



# Conference of the States Parties to the United Nations Convention against Corruption

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### Asset recovery

## Progress report on the implementation of the mandates of the Working Group on Asset Recovery

Note by the Secretariat

### I. Introduction

1. In its resolution 1/4, adopted at its first session, the Conference of the States Parties to the United Nations Convention against Corruption established the Open-ended Intergovernmental Working Group on Asset Recovery to advise and assist the Conference in the implementation of its mandate on the return of proceeds of corruption.
2. In the same resolution, the Conference tasked the Working Group with, inter alia, assisting the Conference in developing cumulative knowledge in the area of asset recovery, facilitating the exchange of information, good practices and ideas among States, and building confidence and encouraging cooperation between requesting and requested States.
3. At its second to sixth sessions, the Conference decided to continue the work of the Working Group. The Working Group held its first through eleventh meetings annually in Vienna from 2007 to 2017.
4. The present note has been prepared to inform the Conference at its seventh session about the status of implementation of the mandate of the Working Group. It is aimed at assisting the Conference in its deliberations and in determining guidance and future activities for the Working Group.

### II. Overview of the status of implementation of the recommendations of the Conference of the States Parties and the Working Group

5. Previous meetings of the Working Group have focused on three main themes: (a) developing cumulative knowledge; (b) building confidence and trust between requesting and requested States; and (c) technical assistance, training and capacity-building.

\* [CAC/COSP//2017/1](#).



6. With respect to the development of cumulative knowledge on asset recovery, the Working Group has expressed its continued interest in the development of knowledge and related tools that would facilitate legislative reforms in the area of asset recovery.
7. The importance of confidence and trust between requesting and requested States for asset recovery has been stressed, in particular as a means of increasing political will, developing a culture of mutual legal assistance and paving the way for successful international cooperation.
8. The Working Group has discussed types of technical assistance relevant to asset recovery, such as capacity-building and training, gap analyses, assistance in drafting new legislation and the facilitation of the mutual legal assistance process, and has recognized the urgent and constant need to provide training.
9. The Working Group repeatedly emphasized its role in contributing knowledge and expertise for the outcomes of the reviews relating to the asset recovery chapter in the second cycle of the Implementation Review Mechanism.
10. The Working Group has repeatedly noted the need to strengthen coordination between various initiatives in asset recovery. In that regard, the work of the Stolen Asset Recovery (StAR) Initiative of the United Nations Office on Drugs and Crime (UNODC) and the World Bank with developing countries and financial centres has been noted.

## **A. Developing cumulative knowledge**

### **1. Tools for gathering and sharing information**

11. The Working Group has consistently given high priority to the availability, creation and management of knowledge on asset recovery. It has particularly commended the progress made by the Secretariat on the United Nations Convention against Corruption legal library and the Tools and Resources for Anti-Corruption Knowledge (TRACK) comprehensive portal developed by UNODC (available at [www.track.unodc.org](http://www.track.unodc.org)).
12. Previously, the Working Group called upon States parties to provide regular updates on the information contained in the relevant databases on asset recovery, and recommended to further pursue the collection and systematization of good practices and tools, including for enhancing early and spontaneous information exchange.
13. The Working Group has stressed the usefulness of the existing knowledge products, including those of the StAR Initiative, in building national capacity, and has requested the Secretariat to prepare a list of those products and to ensure their widest possible dissemination.
14. In its resolution 5/3, the Conference encouraged States parties to share approaches and practical experience for the return of assets, consistent with article 57 of the Convention, for further dissemination through the Secretariat.
15. In its resolutions 6/2 and 6/3, the Conference encouraged States parties to consider, where appropriate and in accordance with national law, the possibility of referring to the draft Lausanne guidelines for the efficient recovery of stolen assets in their practice and to continue to exchange their practical experiences and consolidate them into a non-binding, step-by-step guide or asset recovery manual, in cooperation with interested States and providers of technical assistance, upon the request of the relevant interested parties.

#### *Action taken*

16. The legal library, part of the TRACK web-based platform launched by UNODC on 1 September 2011, contains laws, jurisprudence and information on anti-corruption authorities from over 180 jurisdictions worldwide. Developed and administered by UNODC and supported by the StAR Initiative and partner organizations, the legal

library collects and disseminates indexed and searchable legal information according to each provision of the Convention. Legal data received in the context of the Implementation Review Mechanism and validated by States parties under review, including judicial decisions rendered in asset recovery cases, are also used to continuously update the information contained in the legal library.

17. At the request of the Working Group, a special section of the TRACK portal is dedicated to asset recovery.<sup>1</sup> This section combines in one place all relevant information and links to data available on asset recovery, i.e., States' legislation relevant to chapter V of the Convention; the Asset Recovery Watch, a database developed by the StAR Initiative with information on 240 past and current asset recovery cases involving corruption; the "Puppet masters" database of grand corruption cases, which is a compilation of large-scale corruption cases involving the misuse of legal structures to conceal the origin and ownership of stolen assets, launched in October 2011; a database on settlements in cases of transnational bribery, containing information on over 500 settlements; the knowledge products published by the StAR Initiative; and the country guides for asset recovery that were prepared as part of the Action Plan on Asset Recovery of the Deauville Partnership with Arab Countries and other country-specific guides, as well as the step-by-step guides on requesting mutual legal assistance in criminal matters developed by the Group of 20 (G-20) countries.

