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\* [CAC/COSP/IRG/2019/1](#).



## II. Executive summary

### Italy

#### 1. Introduction: overview of the legal and institutional framework of Italy in the context of implementation of the United Nations Convention against Corruption

Italy signed the United Nations Convention against Corruption on 9 December 2003 and authorized ratification with law No. 116 of 3 August 2009. Once ratified and in effect, international agreements such as the Convention form an integral part of domestic law and override any other contrary provision of law. Accordingly, the Convention became an integral part of the domestic law of Italy on 4 November 2009.

The implementation by Italy of chapters III and IV of the Convention was reviewed in the third year of the first cycle, and the executive summary of that review was published on 19 November 2013 (CAC/COSP/IRG/I/3/1/Add.6).

Italy is an active participant in a number of international and regional bodies that promote the development of preventive measures, including the European Union, various bodies of the Council of Europe like the Group of States against Corruption (GRECO) and the Venice Commission, the Organization of Economic Cooperation and Development (OECD), the Group of 20 and the Group of Seven, the Financial Action Task Force (FATF), the Organization for Security and Cooperation in Europe (OSCE), and the Open Government Partnership.

The national legal framework against corruption builds on the Constitution (arts. 28, 54, 97 and 98) and includes the Criminal Code, the Civil Code, as well as specific legislation on the public sector, money-laundering, and public procurement. Law No. 190/2012 of 6 November 2012 on preventing and combating corruption and illegal activity in public administration (the Anti-Corruption Law) introduced several reforms in the legal and institutional framework that strengthened the compliance of Italy with the Convention. Legislative Decree No. 231/2001 provides the basis for the prevention of corruption in the private sector. The anti-money-laundering legislation is contained in a Legislative Decree, which has the force of law.

The main institutions tasked with preventing and combating corruption in Italy are the judiciary, the various law enforcement authorities (the financial guard (*Guardia di Finanza*), the military police (*Carabinieri*) and the State police), the financial intelligence unit, the national anti-corruption authority (ANAC), the National Anti-Mafia and Counter-Terrorism Directorate (DNA), the Department of Public Administration, the Court of Auditors, and the Competition Authority (AGCM).

#### 2. Chapter II: preventive measures

##### 2.1. Observations on the implementation of the articles under review

*Preventive anti-corruption policies and practices; preventive anti-corruption body or bodies (arts. 5 and 6)*

Italy has a constitutional, legal and regulatory framework that addresses all the prevention provisions of the Convention. To the extent those policies establish programmes or measures for public officials, however, they do not always apply fully across the board to all public officials as defined by the Convention.

The Anti-Corruption Law provided for a national anti-corruption plan for the public administration to be developed by ANAC. Each public agency/administration and fully controlled State-owned enterprise must establish its own three-year plan for the prevention of corruption under the oversight of ANAC, and identify a corruption prevention officer responsible for overseeing the implementation of the plan internally. Each public agency/administration adopts an individual code of conduct building on the General Code of Conduct. These agency/administration plans are subject to public comment and review before adoption. Targeted as it is on the public administration, the national anti-corruption plan does not encompass Parliament, the

judiciary and Government as such. Each Minister, instead, is responsible for adopting the three-year plan within his/her ministry.

In addition to the Anti-Corruption Law, Italy has legislation and other measures that promote the participation of society, the management of public affairs and public property, integrity, transparency and accountability. Italy has taken a number of steps to promote general transparency throughout government and the use of open data, e.g. on transparency of procurement information.

ANAC is an independent collegiate body whose five members are appointed for fixed, non-renewable terms of office. Besides having significant responsibilities regarding transparency, integrity, anti-corruption plans and the development of supplemental codes of conduct for individual agencies/administrations within public administration, ANAC is responsible for overseeing public procurement and contracts. ANAC has supervisory and sanctioning powers for those in non-political positions (art. 16, Legislative Decree No. 39/2013 and Law No. 114/2014).

ANAC can apply administrative sanctions to public officials not complying with the obligation of adopting anti-corruption plans or codes of conduct (art. 19, Legislative Decree of 24 June 2014, No. 90). In contrast, ANAC has no competence concerning the validity of politically elected offices.

