



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

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## Open-ended Intergovernmental Working Group on Asset Recovery

Vienna, 11-12 September 2014

Item 2 of the provisional agenda\*

### Overview of progress made in the implementation of asset recovery mandates

## Progress made in the implementation of asset recovery mandates

### Note by the Secretariat

#### I. Introduction

1. In its resolution 1/4, the Conference of the States Parties to the United Nations Convention against Corruption established the Open-ended Intergovernmental Working Group on Asset Recovery. The Conference decided that the Working Group was 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 also decided that the functions of the Working Group would include 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. Also in the resolution, the Conference decided that the Working Group should meet during the sessions of the Conference and, as appropriate, should hold at least one intersessional meeting within existing resources. The Conference also decided that the Working Group should submit to it reports on its activities.
4. During its second to fifth sessions, the Conference decided to continue the work of the Working Group. It also decided that the Working Group should hold at least two meetings prior to the next sessions of the Conference in order to perform its mandated tasks within existing resources.

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\* CAC/COSP/WG.2/2014/1.



5. Between 2007 and 2013, the Working Group held annual meetings in Vienna.
6. The present document has been prepared to inform the Working Group, at its eighth meeting, about the status of implementation of its recommendations and those of the Conference relating to asset recovery. It is aimed at assisting the Working Group in its deliberations and in determining its future activities.

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

7. 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.

8. With respect to the development of cumulative knowledge on asset recovery, the 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.

9. 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.

10. The Working Group has also 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. It has recognized the urgent and ongoing need to provide training, with a view to enhancing capacity in tracing, freezing, seizing and confiscating proceeds of corruption.

11. 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 to prevent the laundering of the proceeds of corruption and to facilitate more systematic and timely return of stolen assets has been acknowledged.

### **A. Developing cumulative knowledge**

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

12. 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 comprehensive knowledge portal

developed by UNODC known as “Tools and Resources for Anti-Corruption Knowledge” (TRACK), which was launched on 1 September 2011.<sup>1</sup>

13. At its seventh meeting, held in Vienna on 29 and 30 August 2013, the Working Group called upon States parties to provide regular updates and expand, where appropriate, the information contained in the relevant databases of knowledge on asset recovery.

14. Also at that meeting, the Group recommended that the collection and systematization of good practices and tools with regard to cooperation for asset recovery should be further pursued, including the use and expansion of secure information-sharing tools with a view to enhancing early and spontaneous information exchange.

15. The Group has also stressed the usefulness of the existing knowledge products of the StAR Initiative in building national capacity, and requested the Secretariat to prepare a list of those products and to ensure their widest possible dissemination.

16. The Working Group has recommended the development of practical tools for asset recovery, in particular a practical step-by-step manual that should be tailored to the needs of practitioners in asset recovery cases and be used for capacity-building measures.

17. Furthermore, the Conference of the States Parties has urged that further study and analysis be carried out of how legal presumptions, measures to shift the burden of proof and examination of illicit enrichment frameworks facilitate the recovery of proceeds of corruption.

18. The Working Group has recommended that products such as *Stolen Asset Recovery: A Good Practices Guide for Non-Conviction Based Asset Forfeiture*<sup>2</sup> be considered for the implementation of other provisions of the Convention.

19. The Conference, in its resolution 5/3, encouraged States parties to make widely available information on their legal frameworks and procedures, in a practical guide or other format designed to facilitate use by other States, and to consider, where advisable, the publication of that information in other languages.

20. Also in that resolution, the Conference took note of the Lausanne process initiative on practical guidelines for efficient asset recovery, which is being undertaken with a view to identifying good practices in effective and coordinated approaches to asset recovery for practitioners from requesting and requested States, with the support of interested States, implemented in close collaboration with the International Centre for Asset Recovery and with the support of the StAR Initiative. The Conference also called upon requesting and requested States with practical experience in asset recovery to develop, as appropriate, in cooperation with interested States and providers of technical assistance, non-binding practical guidelines, such as a step-by-step guide, for efficient asset recovery, with a view to enhancing effective approaches to asset recovery based on the lessons learned from past cases, being mindful to seek to add value by building upon existing work in that area.