18. In addition to the information available through TRACK, a number of policy studies addressing knowledge gaps in specific areas of asset recovery have been produced, including through the StAR Initiative. The process of translating these studies into the six official languages of the United Nations is ongoing and subject to available resources.

19. UNODC was preparing an update of the study entitled *The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It*, published by the joint UNODC/World Bank StAR Initiative in 2011. On the basis of preparatory research, a workshop will be organized in October 2017 to review the findings of the *Puppet Masters* study by comparing them with recent cases of grand corruption to determine whether approaches and recommendations on beneficial ownership transparency can be confirmed.

20. In March 2017, UNODC contributed to preparations and made a presentation at the 10th Practitioners' Workshop on the Return of Illicit Assets of Politically Exposed Persons (Lausanne X), organized by the International Centre for Asset Recovery of the Basel Institute of Governance, the StAR Initiative and the Government of Switzerland. The Lausanne process involves seminars particularly aimed at practitioners in the field of asset recovery which have been hosted in Lausanne, Switzerland, since 2001. Noting that a number of recurring themes emerged in the first seven Lausanne seminars, participants in the eighth seminar (Lausanne VIII), in 2014, agreed on the Guidelines for the Efficient Recovery of Stolen Assets. The tenth seminar (Lausanne X) finalized the work on a step-by-step guide to support the practical application and implementation of the Guidelines initiated at the ninth seminar (Lausanne IX) held in February 2016. Drawing on the practical experience of asset recovery experts from all over the world, the workshop identified single steps of action in the asset recovery process. The guide will be launched at the seventh session of the Conference of the States Parties.

## 2. Mutual Legal Assistance Request Writer Tool and similar products

21. The Working Group stressed the importance of modern information technology in developing cumulative knowledge, and requested the Secretariat to continue its work to expand the Mutual Legal Assistance Request Writer Tool and to develop similar products.

<sup>1</sup> [www.track.unodc.org/assetrecovery/Pages/home.aspx](http://www.track.unodc.org/assetrecovery/Pages/home.aspx).

*Action taken*

22. UNODC completed its work on upgrading the Mutual Legal Assistance Request Writer Tool, a practical tool designed to assist criminal justice practitioners in expeditiously drafting mutual legal assistance requests, thereby enhancing cooperation between States. In its redeveloped form, the tool integrates features on asset recovery and additional forms and means of international cooperation in criminal matters, including the transfer of criminal proceedings, videoconferencing and, to the extent applicable, joint investigations and international cooperation to conduct controlled deliveries. It also contains an electronic evidence module to facilitate the drafting of mutual legal assistance requests to combat cybercrime and other criminal activities for which electronic evidence is located overseas or exists on the web and/or dark web. UNODC is in the process of preparations for making the tool available to practitioners as an HTML-based stand-alone simple application capable of running on all devices (including tablets and mobile phones). The tool will be available free of charge and be downloadable from the UNODC website, upon request. The tool will be gradually made available in the six official languages of the United Nations.

23. Modern information technology is fully incorporated by UNODC in the development of resources to support the asset recovery process. These resources include TRACK and the legal library, the comprehensive self-assessment checklist, the StAR Initiative's Asset Recovery Watch Database, the "Puppet masters" database of grand corruption cases and the settlements database, the directories of asset recovery focal points and central authorities and the Global Focal Point Initiative supported by the International Criminal Police Organization (INTERPOL) and the StAR Initiative.

### **3. Consultation with and participation of experts from different regions and legal systems and wide dissemination of tools and knowledge products**

24. The Working Group reiterated the need for activities aimed at developing cumulative knowledge, to be carried out with the broad consultation and the participation of experts from different regions and different types of legal systems.

25. It also highlighted that tools and knowledge products needed to be widely disseminated, and that follow-up on their effectiveness and usefulness should be considered by the Conference or the Working Group.

*Action taken*

26. All tools and knowledge products developed by UNODC and the StAR Initiative have been made available on the Internet or presented at events. Efforts are made to actively disseminate knowledge products in various forums, including expert group meetings, training workshops and regional conferences, as well as through press outreach and interviews, social media, blogs and a range of advocacy activities. The knowledge products are made available on the websites of UNODC and the StAR Initiative, and their translation into other languages is being actively pursued.<sup>2</sup>

27. In 2015, the publication *On the Take: Criminalizing Illicit Enrichment to Fight Corruption*, first published in 2012, became available in Spanish; and the publication *Left Out of the Bargain: Settlements in Foreign Bribery Cases and Implications for Asset Recovery*, first published in 2013, became available in French. In December 2016, StAR published *Getting the Full Picture on Public Officials: A How-To Guide for Effective Financial Disclosure*. The handbook, available online, offers Governments practical advice about implementing financial disclosure systems. In 2016, the publication *The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It*, first published in 2011, was made available in Arabic.

<sup>2</sup> In 2016, the StAR Initiative website recorded 274,528 page views and 81,911 unique visitors.

28. In addition, the UNODC e-learning anti-corruption tool, which includes an asset recovery module, was launched in January 2016.

