism and economic crime. In addition, there are more secondary objectives such as creating an economically viable asset recovery system, preserving the value of seized or confiscated assets for the benefit of the State, society and victims, as well as ensuring accountability and transparency of and public confidence in the asset recovery system. A key finding was that each system can benefit from the practices and experiences of other countries in order to make informed policy decisions.

29. The starting point for establishing a functional asset management system is appropriate legislation and accompanying regulations that enable the preservation of the economic value of assets in an efficient, transparent, and flexible manner. Looking at effective legal frameworks, the participants concluded that to manage seized assets effectively and preserve their value certain legal powers are required. These include powers to invest in maintenance and storage, protect against abuse and damage by the owner/third parties, dispose of seized assets under certain conditions, use assets pending final confiscation, restrain the use of assets (in lieu of seizure), and to use conviction based, value based and non-conviction based forfeiture.

30. The management of assets creates a multitude of practical challenges requiring the allocation of sufficient and appropriate resources, specialized professional skills to maintain the value of the assets, manage them cost-effectively and ensuring their sale at market value. Several countries have created specialized asset management offices (AMOs), either within existing public sector structures or as self-standing agencies (for example Mexico, Colombia, Italy, Brazil, France, the US). However, they have rather diverse mandates, functions, sizes and institutional structures. Many have created different units specializing in the administration of specific types of assets, such as real estate, luxurious goods, commercial assets, etc. Not all AMOs are also responsible for the disposal of assets. In particular, where countries have a centralized public entity responsible for the sale of state assets, AMOs are relying on these structures, rather than building up their own structures. In some cases, a new unit dedicated solely to the duties of managing assets subject to confiscation is established within an existing government agency (US Marshal's Service or the Insolvency and Trustee Service Australia). Other countries are using primarily court appointed private sector service providers to manage assets pending a final confiscation order. Experts generally agreed that

[10] http://www.unodc.org/documents/treaties/UNCAC/COSP/session6/V1507528e.pdf

the creation of dedicated institutional structures is important, as it allows for the monitoring of the assets and their accountability from the moment of seizure until their disposal.

31. While operational arrangements vary significantly, well-functioning systems entail: pre-seizure planning, a centralized database, the hiring of personnel with specialized skill sets, training and tools for practitioners, management and maintenance, auctioning/sales, arrangements for the management of corporate assets, an asset recovery fund, the possibility to outsource certain asset management functions, such as e.g. storage, and arrangement designed to ensure the compensation of victims as well as to mitigate the negative effects of crime on affected parts of society through social reuse of the assets.

32. As a next step, UNODC plans to prepare a compilation of national experiences and good practices in this field aimed to help those directly tasked with developing policy frameworks as well as the management of such assets in learning from these experiences and avoiding and/or managing some of the risks and liabilities involved.

5. Future activities

33. Underscoring the importance given to asset recovery in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the Government of Ethiopia announced during the 6th session of the Conference of the States Parties to the United Nations Convention against Corruption (St. Petersburg, 2-6 November 2015) its intention to host, as a follow-up to the Third International Conference on Financing for Development, an international expert meeting to share experiences and identify good practices in the return and disposal of recovered assets and their use for the benefit of society.

34. Building on the momentum created by the Addis Ababa Action Agenda it is proposed to organize an international event aimed at identifying good practices and practical steps for countries to improve stolen asset return and disposal in support of sustainable development. The event would seek to create a platform for countries that have cooperated in the past in the recovery and return of assets and have found ways to ensure that such funds contributed to meeting development challenges. As such, the workshop would bring together diverse communities of practitioners, including asset recovery experts, public finance managers who played a role in the return of assets, as well as development practitioners and recipients who participated in the implementation of programme and projects funded with returned assets. More specifically, the workshop could seek to identify good practices in the:
    - ✓ management of frozen and confiscated assets pending return – costs and interests;
    - ✓ management of returned assets by the requesting State party – methodologies, main actors, institutional solutions;
    - ✓ integrity, accountability and transparency in the management of returned assets;
    - ✓ victim identification and compensation;
    - ✓ legal liability of and civil, criminal or administrative action against gatekeepers, banks and others who have been involved in the laundering of the assets; settlements and asset recovery; as well as

- ✓ case-specific agreements or mutually acceptable arrangements for the final disposal of confiscated property – negotiation process, possible content, execution.

35. The expert group meeting would also allow for constructive discussions on the desirability and feasibility of the development of basic principles guiding the States parties to the Convention in the administration and return of stolen assets in full compliance with the requirements of UNCAC. Provided the meeting concludes that such principles would add value to the present efforts of countries in cooperating with each other in the recovery and return of assets, further consultations would be required involving a broader set of stakeholders in a longer term process which would potentially allow for presenting a first set of such principles at the seventh session of the Conference of the States Parties to UNCAC.

6. A possible way forward for the G20

36. It is safe to assume that a well-functioning domestic system for the management and disposal of seized and confiscated assets could also facilitate the process to reach agreement on the return and disposal of assets in international asset recovery cases. The G20 ACWG might therefore wish to facilitate the exchange of experiences among its members in terms of the legal frameworks, the institutional set-up and the operational arrangements established to ensure the effective management and disposal of seized and confiscated assets at domestic level.

37. Moreover, at present there is only very limited information available on any special agreements and arrangements established between States concerning the return and disposal of seized and confiscated asset in international asset recovery cases. It might therefore prove beneficial for the G20 ACWG to collect information on such practices and approaches in a more systematic fashion to further inform the policy dialogue on the effective implementation of chapter V of the Convention and in particular its article 57.

38. Building on the above mentioned activities, the G20 ACWG could further explore the demand for and feasibility of developing basic principles for the management and disposal of recovered and returned assets in line with article 57 of UNCAC, and, if confirmed, embark on a process aimed at developing such principles.