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<sup>1</sup> Available at [www.track.unodc.org](http://www.track.unodc.org).

<sup>2</sup> Theodore Greenberg and others (Washington, D.C., World Bank, 2009).

21. Further, 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.

*Action taken*

22. The Convention against Corruption Legal Library is an electronic repository of legislation, jurisprudence, anti-corruption strategies and institutional data from 178 States. Developed and administered by UNODC and supported by the StAR Initiative and partner organizations, the Legal Library contains indexed and searchable legal information according to each provision of the Convention, and thus provides a detailed analytical breakdown of how States have implemented the Convention, including with regard to its provisions on asset recovery. Legal data received in the context of the Mechanism for the Review of Implementation of the Convention and validated by States parties under review, including judicial decisions rendered in asset recovery cases, are also used to update the information contained in the Legal Library on an ongoing basis.

23. At the request of the Working Group, a special section of TRACK has been dedicated to asset recovery.<sup>3</sup> The section contains the following information and data on asset recovery: the legislation of 178 countries relevant to chapter V of the Convention; Asset Recovery Watch (a database developed in the framework of the StAR Initiative on past and current asset recovery cases involving corruption); the knowledge products published by the StAR Initiative; 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); the Settlements Database (containing information on cases of transnational bribery); 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 in Transition; and *Requesting Mutual Legal Assistance in Criminal Matters from G20 Countries: A Step-by-step Guide*.

24. 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 through the StAR Initiative. The process of translating those studies into all the official languages of the United Nations is ongoing.

25. A study on settlements in cases of transnational bribery and asset recovery has been finalized. The study, entitled *Left out of the Bargain: Settlements in Foreign Bribery Cases and Implications for Asset Recovery*,<sup>4</sup> was launched at the fifth session of the Conference, held in Panama from 25 to 29 November 2013. The study received coverage in the media and featured in policy discussions during the Conference. Certain aspects of the outcome of the study were reflected in Conference resolution 5/3. A new study on civil remedies and private lawsuits in corruption and asset recovery cases has been initiated to explore how States can act as private litigants in order to bring lawsuits to recover assets lost to corruption, in line with article 53 of the Convention.

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<sup>3</sup> Available at [www.track.unodc.org/assetrecovery/Pages/home.aspx](http://www.track.unodc.org/assetrecovery/Pages/home.aspx).

<sup>4</sup> Jacinta Anyango Oduor and others (Washington, D.C., World Bank, 2013).

26. In addition, cooperation is continuing between the StAR Initiative and the Organization for Economic Cooperation and Development (OECD) to update a study from 2011<sup>5</sup> on tracking anti-corruption and asset recovery commitments. The updated study will contain an analysis of law enforcement data from OECD countries on assets frozen or confiscated between 2011 and 2012, highlight policy, legislative and institutional developments, and contain recommendations. It is currently being finalized and publication is planned for the second half of 2014.

27. Based on the Working Group's recognition of the usefulness of guides and in line with resolution 5/3 of the Conference, the Secretariat circulated a note verbale to all States parties and signatories requesting information on their legal frameworks and procedures relevant to asset recovery in a practical guide or other format.

28. Based on the mandate given by the Conference in its resolution 5/3, representatives from UNODC and the StAR Initiative participated in a practitioners' workshop on practical guidelines for efficient asset recovery, which took place in Lausanne, Switzerland, from 26 to 28 January 2014, and was organized by the International Centre for Asset Recovery, the StAR Initiative and the Ministry of Foreign Affairs of Switzerland. During the workshop, the possibility of developing non-binding practical guidelines for current and upcoming international asset recovery cases to support practitioners in their work was discussed. Draft guidelines for the efficient recovery of stolen assets were developed as a result of the workshop. In those guidelines, mention is made of, inter alia, measures to prevent the untimely dissipation of assets, case strategies and domestic coordination, the timing of mutual legal assistance requests and the use of direct contacts. Explanatory notes for the guidelines based on the various inputs received during the workshop are to be developed by the organizers and discussed in appropriate forums during 2014 and 2015. The guidelines are available to the Working Group in a conference room paper.