ANAC seems to focus very much on the integrity of procurement. This could be a result of the merger of ANAC, in 2014, with the authority for the supervision of public contracts. ANAC has no authority over Government (whose integrity regarding conflicts of interest is overseen by AGCM), members of Parliament and the judiciary. Other bodies responsible for implementing prevention measures include the Department of Public Administration, the Court of Auditors, and AGCM. The Chamber of Deputies has established an Advisory Committee on the Conduct of Deputies to help administer its code of conduct. For the judiciary, there is a High Council of the Judiciary (CSM) whose responsibilities are complemented by the Ministry of Justice through its administrative support for the court system and its role in disciplining magistrates.

*Public sector; codes of conduct for public officials; measures relating to the judiciary and prosecution services (arts. 7, 8 and 11)*

Public employment in Italy is governed by the Constitution, the Civil Code, collective bargaining agreements and individual contract. The Constitution requires that almost all the positions in the public service be filled through a public competition. The competition process is established by law and implementing procedures include publication of the notice, the appointment of a selection board, the assessment of each applicant against objective criteria (including enhanced criteria for positions considered especially vulnerable to corruption) and issuing final hiring decisions. Promotions, except those that must be filled by competition, are based on internal procedures involving performance assessment, professional experience, seniority and education. Prior to the final hiring decision becoming effective, every appointment of senior and middle managers within central public administrations must be reviewed and approved by internal accounting offices (concerning financial aspects) and by the Court of Auditors (concerning legitimacy). Candidates participating in a competition generally can file a complaint before an administrative court, while every civil servant can file a complaint against any decision regarding his/her position before a labour judge. Retirement qualifications are generally based on age and/or length of service.

The National Collective Employment Contract forms the basis for the pay scale for civil servants; this is established through negotiations between an agency representing the Government and the labour union organizations.

Each public agency/administration is responsible for arranging appropriate integrity training for their employees based on an assessment of the employee's developmental and career needs. The National School of Administration (SNA) is in charge of the national programme for training for civil servants. Specialized training is available

for those individuals in positions deemed more at risk for corruption. There appears to be no general initial or refresher training for all public officials on the contents of the codes of conduct or provisions governing conduct in their collective agreements.

The Constitution establishes the legal right for any citizen holding the right to vote to be elected for the Chamber of Deputies and the Senate as long as they are at least 25 and 40 years old, respectively. The loss of the right to vote occurs as a result of various situations established by law. While not affecting candidature or election, Italy has established a number of ineligibilities, incompatibilities and disqualifications that may limit an individual from holding a parliamentary mandate after a successful election.

Italy has established a system to provide more transparency in the funding of candidates for elected public office and for the funding of political parties. Italy has recently switched from public funding to purely private funding for elections and parties. This will put more strain on the proper functioning of these transparency systems.

Italy addresses conflicts of interest in public administration and in the Government by setting out in law ineligibility and incompatibility restrictions and by including in the general code of conduct a requirement that a public servant carrying out executive functions disqualify himself/herself from participating in certain matters which may create an actual or potential conflict of interest. There are restrictions on activities following public service for some public officials.

There is a General Code of Conduct (Presidential Decree No. 62/2013) applicable to most public officials in the executive, except for members of Government, which should be complemented by specific codes of conduct at each agency/administration. The General Code is not applicable to employees of some economic public bodies and publicly controlled companies, although ANAC has recommended that each body adopt a code as a part of its three-year plan for the prevention of corruption. The Chamber of Deputies has already issued a code of conduct. Professional and lay magistrates are subject to the legislation on the judicial system, disciplinary liability and directives issued by CSM, the self-governing body of the judiciary. The School of the Judiciary organizes specific ethics courses.

Members of Government and senior civil servants are required by law to file declarations disclosing certain sources of income, assets, and outside positions held along with a copy of their latest tax returns. This information is to be published, also to detect actual or potential conflicts of interest. However, in March 2017 this publication requirement was challenged by high-ranking civil servants, and it has been suspended pending a decision by the Constitutional Court. In contrast, publication of the information by holders of political offices (national, regional, municipal level) is operational. AGCM is responsible for checking for incompatibilities after appointment of a holder of political office in the executive as well as during and after leaving office. AGCM does not make the information public except when necessary to support a decision made.

Members of the Chamber of Deputies and of the Senate are required to file declarations containing property rights, assets recorded in public registers, corporate shares, equity interests in companies and copies of their latest tax return regarding income subject to personal income tax. Some of this information is available on the website of Parliament and on each individual member's website. Magistrates are required to file statements to CSM on the same type of information as Parliamentarians, without public access except by grounded request. CSM determines whether to allow access to the statements. There is no internal review of the statements filed.