#### **4. Close cooperation with financial institutions and financial intelligence units and greater effectiveness of financial investigations**

29. At its third session, the Conference of the States Parties underlined that financial institutions should adopt and implement effective standards of due diligence and financial disclosure as previously highlighted by the Working Group, which had noted the need to increase the responsibility of financial institutions and the financial intelligence units overseeing them. The Working Group has also recommended including such institutions in the development of cumulative knowledge on asset recovery, has encouraged the work on the preventive measures contained in chapter V of the Convention and has placed emphasis on effective financial investigations.

30. In its resolution 6/2, the Conference urged States parties to take measures, including to ensure compliance by financial and designated non-financial institutions, to identify, trace, seize, recover and return the proceeds of crime and funds of illicit origin.

##### *Action taken*

31. Under the UNODC Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism, UNODC mentors and experts continued to assist Member States in building effective systems against money-laundering and the financing of terrorism, including by strengthening financial intelligence units, the analysis of financial information and the development of financial intelligence, as well as the investigation of money-laundering, the disruption of illicit financial flows and interdiction of cash smuggling and the investigation of cryptocurrencies.

32. Additionally, cooperation with the Financial Action Task Force (FATF) and FATF-style regional bodies has continued. For example, UNODC is working with the Middle East and North Africa Financial Action Task Force on a collaborative study highlighting the links between corruption and money-laundering, with a specific focus on countries in the Middle East and North Africa region.

33. UNODC also supported a number of regional asset recovery networks (see para. 79 below). The Global Programme against Money-Laundering has launched regular meetings of operational experts to exchange information on large criminal financial networks capable of moving billions of dollars in proceeds of crime.

#### **5. Gathering of information on the implementation of the articles of the Convention relating to asset recovery, including through the self-assessment checklist**

34. The Working Group has repeatedly invited States parties to complete the section of the self-assessment checklist on asset recovery so as to gather information on the implementation of the provisions of the Convention on asset recovery in order to assess their efforts and identify further steps to implement chapter V of the Convention, compile good practices and identify technical assistance needs.

35. In its resolution 6/1, the Conference requested the Secretariat, in consultation with States parties and under the guidance of the Implementation Review Group, to continue improving the comprehensive self-assessment checklist for the second cycle of the Implementation Review Mechanism, without prejudice to its comprehensiveness or the methodology applied during the first cycle, and without prejudice to the launch and commencement of the second cycle.

##### *Action taken*

36. In accordance with this mandate, the Secretariat continued to solicit input from States parties on the revised draft self-assessment checklist, and the Implementation Review Group adopted the consolidated document at its seventh session ([CAC/COSP/IRG/2016/4](#)). In addition, the Secretariat prepared and disseminated a

guidance document on how to fill in the revised draft self-assessment checklist ([CAC/COSP/IRG/2016/CRP.1](#)), which highlights information States may wish to share regarding their implementation of chapters II (Preventive measures) and V (Asset recovery) of the Convention.

**6. Gathering of information on international cooperation in civil and administrative proceedings relevant to asset recovery**

37. The Conference in its resolution 5/3 requested the secretariat to invite States parties to provide, to the extent possible, information on mutual legal assistance in civil and administrative proceedings for the identification, freezing and confiscation of assets, in accordance with article 43, paragraph 1, and article 46, paragraph 3, of the Convention. A similar mandate was contained in resolution 5/1, entitled “Enhancing the effectiveness of law enforcement cooperation in the detection of corruption offences in the framework of the United Nations Convention against Corruption”.

38. The Conference in its resolution 6/4, entitled “Enhancing the use of civil and administrative proceedings against corruption, including through international cooperation in the framework of the United Nations Convention against Corruption”, invited Member States to continue to provide to the Secretariat information on civil and administrative proceedings relating to corruption, when feasible and on a voluntary basis, in order to identify the scope of assistance that could be provided in relation to such proceedings, as well as to provide information about good practices and tools relevant to the implementation of article 53 of the Convention, and requested the Secretariat to continue collecting and disseminating such information by, inter alia, reporting to the Conference and its relevant subsidiary bodies, including by providing suggestions regarding technical assistance needs and mechanisms to provide such assistance, and developing a study to identify best practices and ways to facilitate cooperation on the matter, subject to the availability of resources.

39. The Working Group also recommended that further information should be collected regarding such cooperation in order to identify the scope of assistance that could be provided in relation to such proceedings.

*Action taken*

40. In accordance with resolution 6/4, the Secretariat circulated in January 2017 a note verbale seeking information on civil and administrative proceedings relating to corruption, when feasible and on a voluntary basis, from all States parties. The Secretariat attached a short questionnaire to the note to facilitate the process of collecting of this information. The note also sought information about designated officials or institutions appointed as focal points in the matter of the use of civil and administrative proceedings against corruption including for international cooperation in accordance with paragraph 8 of resolution 6/4.

41. The Secretariat, based on the information received, prepared a report on the status of implementation of Conference resolution 6/4, entitled “Enhancing the use of civil and administrative proceedings against corruption, including through international cooperation, in the framework of the United Nations Convention against Corruption”, contained in document [CAC/COSP/2017/2](#).

**7. Gathering information on States’ practical experience in the management, use and disposal of frozen, seized and confiscated assets and on best practices in addressing the administration of seized assets**

42. In its resolution 6/3, the Conference encouraged States parties and UNODC to continue sharing experiences and building knowledge on the management, use and disposal of frozen, seized, confiscated and recovered assets, and to identify good practices as necessary, building upon existing resources that address the administration of seized and confiscated assets, including with a view to contributing to sustainable development.