#### **Mutual Legal Assistance Request Writer Tool and similar products**

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

#### *Action taken*

30. Based on the results of the expert group meeting on the expansion of the Mutual Legal Assistance Request Writer Tool held in Vienna on 14 and 15 December 2011, UNODC has finalized the tool and tested its functionality, including by distributing it to States parties for use. The expanded version of the tool offers new features relevant to the asset recovery process. UNODC is also considering further improving the tool by placing it on a more modern technological platform, and to that end an informal expert group meeting was convened on 8 and 9 May 2014.

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<sup>5</sup> Available at <http://star.worldbank.org/star/publication/tracking-anti-corruption-and-asset-recovery-commitments>.

31. Modern information technology is fully incorporated by UNODC into the development of resources to support the asset recovery process. Such resources include TRACK and the Legal Library; the self-assessment checklist; the Asset Recovery Watch database, the Puppet Masters Database of Grand Corruption Cases and the Settlements Database of the StAR Initiative; the directories of asset recovery focal points and central authorities; and the Global Focal Point Initiative established by the International Criminal Police Organization (INTERPOL) and the StAR Initiative.

#### **Analytical study of asset recovery cases**

32. The Working Group has requested UNODC to continue its work, in consultation with Member States, on collecting and systematizing information on asset recovery cases with a view to preparing an analytical study of such cases, building on the relevant experience of the Secretariat. The Working Group has also encouraged Member States to contribute to the work of the Secretariat and to provide information on both successful and unsuccessful cases, including through the self-assessment checklist and with due regard to the confidentiality of sensitive information.

#### *Action taken*

33. UNODC finalized the *Digest of Asset Recovery Cases*, a compilation and analysis of cases related to the recovery of proceeds of corruption that is based on 10 cases submitted by States parties pursuant to two notes verbales issued by the Secretariat in 2009 and 2010, and on cases from Asset Recovery Watch.

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

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

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

#### *Action taken*

36. All tools and knowledge products developed by UNODC and the StAR Initiative are widely disseminated over the Internet or through presentation at events. TRACK, including the Legal Library, is web-based, in order to ensure broad accessibility. During 2013, the TRACK database had 25,797 visitors. Since its launch on 1 July 2011, it has received more than 59,000 visits.

37. StAR Initiative knowledge products are frequently presented at expert group meetings, training workshops and regional conferences and are promoted through press outreach and interviews, social media and blogs. They are made available on the StAR Initiative and UNODC websites, and their translation into other languages is actively pursued. During the reporting period, *Asset Recovery Handbook: A Guide for Practitioners* became available in Arabic and Russian. It is expected that before the end of 2014 the study *Barriers to Asset Recovery* will become available in

Spanish and Arabic and *The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It* in Arabic, Spanish and French. Activities to raise the profile of the knowledge products have attracted a high degree of interest and have contributed to the considerable success of the publications globally.

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

38. 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 that such institutions should be involved in the development of cumulative knowledge on asset recovery, encouraged the work on the preventive measures contained in chapter V of the Convention and placed emphasis on effective financial investigations.

*Action taken*

39. UNODC and the World Bank, through their observer status in the Financial Action Task Force and the Group of Twenty (G-20) Finance Ministers and Central Bank Governors, have ensured, inter alia, that in efforts to counter money-laundering, attention is also given (particularly by financial intelligence units and law enforcement agencies) to combating the laundering of proceeds of corruption through the explicit recognition of corruption as a predicate offence to money-laundering and to ensuring due diligence on the part of financial institutions.

40. Under the UNODC Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism, UNODC mentors continued to assist Member States in building effective systems to counter money-laundering and the financing of terrorism, including by strengthening financial intelligence units, analysing financial information and developing financial intelligence. Other activities relate to the conduct of enhanced scrutiny of accounts sought or maintained by or on behalf of politically exposed persons, and how financial institutions can foster the effective implementation of their enhanced scrutiny.