Civil servants in public administration who violate the general and the administration-specific codes can be sanctioned. Disciplinary sanctions are contained in the Consolidated Law on Public Employment (Legislative Decree No. 165/2001)

and the National Collective Labour Contracts. The Code for Deputies includes provisions on code violations.

ANAC has issued specific guidelines for the personnel, such as of the National Health Service, Universities and Port Authorities; ANAC is developing guidelines containing general criteria for all public administrations. ANAC has an advisory function on codes of conduct and conflicts of interest; an ANAC Regulation defines persons entitled to submit questions.

The Constitution enshrines the independence (arts. 101–104) and self-government of the judiciary through CSM.

The Prosecutor General of the Court of Cassation can start disciplinary action against members of the judiciary. The Minister of Justice can also start disciplinary action by referring a case to the Prosecutor General or subsidiarily starting the action if the Prosecutor General decides not to act. Disciplinary action within the judiciary is based on Legislative Decree No. 109/2006 on the Duties of Members of the Judiciary and is heard by CSM. The National Association of Magistrates can impose sanctions on its members (approximately 95 per cent of all the magistrates) for violation of its Code of Ethics (although that Code does not carry the weight of law).

Magistrates may hold elective public office and serve temporarily in executive positions while retaining the right to return to the magistrate position. This right is granted within the limits established by rules approved by CSM to prevent any risk of external influence over the independence of magistrates and to uphold the separation of powers.

*Public procurement and management of public finances (art. 9)*

Italy has a decentralized system of public procurement. At State level, the most relevant Central Purchasing Body is Consip, which was set up by the Ministry of Economy and Finance. Italy has implemented the public procurement directives of the European Union.

Laws regarding public procurement provide for transparency in all acts by contracting authorities and contracting entities relating to the planning of works, services and supplies. They include minimum standard time frames, the conditions for participation and the establishment of award criteria. In general, procurements require competition, although a restricted procedure where only invitees can compete is also available at the discretion of the contracting authority. The procedures fully set out legal recourses and appeals processes. There is a waiting period of 35 days between the selection and the award of the contract. Italy has screening requirements for procurement personnel selected. To enhance general transparency of procurement, ANAC collects, analyses and publishes all relevant procurement data.

Italy has established procedures for adopting a budget, and revenue and expenditure reports are produced regularly.

Regarding accounting and auditing systems, as well as systems of risk management and internal control, Italy is still moving towards a harmonized accrual accounting system. There are also no internal control and audit systems within public administration, but Italy reports it is taking steps to implement a performance audit system. At the central level, the State General Accounting Department can perform some internal audit functions; at the regional level, this function can be carried out by the accounting departments; and at the local level, independent and professional auditors can be used. The Court of Auditors can and does perform ex ante audits on legality and ex post audits on the State budget.

Concerning measures to preserve integrity of accounting books, records, financial statements or other documents related to public expenditure and revenues or to prevent falsification of such documents, Italy reported the use of a software for the integrated management of economic and financial accounting for central State

administrations and stated that no situation had ever occurred in which accounting books were falsified.

*Public reporting; participation of society (arts. 10 and 13)*

Italy has created a strong legal framework for ensuring access to information through its Freedom of Information Act (Legislative Decree No. 33/2013, as amended by Legislative Decree No. 97/2016). The provisions address both proactive disclosure and disclosure upon request, and for partial disclosure when full disclosure is not possible. Requests for information do not have to be justified. With one possible exception for information related to public policy concerning the financial and economic stability of the State, exemptions from disclosure protect commonly recognized interests, including personal privacy and law enforcement concerns. Specifically, regarding reports on corruption risks in public administration, ANAC publishes on its website the national anti-corruption plan which, in part, identifies the main corruption risks.

ANAC encourages involvement of all entities of public administration and the public to elaborate its regulatory acts, including the national anti-corruption plan. ANAC suggested to agency/administrations that they include the public in developing their three-year plan for the prevention of corruption. It also encourages public education programmes and works with civil society in promoting programmes in the schools. Italy has adopted a new law on the protection of whistle-blowers (Law No. 179/2017), and ANAC has set up an online platform and a specific office for reporting illegal acts.

*Private sector (art. 12)*

Italy has taken steps to help prevent corruption involving the private sector, including through collaborative programmes with a large private sector organization of businesses (Confindustria). Confindustria has adopted a Code of Ethics and Associative Values for its associated companies and worked on practical guidance for smaller businesses. It engages awareness-raising activities and provides advice on governance models that promote high standards of compliance.