*Action taken*

43. UNODC prepared a study on effective management and disposal of seized and confiscated assets, which has been submitted to the Conference of the States parties (CAC/COSP/2017/CRP.8). The study, which collects the experience of 64 States, is aimed at assisting those directly tasked with developing legislative, policy and institutional frameworks on the management and disposal of these assets. At its eleventh meeting, the Working Group welcomed the draft study on the effective management and disposal of seized and confiscated assets and encouraged the Secretariat to continue work on good practices in this regard.

44. With a view to advancing the work on strengthening the recovery and return of stolen assets as included in target 16.4 of the 2030 Agenda for Sustainable Development, adopted in General Assembly resolution 70/1, and in line with the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, endorsed by General Assembly resolution 69/313, which, inter alia, encouraged the international community to develop good practices on asset return, and with Conference resolution 6/3, in which the Conference encouraged States parties and UNODC to identify good practices as necessary that address the administration of seized and confiscated assets, including with a view to contributing to sustainable development, UNODC, supported jointly by Ethiopia and Switzerland, started a process to identify good practices on the management and disposal of recovered and returned stolen assets in support of sustainable development. The first expert group meeting under this initiative was held in Addis Ababa in February 2017 and brought together for the first time practitioners working on asset recovery and return, as well as financing for development practitioners.

45. Participants in the expert group meeting agreed that while the nominal value of recovered assets was high, returned assets could provide for only a small portion of the funds needed to support the Sustainable Development Goals. Further, they emphasized that returned assets should not be left vulnerable to theft again but be used to support investment in the Sustainable Development Goals. They concluded that more work was required in three work streams: (a) management of seized and confiscated assets pending return; (b) the end use/disposal of returned assets, including in support of the Sustainable Development Goals; and (c) modalities and negotiation of agreements for returning the assets.

46. At its eleventh meeting, the Working Group noted with appreciation the results of the international expert meeting on the management and disposal of recovered and returned stolen assets, and encouraged further compilation of experiences, with a view to identifying good practices in this regard.

## **8. Gathering of information on the volume of assets seized, confiscated and returned or disposed of by States**

47. The Conference in its resolution 6/3 invited States parties, in accordance with national legislation and policies, to collect and make public data on the volume of assets seized, confiscated and returned or disposed of by their jurisdictions.

*Action taken*

48. Collecting and publishing data on the volume of assets seized, confiscated and returned or disposed of is a complex issue, yet it is important to assess actual progress on asset recovery. In particular, collecting data is crucial to measure progress on the Sustainable Development Goals, especially target 16.4 (By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime). While many States parties have statistical systems in place, those systems do not necessarily produce internationally comparable data over time. Also, weaknesses in the national statistics systems were one of the most frequently identified challenges in the country reviews in the first cycle of the Implementation Review Mechanism.

49. To support States parties in collecting such data, the secretariat presented the Working Group with several possibilities for further discussion (see [CAC/COSP/WG.2/2017/3](#), paras. 48-50).

50. The Conference may wish to discuss whether this issue should be further pursued in order to allow for the collection and publication of data on the volume of assets seized, confiscated and returned or disposed of by their jurisdictions. The secretariat could elaborate a detailed proposal for the data collection, including its budgetary implications. A pilot data collection to assess the feasibility of a large-scale data collection, for example, on a voluntary basis and on selected topics, could be a first step.

## **9. Gathering of information on States' best practices for identifying victims of corruption and parameters of compensation**

51. In its resolution 6/2, the Conference directed the Working Group to initiate the process for identifying victims of corruption and the parameters for compensation.

52. The Working Group requested the Secretariat to continue its efforts, subject to the availability of resources, in gathering information on good practices in relation to the identification and compensation of victims in accordance with Conference resolution 6/2, including by soliciting information from States parties and organizing an expert panel at the eleventh meeting of the Working Group.

### *Action taken*

53. In carrying out this mandate, the Secretariat prepared a conference room paper on good practices in identifying the victims of corruption and parameters for their compensation ([CAC/COSP/WG.2/2016/CRP.1](#)), submitted to the Working Group at its tenth meeting, on 25 and 26 August 2016.

54. Additionally, the Secretariat circulated on 2 May 2017 a note verbale seeking the provision of information from all States parties and signatories on good practices in relation to the identification and compensation of victims.

55. The Secretariat also organized an expert panel at the eleventh meeting of the Working Group, with a view to exploring further possibilities to gather and analyse information on the issue.

56. The Secretariat has submitted to the Conference a background document, the report of the Secretariat on identifying victims of corruption, spontaneous sharing of information and the use of settlements and other alternative mechanisms ([CAC/COSP/2017/8](#)), summarizing the actions taken and information received by the Secretariat in the implementation of this mandate under resolution 6/2.

## **10. Gathering of information on States' proactive and timely sharing of information**

57. In its resolution 6/2, the Conference directed the Working Group to initiate the process for identifying best practices and developing guidelines for proactive and timely sharing of information to enable States parties to take appropriate action, in accordance with article 56 of the Convention.

### *Action taken*

58. In order to assist the Working Group in its efforts to identify best practices and develop guidelines for the proactive and timely sharing of information, the Secretariat circulated on 2 May 2017 a note verbale seeking the provision of relevant information from all States parties and signatories, with a view to making this information available to the Working Group at its eleventh meeting.