41. Assistance was provided to requesting States by UNODC through a network of mentors on combating money-laundering and regional anti-corruption advisers for developing skills of criminal justice officials in the investigation and prosecution of complex financial crimes. The capacity-building support included the delivery of training on conducting effective financial investigations. UNODC continued its work to develop, in cooperation with the United Nations Development Programme and the World Bank, a course on conducting financial investigations for practitioners in Arab States.

42. Representatives of the StAR Initiative also participated actively in workshops and discussions attended by representatives of financial institutions, including in the context of the work of the Wolfsberg Group, an association of 11 global banks that aims to develop standards in the financial services industry in order to promote policy recommendations and more active measures by the financial sector against

the laundering of proceeds of corruption. Furthermore, representatives of the StAR Initiative continued to provide input to the Financial Action Task Force, notably on two guidance notes on beneficial ownership and on banks adopting a risk-based approach, in particular in high-risk situations such as when dealing with politically exposed persons.

43. During the fifth session of the Conference, UNODC, in cooperation with other agencies including the World Bank and OECD, organized a side event on illicit financial flows that also touched upon the issues of close cooperation with financial institutions and financial intelligence units and greater effectiveness of financial investigations.

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

44. The Working Group has repeatedly invited States parties, with the support of the Secretariat, 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, including information on case law at the national level, in order to assess their efforts, identify further steps to implement chapter V of the Convention, compile good practices and identify technical assistance needs.

#### *Action taken*

45. At the request of several States and in the context of ongoing technical assistance activities, UNODC is supporting countries in the use of the current self-assessment checklist as a tool to conduct a gap analysis and assess their efforts towards full implementation of chapter V of the Convention. Based on the outcome, UNODC works with the country to determine the actions required to address the challenges identified. To date, five gap analyses have been conducted.

46. The Secretariat requested States parties, in notes sent on 31 October 2013 and 23 December 2013, to provide comments to be taken into account when finalizing the self-assessment checklist for the second cycle of the Implementation Review Mechanism. The Secretariat provided, for consideration by States Parties, a draft outline of the flow of questions and the proposed thematic structure of the revised self-assessment checklist for reviewing chapters II (preventive measures) and V (asset recovery) of the Convention (CAC/COSP/2013/3); and a draft for discussion of the revised self-assessment checklist for reviewing chapters II and V in the second cycle of the Implementation Review Mechanism (CAC/COSP/2013/CRP.6). In addition, the Secretariat produced a summary of the responses received from States parties on the revised self-assessment checklist (CAC/COSP/IRG/2014/CRP.1). The Secretariat continues its work on the improvement of the self-assessment checklist based on the input received from States parties, with the aim of finalizing it before the start of the second review cycle.

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

47. 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 articles 43, paragraph 1, and 46, paragraph 3, of the Convention. A similar mandate was also 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”.

*Action taken*

48. On 21 March 2014, the Secretariat circulated a note verbale asking all States parties and signatories to provide such information by 23 May 2014. At the fifth session of the Implementation Review Group, the Secretariat was requested to extend the deadline for submission of information. The responses received have been posted on the website of UNODC as received. In order to allow for inclusion of the responses received by the extended deadline, a detailed progress report on the information received will be submitted to the meeting of the experts convened to enhance international cooperation under the United Nations Convention against Corruption to be held in Vienna in October 2014.

**Gathering of information on best practices for the efficient resolution of corruption offences**

49. The Conference, in its resolution 5/3, called upon States parties to share with the Secretariat best practices for the efficient resolution of criminal offences specified in the Convention, encouraged States parties to share approaches and practical experience for the return of assets, consistent with article 57 of the Convention, and also encouraged States parties to voluntarily share experiences of actions taken consistent with elements of the present resolution and of previous Conference resolutions on asset recovery.

*Action taken*

50. The Secretariat circulated, on 14 May 2014, a note verbale asking all States parties and signatories for information on the issues identified above. The information received is available to the Working Group on the UNODC website.