Italy requires listed companies and companies whose financial instruments are widely distributed to follow International Financial Reporting Standards, as adopted by the European Union, in both consolidated and individual (separate) financial statements. Italy's false accounting offenses require the publication of accurate and complete accounting records. Listed companies, accounts of joint stock companies and a number of non-listed companies are subject to external audit and requirements for internal auditing controls.

There appear to be effective, proportionate and dissuasive criminal penalties for natural persons for failure to comply with accounting requirements, and pecuniary sanctions against legal persons for false accounting violations.

Italy has taken measures to promote development and implementation of effective compliance programmes within companies. It has established post-government employment restrictions on former public officials who have exercised authoritative or negotiating powers on behalf of the public administration; there is no post-employment restrictions on members of Parliament or magistrates. A private sector employer of a former official who benefits from the former official's actions is also subject to sanctions including voiding of contracts, return of compensation and a time-limited restriction on future contracts with public administration.

In 2017, Italy amended Legislative Decree No. 231/2007, introducing in the Registry of Companies a Register of Beneficial Owners of Legal Persons and Trusts. As per articles 21 and 22 of the new AML Law, comprehensive information is included in the Register not only related to the owner of legal persons and trusts but also to their managers.

Italy prohibits false corporate reporting by individuals and legal persons; the relevant offences require the intent of obtaining undue profit and require that the false or omitted facts in the corporate communications be material.

Tax deductibility of bribes is expressly excluded by law since 2002 (article 2(8), Law 289/2002).

*Measures to prevent money-laundering (art. 14)*

Legislative Decree No. 231/2007, as amended by Legislative Decree No. 90/2017 (the AML Law), is the cornerstone of the anti-money-laundering system of Italy, providing relevant measures to prevent the use of the financial system for money-laundering or terrorist financing. The new provisions implement the fourth AML Directive (2015/849) of the European Union and take into account the FATF recommendations issued at the end of the Mutual Evaluation of Italy, completed in 2016. As of August 2018, the changes to the Law were being reviewed by FATF under the follow-up procedures.

Italy has a domestic regulatory and supervisory regime for banks and non-bank financial institutions, which has been enhanced through its enactment of the AML Law. The primary agencies responsible for AML supervision in Italy include the Ministry of Economy and Finance, the Bank of Italy and the Ministry of Justice. A risk-based approach typically defines the frequency and types of due diligence obligations.

The AML Law of Italy further includes requirements for customer due diligence and beneficial owner identification/verification (art. 17 et seq.), record-keeping (art. 31 et seq.), and suspicious transaction reporting (art. 35 et seq.).

The financial intelligence unit of Italy is responsible for receipt, analysis and dissemination of suspicious transaction reporting related to money-laundering, associated predicate offences and terrorist financing. The financial intelligence unit establishes and updates anomalous indicators that were previously conducted by competent supervisory authorities on the proposal of the unit. The unit regularly elaborates, issues and updates patterns and schemes representative of anomalous behaviours.

The financial intelligence unit of Italy has the capacity to exchange information with foreign financial intelligence units through Egmont and regional networks. Domestically, the financial intelligence unit of Italy disseminates suspicious transaction reporting and the outcomes of related analysis to competent law enforcement agencies specifically indicated by the law: the *Nucleo Speciale di Polizia Valutaria* (NSPV) of the Financial Guard and the *Direzione Investigativa Antimafia* (DIA).

Based on the findings of the FATF Mutual Evaluation, the new AML Law improved domestic collaboration on information exchange among competent authorities. In particular, in addition to NSPV and DIA, information can be forwarded by the financial intelligence unit, in cases of specific interest, to the Intelligence Services. Furthermore, DNA receives from the financial intelligence unit, through NSPV and DIA, identification data of subjects reported or connected to suspicious transaction reporting. NSPV and DIA transmit to the national anti-Mafia and counter-terrorism prosecutor the reports, relevant to organized crime or terrorism. Dissemination is authorized to NSPV and DIA regardless of the crime involved.

The new AML Law, while granting the financial intelligence unit the access to law enforcement information, has subjected this access to limitations deriving from investigation secrecy.

Italy has established a declaration system to monitor cross border movement of cash and bearer negotiable instruments, requiring natural persons entering or leaving Italy with 10,000 euros or higher to declare to the customs authority of Italy (art. 3, Legislative Decree No. 195/2008). For false declarations, customs and the Financial

Guard can seize amounts equal to 30 or 50 per cent of the amounts transferred over 10,000 euros, depending on the value of the undeclared amount (arts. 6 and 9, Legislative Decree No. 195/2008).