59. The Secretariat prepared a discussion paper ([CAC/COSP/WG.2/2017/2](#)) on the issue, which was submitted to the Working Group at its eleventh meeting.

60. The report of the Secretariat on identifying victims of corruption, spontaneous sharing of information and the use of settlements and other alternative mechanisms (CAC/COSP/2017/8) summarizes the actions taken and information received by the Secretariat in the implementation of this mandate.

#### **11. Gathering of information on States' use of settlements and other alternative mechanisms**

61. In its resolution 6/2, the Conference directed the Working Group to collect information, with the support of the Secretariat, regarding State parties' use of settlements and other alternative mechanisms and analyse the factors that influence the differences between the amounts realized and the amounts returned to affected States, with a view to considering the feasibility of developing guidelines to facilitate a more coordinated and transparent approach for cooperation among affected States parties and effective return.

62. In its resolution 6/3, the Conference further encouraged States parties to make widely available information on their legal frameworks and procedures, including those used in settlements and alternative legal mechanisms, in a practical guide or other format designed to facilitate use by other States, and to consider, where appropriate, the publication of that information in other languages.

63. The Working Group encouraged States to provide to the Secretariat information on their legal framework and practice relevant to the use of settlements and other alternative mechanisms in concluding transnational corruption cases in accordance with Conference resolutions 6/2 and 6/3, with a view to contributing to an informed discussion to consider the feasibility of developing guidelines to facilitate a more coordinated and transparent approach for cooperation among requested and requesting States parties and effective return.

##### *Action taken*

64. In execution of this mandate, the Secretariat prepared for the attention of the Working Group a note on settlements and other alternative mechanisms and their implications for the recovery and return of stolen assets (CAC/COSP/WG.2/2016/2).

65. The note was prepared based on the 2012 StAR Initiative study entitled *Left Out of the Bargain: Settlements in Foreign Bribery Cases and Implications for Asset Recovery*, aimed at providing policymakers, practitioners, and other interested parties with greater understanding of the nature of settlements and, in particular, their implications for asset recovery.

66. The Secretariat also organized an expert panel at the tenth meeting of the Working Group as part of the thematic discussion during the meeting on States parties' use of settlements and other alternative mechanisms.

67. Additionally, the Secretariat circulated on 2 May 2017 a note verbale seeking the provision of information from all States parties and signatories on the use of settlements and other alternative mechanisms. An oral update regarding the information received was presented to the Working Group at its eleventh meeting.

68. The report of the Secretariat on identifying victims of corruption, spontaneous sharing of information and the use of settlements and other alternative mechanisms (CAC/COSP/2017/8) summarizes the actions taken and information received by the Secretariat in the implementation of this mandate.

## **B. Building confidence and trust between requesting and requested States**

### **1. Central authorities, asset recovery focal points and networks**

69. The Working Group has requested the Secretariat to invite those Member States that have not yet done so to designate a central authority for mutual legal assistance. The Conference made a similar request to all States parties.

70. The Conference has requested the Working Group to continue to consider the issue of establishing a global network of asset recovery focal points as a network of practitioners, without duplicating existing networks, to facilitate more effective cooperation. The Working Group has underlined the need for a global network of focal points on asset confiscation and recovery with technical expertise, and has emphasized the need for collaboration and coordination between regional networks.

71. The Conference, in its resolution 6/3, encouraged States parties to apply lessons learned in all areas of asset recovery cooperation through, inter alia, enhancing international cooperation, including through participation in international law enforcement networks, such as the asset recovery focal points under the Convention, the Global Focal Point Initiative, supported by INTERPOL and the StAR Initiative, and the Camden Asset Recovery Inter-Agency Network, as well as regional initiatives such as the Arab Forum on Asset Recovery.

72. The Working Group has also recommended that UNODC explore how the database of asset recovery focal points could be amended to make it possible to ascertain the contact details of persons in other jurisdictions.

#### *Action taken*

73. The online directory of designated competent national authorities, including central authorities for mutual legal assistance and asset recovery focal points, is available at [www.unodc.org/compauth\\_uncac/en/index.html](http://www.unodc.org/compauth_uncac/en/index.html).

74. During the fifth open-ended intergovernmental expert meeting on international cooperation, held in November 2016, the experts recommended the States parties to continue updating the information on their central authorities on mutual legal assistance as mandated by the Convention, on extradition as a good practice, and on national focal points on asset recovery. The experts further called on the secretariat to explore the possibility of creating a separate section under the online directory which would contain information on the requirements and procedures for granting extradition under article 44 of the Convention. In addition, the States parties were encouraged to provide to the secretariat, on a voluntary basis, information about designated focal points on the use of civil and administrative proceedings against corruption. Further to these recommendations, the secretariat developed two new separate sections under the online directory, namely on central authorities on extradition, including information on the requirements and procedures for granting extradition, and on focal points on the use of civil and administrative proceedings. In June 2017, the secretariat circulated a note verbale encouraging States parties to update and/or provide information on the various types of competent national authorities. Several States parties responded to the request by the secretariat, and all the information received was subsequently input into the online directory.

75. As of 29 August 2017, the directory contained the information on:

- (a) Central authorities for mutual legal assistance in 128 States parties;
- (b) Prevention authorities in 108 States parties;
- (c) Asset recovery focal points in 76 States parties;
- (d) Central authorities on extradition in 15 States parties;

(e) Focal points for international cooperation in the use of civil and administrative proceedings in 28 States parties.