**Gathering of 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**

51. The Conference, in its resolution 5/3, encouraged States parties and UNODC to share experiences on the management, use and disposal of frozen, seized and confiscated assets, and to identify best practices as necessary, building upon existing resources that address the administration of seized assets, and to consider developing non-binding guidelines on that issue.

*Action taken*

52. At the beginning of 2014, UNODC, together with the Region of Calabria, launched a two-year project in the area of management, use and disposal of seized and confiscated assets, with the aim of promoting international cooperation. An expert group meeting was held in Reggio di Calabria, Italy, from 2 to 4 April 2014

that was attended by approximately 80 experts from about 35 countries, agencies and organizations with experience and expertise in the area of managing, using and disposing of frozen, seized and confiscated assets. The meeting provided a platform for dialogue among practitioners involved in the tracing and seizing of assets and the management of assets post-seizure, as well as among experts and practitioners working in the areas of disposal of assets, the use by governments of seized assets and international cooperation in the management of seized assets. Taking into account the findings and recommendations of that expert group meeting, a number of activities and knowledge products for practitioners will be developed, which will advance the work and thinking of the international community in the areas of: (a) international cooperation in identifying, seizing and confiscating criminal assets, particularly assets of Mafia-based criminal organizations; (b) domestic management, use and disposal of seized and confiscated assets; and (c) management of returned assets in asset recovery cases. The project builds upon previous work carried out by UNODC and Member States in this field, in particular in the framework of the activities of the StAR Initiative. The report of the meeting is made available to the Group in a conference room paper.

53. Going forward, it is envisaged that the following knowledge products and activities will be prioritized under the first phase of the initiative: a factsheet on current jurisprudence on non-conviction-based cases, burdens of proof and international cooperation; a series of factsheets on how different countries have tackled the management of seized and confiscated assets domestically, with a view to sharing those experiences; a study on database systems to track, monitor and analyse the management and/or disposal of seized and confiscated assets; and the development of a training programme for managers of seized and confiscated assets. A further expert group meeting to validate those products is planned for the first quarter of 2015. In addition, it is planned that the recommendations made with regard to the management of returned assets in asset recovery cases will be taken forward in a joint expert group meeting to be organized by UNODC, the StAR Initiative and the International Centre for Asset Recovery, taking into account existing work in this field.

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

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

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

55. The Conference has requested the Working Group to continue considering 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.

56. 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.

57. The Working Group has also recommended that UNODC explore how the database of asset recovery focal points could be amended, with a view to making it possible to ascertain the contact details of persons in other jurisdictions.

58. The Working Group has stressed the need to make effective use of cooperation with law enforcement agencies and financial intelligence units, while recognizing the role of the judiciary in international cooperation procedures to ensure accountability and due process.

#### *Action taken*

59. As of 19 June 2014, 105 States parties had notified the Secretariat of their designated central authorities.

60. Following the responses to the three notes verbales sent to States parties and signatory States between 2009 and 2011, inviting them to proceed to the designation and notification of their asset recovery focal points in accordance with the recommendations of the Working Group and the Conference, UNODC created a database of the asset recovery focal points designated by States parties. The importance of the designation of asset recovery focal points was highlighted during the meeting of the experts convened to enhance international cooperation under the Convention held in Vienna on 22 and 23 October 2012.

61. As of 19 June 2014, 55 States parties and 2 signatories had notified the Secretariat of their designated focal points.<sup>6</sup> The online directory of designated central authorities and asset recovery focal points is available at [www.unodc.org/comppauth\\_uncac/en/index.html](http://www.unodc.org/comppauth_uncac/en/index.html). States parties are encouraged to circulate information on the online directory of designated central authorities to relevant national institutions.