## 2.2. Successes and good practices

- Each agency/administration/fully controlled State-owned enterprise is required to designate a corruption prevention officer and to develop a three-year plan for the prevention of corruption in accordance with the national anti-corruption plan and with the participation of society (art. 5(1)).
- Italy has developed a national coordination mechanism in the Ministry of Foreign Affairs, i.e., the *Tavolo interistituzionale di Coordinamento Anticorruzione*, which also cooperates with civil society and the private sector (art. 5(1)).
- Italy has developed with the OECD, through its experiences with hosting EXPO 2015, a model to manage large/ad hoc procurements (art. 5(4)).
- The separate source of non-appropriated funding for ANAC through the levying of a service charge in the public procurement process (art. 6(2)).
- Italy has a strong framework for access to information and engaged in an internal assessment of early implementation of its Freedom of Information Act (art. 10(a)).

## 2.3. Challenges in implementation

It is recommended that Italy:

- Consider possible advantages of staggering the appointment of the ANAC college members to avoid the complete replacement of the Board every six years (art. 6(2))
- Monitor the impact of the transition from public to private funding of political parties and candidates, and whether it makes them more vulnerable to lobbying and influencing and take remedial action as necessary (art. 7(3))
- Adopt enforceable asset declaration and verification systems for senior public officials for all three branches of government, and establish effective internal review systems to help identify and address conflicts of interest, incompatibilities and ineligibilities (arts. 7(4) and 8(5))
- Establish general codes of conduct applicable to all public officials as defined by the Convention, including members of Parliament. Italy is further encouraged to complement these codes with additional training (including general induction training), education and confidential counselling programmes, and to ensure that all agencies/administrations in the public administration fully adopt specific codes of conduct (art. 8(2))
- Continue addressing the already identified weaknesses in its public accounting, auditing and internal control systems as well as enact effective and enforceable protections that address the preservation of the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue (art. 9(2) and (3))
- Consider further addressing the issue of magistrates holding elective public office and serving temporarily in positions in the executive, taking into account the fundamental principles of independence and impartiality of the judiciary (art. 11)
- Continue ensuring that the legislation provides effective, proportionate and dissuasive sanctions for all cases of false accounting, regardless of intent, and that limitation periods are sufficiently long (art. 12(1))

- Take steps to promote cooperation between its law enforcement agencies and relevant private parties (art. 12(2)(a))
- Expand post-government employment restrictions to include all Members of Parliament, all Members of Government and appropriate magistrates (art. 12(2)(e))
- Monitor the practical application of the legislation concerning the destruction of documents, to ensure that it covers situations where documents are destroyed not to evade income or added value taxes, but to conceal offenses established under the Convention (art. 12(3))
- Continue the development of its AML/CFT national policy to ensure cohesive implementation of its anti-corruption strategy across the various agencies involved in the execution of its AML/CFT measures (art. 14(1)(a))
- Further enhance its capacity for information exchange between the financial intelligence unit and competent authorities. As far as DNA is concerned, Italy is encouraged to consider strengthening cooperation, through information exchange, in criminal investigative matters beyond the organized crime context (art. 14(1)(b))

### **3. Chapter V: asset recovery**

#### **3.1. Observations on the implementation of the articles under review**

*General provision; special cooperation; bilateral and multilateral agreements and arrangements (arts. 51, 56 and 59)*

Italy has a well-established regime for asset recovery based on the Criminal Procedure Code (e.g., arts. 740-bis, 740-ter) and cooperation mechanisms with other jurisdictions, particularly through MOUs governing asset disposition.

Judicial authorities of Italy have the capacity to provide information to foreign authorities, both upon request and proactively.

Italy has entered into several mutual agreements/arrangements to enhance international cooperation under the Convention. Such agreements include arrangements governing information exchange and asset disposition.

*Prevention and detection of transfers of proceeds of crime; financial intelligence unit (arts. 52 and 58)*

The AML Law of Italy sets forth customer due diligence and beneficial owner identification/verification requirements, as well as measures for politically exposed persons (PEPs). Under the AML Law, the scope of financial intermediaries and relevant entities subject to the requirements is sufficiently broad to cover the entities envisaged by the Convention (see art. 3). The AML Law provides that a risk based approach is to be applied in every instance and calibrated (ordinary, simplified, or enhanced due-diligence) to reflect the customer, business relationship, and professional service involved. Italy requires obliged entities to take into account the relevant lists of individuals/entities designated by international organizations (i.e., the United Nations and the European Union). The new AML Law also specifically establishes criteria to determine beneficial ownership (art. 20). About the triggering of enhanced due diligence measures at the request of a foreign state, Italy reported such measures are addressed through required consideration of relevant lists issued by designated international organizations. These measures may also be addressed through existing cooperation agreements between Italy and another State as well as agreements between relevant AML authorities.