76. The Global Focal Point Initiative supported by INTERPOL and the StAR Initiative was launched in January 2009 to support the investigation and prosecution of corruption and economic crime through international cooperation and informal assistance for the purpose of identifying, tracing, freezing and ultimately recovering the proceeds of corruption and economic crime. Focal points can exchange information and technical knowledge on corruption and asset recovery through the secure communication system for asset recovery (I-SECOM). Currently, 224 dedicated focal points representing 129 countries are participating in the platform. The sixth Global Focal Point Conference on Asset Recovery was held in New Delhi on 17-19 November 2015. On the margins of the Conference, 18 bilateral coordination meetings were held. The seventh Global Focal Point Conference was co-hosted by the Royal Canadian Mounted Police and held in Ottawa, from 6 to 8 June 2017. On the margins of the conference, 40 bilateral coordination meetings related to 76 cases and involving 27 countries were facilitated.

77. UNODC and the StAR Initiative continued their support for the strengthening of regional networks engaged in asset recovery and confiscation. At the time of reporting, there were six regional networks, all following the model of the Camden Asset Recovery Inter-Agency Network:

(a) The Asset Recovery Inter-Agency Network for Southern Africa (ARIN-SA) is composed of 13 countries and provides a community platform to facilitate the exchange of information and a wildlife and forestry crime platform through which it is linked to the Asset Recovery Inter-Agency Network for Asia and the Pacific. ARIN-SA runs a mentor programme and a prosecutor placement programme and is due to commence an investigator placement programme. ARIN-SA collects statistics on seizures and confiscations by its member States. The annual conference for 2016 was held in Pretoria in June 2016, and the annual conference for 2017 was held in Gaborone in June 2017;

(b) The Asset Recovery Network for West Africa (ARIN-WA) held its annual general meeting in November 2016 in Abidjan, Côte d'Ivoire. In March 2017, UNODC facilitated a joint meeting between ARIN-WA and the Intergovernmental Action Group against Money Laundering in West Africa (GIABA), to discuss how GIABA could support ARIN-WA. In October 2017, ARIN-WA and the Network of West African Central Authorities and Prosecutors against Organized Crime will hold a joint plenary in Conakry. UNODC is assisting ARIN-WA in the operationalization of its secretariat;

(c) StAR participated in the fourteenth meeting of the Asset Recovery Network of the Financial Action Task Force of Latin America as an observer and keynote speaker on topics related to the challenges of asset recovery in Latin America and the Caribbean, held in Guatemala City from 9 to 11 May 2017. The 19 member States and 5 international organizations of the Asset Recovery Network established by the Task Force countries have increased operational capacity to investigate non-conviction-based confiscation cases more effectively as a result of the exchange of technical knowledge and stronger relationships between the countries;

(d) The Asset Recovery Inter-Agency Network for Eastern Africa (ARIN-EA) held a meeting in December 2015 in Kenya, and the StAR Initiative facilitated a training on beneficial ownership and asset tracing on that occasion. It also held a meeting in September 2016, as well as facilitating a range of formal and informal bilateral meetings. ARIN-EA developed mutual legal assistance guidelines with a view to facilitating cooperation between its members;

(e) The Asset Recovery Inter-Agency Network for Asia and the Pacific held its steering committee and annual general meeting in October 2016, which provided an opportunity to engage in bilateral meetings and for further exchanges among the Network's members. The StAR Initiative also contributed to the substantive

preparations for the upcoming annual general meeting, and the preparations for a capacity-building workshop, to be held in September and November 2017 respectively;

(f) The Asset Recovery Inter-Agency Network for the Caribbean region was inaugurated in Miami, United States of America, in June 2017, with the support of the Organization of American States.

## **2. Cooperation between financial intelligence units and anti-corruption agencies**

78. The Working Group has recommended strengthening cooperation between financial intelligence units, anti-corruption authorities and central authorities responsible for mutual legal assistance at the national and international levels. Further cooperation with existing networks and institutions such as the Egmont Group of Financial Intelligence Units and the International Association of Anti-Corruption Authorities should be explored.

79. The Conference, in its resolution 6/3, encouraged States parties to consider making use of opportunities for cooperation through existing practitioner-based networks, such as the asset recovery focal points under the Convention, the Global Focal Point Initiative, and the Camden Asset Recovery Inter-Agency Network, and information provided at the financial intelligence unit level, in the course of making requests for mutual legal assistance.

### *Action taken*

80. UNODC works closely with and supports the activities of the International Association of Anti-Corruption Authorities and participates in its Executive Committee. The Eighth Annual Conference and General Meeting of the Association were held back-to-back with the sixth session of the Conference in St. Petersburg, Russian Federation, in November 2015. UNODC continues to be involved in activities of the Egmont Group, and the StAR Initiative participated in the Egmont Group meetings in Doha from 29 January to 3 February 2017, making presentations on the Initiative's work: in the Egmont Group's Information Exchange on Money Laundering/Terrorist Financing Working Group and its Technical Assistance and Training Working Group, in plenary meetings, and in Egmont Group regional meetings.

81. Both the UNODC Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism and the StAR Initiative continued to work with financial intelligence units to assist them in joining the Egmont Group and in implementing the Egmont standards for the exchange of information on countering money-laundering and the financing of terrorism. The UNODC Global Programme against Money-Laundering also continued to promote inter-agency cooperation and to highlight the fact that any anti-money laundering/countering the financing of terrorism regime will fail without such cooperation, especially without cooperation between financial intelligence units and anti-corruption agencies.

## **3. Promoting dialogue and removing barriers to asset recovery**

82. The Working Group has emphasized the need for the Secretariat to further strengthen its work with regard to promoting dialogue between requested and requesting States, building trust and confidence and nurturing and further strengthening political will in ensuring asset recovery, including in its work with other intergovernmental organizations and in the context of G-20.

83. The Conference, in its resolution 5/3, called upon States parties to give particular and timely consideration to the execution of international mutual legal assistance requests that need urgent action, including those related to the States concerned in the Middle East and North Africa, as well as other requesting States.

84. The Conference, in its resolution 6/2, called upon States parties to give particular and timely consideration to the execution of requests for mutual legal

assistance in asset recovery, and in its resolution 6/3 encouraged States parties to remove barriers to asset recovery, including by simplifying legal procedures, while preventing their abuse.

85. The Working Group has recommended exploring the feasibility of adopting a help desk approach to asset recovery to give advice during the initial stages of a case in an informal manner and to refer requesters to counterparts who would be able to provide further assistance.

#### *Action taken*

86. UNODC, including through the StAR Initiative, is actively engaged in advocacy in a number of international forums to strengthen political will, including the Anti-Corruption and Transparency Working Group of Asia-Pacific Economic Cooperation, INTERPOL, the European Union and Eurojust, the Group of Seven (G-7), the G-20 Anti-Corruption Working Group and the World Economic Forum, in particular its Partnering against Corruption Initiative.

87. UNODC continued to raise awareness about the importance of the ratification and full implementation of the United Nations Convention against Corruption, emphasizing the importance of its provisions on asset recovery, as an observer at the meetings of the G-20 Anti-Corruption Working Group. UNODC supported the implementation of the G-20 Anti-Corruption Action Plans for the periods 2015-2016 and 2017-2018. Moreover, UNODC actively contributed to the development of the G-20 High-Level Principles on Cooperation on Persons Sought for Corruption and Asset Recovery, the G-20 High-Level Principles on the Liability of Legal Persons for Corruption, the G-20 High-Level Principles on Combating Corruption Related to the Illegal Trade in Wildlife and Wildlife Products, and the G-20 High-Level Principles on Organizing against Corruption. UNODC provided input to the discussions on the Research Center on International Cooperation Regarding Persons Sought for Corruption and Asset Recovery in G-20 Member States.

88. UNODC and the StAR Initiative participated in various meetings related to money-laundering in order to promote coordination with regard to asset recovery. Through the World Bank's observer status with FATF, the StAR Initiative has continued its close working relationship with FATF, especially in its meetings, held three times a year, and its relationship with the FATF-style regional bodies.

89. The StAR Initiative participated in the Sixth Global Conference of Parliamentarians against Corruption held in Yogyakarta, Indonesia, on 5-8 October 2015. UNODC organized a regional workshop on liability of legal persons for corruption offences at the national and international levels for South-East Asian countries in August 2016. UNODC participated in the 17th International Anti-Corruption Conference held in Panama in December 2016, and presented on asset recovery-related panels. The StAR Initiative supported UNODC in organizing a regional conference for fast-tracking implementation of the Convention against Corruption for economic and social development in South-East Asia, held in Bangkok in January/February 2017.

90. StAR participated in the Regional Meeting of Oversight Bodies for Asset Disclosure and Conflict of Interest, held in Zagreb in December 2015; the third senior officials workshop on mutual legal assistance and extradition in East Asia and the Pacific, held in Bangkok in October 2015; two workshops on extradition and mutual legal assistance in Asia and the Pacific, held in Seoul in December 2015 and December 2016; the World Bank Regional Conference on Financial Disclosure by Public Officials, for Asian countries, held in June 2016; the China-Association of Southeast Asian Nations Anti-Corruption Workshop in November 2016; and the first meeting of the Network for Integrity organized by the High Authority for Transparency in Public Life of France, with participants from 20 countries, held in December 2016.