The AML Law requires the obligated entities to conduct enhanced due diligence for, among others: customers in high-risk countries; and customers and beneficial owners that are politically exposed persons (art. 24(5)). Under the Law, politically exposed persons refer to natural persons who are or have been entrusted with a prominent

public function, covering their family members as well (art. 1(2)(dd)). No distinction is made between domestic and international politically exposed persons.

Obligated entities are required to retain customer due diligence records for 10 years after the termination of the business relationship (art. 31(3), AML Law) in their single electronic archive. The information in the archive is used for investigation and analysis by the competent authorities such as the financial intelligence unit.

The Bank of Italy does not allow the establishment of shell banks in Italy. It also forbids banks from Italy from setting up shell banks abroad. Opening of correspondent accounts with shell banks is prohibited, even indirectly (art. 25(3), AML Law).

The structure and organization of the financial intelligence unit are governed by a Regulation of the Governor of the Bank of Italy. Although the Bank of Italy provides financial/technical resources, premises, equipment and personnel, the autonomy and operational independence of the financial intelligence unit are legally protected (art. 6(1) AML Law).

*Measures for direct recovery of property; mechanisms for recovery of property through international cooperation in confiscation; international cooperation for purposes of confiscation (arts. 53, 54 and 55)*

The legislation of Italy permits a foreign State, without a special procedure, to initiate civil actions in its courts to establish title to or ownership of property based on the Civil Procedure Code (art. 75) and the Criminal Procedure Code (art. 74 et seq.). Further, the Criminal Procedure Code of Italy provides a framework for the recognition of foreign judgements, freezing or confiscation orders (art. 730 et seq.). The legislation of Italy also provides for the confiscation of property of foreign origin where there has been a conviction for bribery and corruption offenses (see art. 322-ter, Criminal Code).

Italy, through its Anti-Mafia Code (sec. 18), may initiate preventive confiscation measures (i.e., non-conviction-based confiscation) involving assets where a defendant may not be prosecuted under certain circumstances including flight or death.

The Criminal Procedure Code (art. 737-bis) provides the procedure to entertain a request by a foreign authority to identify, trace, freeze or seize proceeds of crime or other instrumentalities.

Italy considers the Convention against Corruption to be the necessary and sufficient treaty basis for international cooperation under art. 55 (1) and (2), and does not set a *de minimis* threshold for the cooperation. The rights of bona fide third parties are protected (sec. 52, Anti-Mafia Code).

*Return and disposal of assets (art. 57)*

Provisions governing the transfer of assets to a foreign state are set forth within the Criminal Procedure Code of Italy (arts. 740-bis and 740-ter). The laws of Italy permit the transfer of assets to a foreign state upon the recognition of the foreign state's confiscation judgment or decision and upon the express request of the foreign state, taking into account the rights of bona fide third parties. The laws of Italy further permit transfers to victims in a foreign state in circumstances where Italy has initiated its own confiscation proceedings. Italy successfully used domestic asset transfer and international cooperation procedures to conclude the seizure and return of assets to Tunisia.

Except for asset return to European Union member States, there are no specific rules on deduction of expenses incurred. However, such a deduction may be possible with consideration of the activities conducted by the judicial authorities of Italy.

Italy has exercised on some occasions the capacity to conclude agreements with foreign jurisdictions regarding asset disposal consistent with article 57, paragraph 5.

### **3.2. Successes and good practices**

- Italy has the capacity to provide international cooperation in asset recovery measures in both conviction and non-conviction-based proceedings (art. 54(1)(c)).
- Italy has established several MOUs which govern significant areas of international cooperation including information exchange and asset disposition (art. 59).

### **3.3. Challenges in implementation**

It is recommended that Italy:

- Further consider procedures for asset disposal, designed to foster transparency and accountability in asset disposition and to prevent the re-corruping of assets transferred (art. 51)
  - Consider establishing effective and enforceable financial disclosure systems for senior public officials. To the extent permissible under law, Italy is encouraged to make such information publicly accessible (art. 52(5))
  - Consider the implementation of requirements for public officials to identify the existence of foreign financial accounts over which they have an interest or have signatory authority (art. 52(6))
-