91. The Anti-Corruption Summit held in London in May 2016 recommended the establishment of an international anti-corruption coordination centre that would seek to provide countries with timely support for the recovery of stolen assets. UNODC has been in contact with authorities involved in setting up the coordination centre, to coordinate the preparation of its operationalization.
92. The fourth session of the Arab Forum on Asset Recovery (AFAR IV) was held in Tunis on 8-10 December 2015. The Forum was co-chaired by Germany, Qatar, and Tunisia, and organized by the StAR Initiative, with support from Japan, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States. It brought together more than 190 officials from 30 jurisdictions.
93. The StAR Initiative delivered a workshop on international cooperation focused on asset recovery for officials of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation member countries (Bangladesh, India, Nepal, Sri Lanka and Thailand), held in Dhaka from 30 May to 1 June 2017. The workshop facilitated international cooperation among member countries in accordance with international conventions.
94. StAR participated as co-organizer in the Asia-Pacific Economic Cooperation workshop on enhancing cooperation among law enforcement authorities for effective asset recovery, held on 18 August, and participated in a coordination meeting with international organizations entitled “Connecting donors to anti-corruption capacity building needs”, on 21 August, and attended the 25th meeting of the Anti-Corruption and Transparency Working Group of Asia-Pacific Economic Cooperation.
95. At the Anti-Corruption Summit held in London on 12 May 2016, States decided to convene the Global Forum on Asset Recovery in 2017 to provide a venue for countries seeking to advance the recovery of assets. The Global Forum on Asset Recovery will be held on 4-6 December 2017 in Washington, D.C. Nigeria, Sri Lanka, Tunisia and Ukraine will be the first-priority countries at the forum which will be co-hosted by the United Kingdom and the United States and supported by the StAR Initiative. The Global Forum’s deliverables will include progress on cases achieved by the four focus countries, increased capacity through technical sessions, renewed commitment to advancing asset recovery cases, and increased collaboration among the jurisdictions involved. The Global Forum is to build on the previous experiences of the Arab Forum on Asset Recovery and the Ukraine Forum on Asset Recovery. As the Global Forum aims to achieve progress in asset recovery, the StAR Initiative is working through its country engagements with the four priority countries to plan and organize case coordination meetings for practitioners of the relevant jurisdictions and provide an enabling environment for in-depth discussion and advancing of specific cases.

### **C. Technical assistance, training and capacity-building**

96. The Working Group has highlighted the high level of demand for technical assistance in the implementation of chapter V of the Convention, especially for legal advisory services, and the need for tailor-made approaches. It has emphasized the importance of providing technical assistance in the field of mutual legal assistance to officials and practitioners to enable them to draft requests and responses to requests.
97. The Working Group has also emphasized the importance of strengthening the capacity of legislators, law enforcement officials, judges and prosecutors on relevant matters and has stressed the need for specialized training and capacity-building activities, and the importance of granting sufficient resources to UNODC and other relevant assistance providers. In addition to activities such as seminars and training courses, the Working Group has encouraged the Secretariat to organize training sessions using innovative technology such as electronic learning programmes.
98. The Working Group has recommended that UNODC seek to forge more partnerships and coordinate additional technical assistance activities in matters

related to asset recovery with other relevant organizations and bodies and has requested the Secretariat to promote ways and means for Member States to request technical assistance through the StAR Initiative at both the national and regional levels.

99. The Working Group has recommended that States parties consider adopting a curriculum approach to technical assistance programmes, with coordination at the regional level in order to ensure the most effective use of limited available resources.

100. In its resolution 6/3, the Conference urged States parties to ensure that they have adequate legal and institutional frameworks in place to prosecute corruption, to detect the illegal acquisition and transfer of assets derived from corruption, to request and provide international legal cooperation, including mutual legal assistance, to ensure that there are suitable mechanisms in place to recover through confiscation the identified proceeds of corruption, to enforce foreign conviction-based and non-conviction-based orders in accordance with the requirements of the Convention and to ensure that such frameworks are enforced, and encouraged technical assistance in this regard.

#### *Action taken*

101. Since the official start of the second cycle of the Implementation Review Mechanism in June 2016, UNODC has regularly responded to technical assistance requests by States parties, in order to strengthen their capacity in implementing chapter V of the Convention and their full participation in the Mechanism.

102. In 2016 and 2017, UNODC facilitated regional and national training sessions on the second review cycle for focal points and reviewing experts from all States parties under review and reviewing States.

103. UNODC, including through the StAR Initiative, continued to provide demand-driven, country-specific assistance to States in their asset recovery efforts. In the reporting period, 24 countries, two asset recovery forums and three regional networks were receiving such assistance, and new requests were received from six countries. In addition, UNODC and the StAR Initiative worked with a number of other jurisdictions and regional and/or international organizations in areas such as capacity-building and technical assistance. Country engagements constituted the majority of the activities of the StAR Initiative.

104. Country engagements are designed as multi-year programmes and cover a range of diverse activities including tactical analysis and establishment of asset recovery strategies, financial investigation techniques, asset disclosure, forensic audit preparatory to cases, case management advice and the facilitation of contacts with other jurisdictions.

105. In addition, in the area of legislative assistance, UNODC has continued to work with States to assess their implementation of the provisions of chapter V of the Convention. In addition, UNODC and the StAR Initiative have responded to several other requests from States with respect to conducting desk reviews of legislation or assisting in drafting legislation.

## **D. Reporting and follow-up**

106. The Conference may wish to discuss ways to significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime (target 16.4 of the Sustainable Development Goals).

107. The Conference may wish to provide further guidance on the options for collecting data on the volume of assets seized, confiscated and returned or disposed of by States.

108. The Conference could provide further guidance on the development of good practices for the effective management and disposal of seized and confiscated assets.

The Conference could also give guidance on further analysis and compilation of country experience with a view to identifying good practices with regard to the management and disposal of recovered and returned stolen assets.

109. The Conference may wish to encourage States to make use of their reviews under the second review cycle to enhance their implementation of chapter V of the Convention and request technical assistance to address any challenges identified.

110. The Conference may wish to encourage States to provide guidance on the role of UNODC in the delivery of training and technical assistance at the national and regional levels, including through the StAR Initiative, and to encourage States to take advantage of available opportunities for capacity-building in the area of asset recovery.

111. States may wish to discuss ways to carry out asset recovery cases in the most effective way, including by requesting technical assistance for the facilitation of bilateral or multi-jurisdictional case consultations.

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