62. In accordance with decision 3/2 of the Conference of the Parties to the United Nations Convention against Transnational Organized Crime, entitled “Implementation of the provisions on international cooperation in the United Nations Convention against Transnational Organized Crime”, in which the Conference requested the Secretariat to consider the practicability of consolidating the online directory under the Convention with existing or future directories under other international instruments, UNODC is in the process of redeveloping the directory of competent national authorities with a view to integrating it into the knowledge management portal known as Sharing Electronic Resources and Laws

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<sup>6</sup> Afghanistan, Algeria, Armenia, Australia, Austria, Bahrain, Belgium, Bolivia (Plurinational State of), Bosnia and Herzegovina, Brazil, Bulgaria, Burkina Faso, Canada, Chile, Denmark, Egypt, El Salvador, Finland, Germany (signatory), Guatemala, Indonesia, Israel, Jordan, Kenya, Latvia, Lebanon, Liechtenstein, Luxembourg, Malaysia, Malta, Mauritius, Mexico, Myanmar, Netherlands, Nigeria, Pakistan, Palau, Peru, Philippines, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Rwanda, Serbia, Singapore, Slovenia, Sweden, Switzerland, Syrian Arab Republic (signatory), Togo, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America and Viet Nam.

against Organized Crime (SHERLOC). The redeveloped directory will consolidate the lists of competent national authorities under the Convention against Corruption, the Organized Crime Convention and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substance of 1988, with a view to enhancing usability and efficiency.

63. The Global Focal Point Initiative, established by the StAR Initiative in partnership with INTERPOL, was launched in January 2009. Its objective is to support the investigation and prosecution of corruption and economic crime through international cooperation and informal assistance (assistance given prior and subsequent to the submission of formal requests for mutual legal assistance) for the purpose of identifying, tracing, freezing and ultimately recovering the proceeds of corruption and economic crime. The Initiative has established a virtual platform on the secure INTERPOL website. The platform, which is connected to the INTERPOL I-24/7 secure communication network, enables focal points, who are authorized by their INTERPOL national central bureaux, to exchange information and technical knowledge on corruption and asset recovery. Currently, 196 dedicated focal points representing 108 countries are participating in the platform. The fourth Global Focal Point Conference on Asset Recovery was held from 3 to 5 July 2013 in Bangkok. In January 2014, partners in the Global Focal Point Initiative participated in a two-day meeting to discuss key issues relating to the Initiative. The fifth annual general meeting of the Initiative will be held in Vienna on 8 and 9 September 2014.

64. UNODC and the StAR Initiative continued their support for the strengthening of regional networks engaged in asset recovery and confiscation. During the reporting period the following meetings were carried out with the support of UNODC and the StAR Initiative: the meeting of the asset recovery network established by the Financial Action Task Force of South America against Money-Laundering (GAFISUD) held in Costa Rica from 26 to 30 May 2014; the inauguration of the Asset Recovery Inter-Agency Network for Eastern Africa in November 2013; the meeting of the Steering Committee of the Asset Recovery Inter-Agency Network for Eastern Africa held at the headquarters of the East African Association of Anti-Corruption Authorities in Kampala from 5 to 7 February 2014; the inauguration of the Asset Recovery Inter-Agency Network for Asia and the Pacific, held in Seoul in November 2013; and meetings of the Asset Recovery Inter-Agency Network of Southern Africa and the Camden Inter-Agency Network on Asset Recovery. The StAR Initiative has observer status in all the above regional networks on asset recovery. In addition, representatives from the Initiative are participating in the process of setting up a regional network to support the West Africa region, and participated in a preparatory meeting for that purpose in March 2014.

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

65. 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.

*Action taken*

66. UNODC works closely with and supports the activities of the International Association of Anti-Corruption Authorities. It participates in its Executive Committee and is regularly consulted with regard to the programme of work and the formulation of strategic plans for the Association. The Seventh Annual Conference and General Meeting of the Association was held in Panama City from 22 to 24 November 2013 and its theme was “Rule of Law and Anti-Corruption: Challenge and Opportunity”. Discussions on sub-themes touched on anti-corruption agencies, non-selective anti-corruption law enforcement and key prevention strategies.

67. Both the StAR Initiative and the UNODC Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism continued to work with financial intelligence units to assist them in joining the Egmont Group and in implementing the Egmont standards of exchange of information on countering money-laundering and the financing of terrorism. Moreover, representatives of the StAR Initiative delivered a presentation at the 22nd Egmont Plenary, held in Lima from 1 to 6 June 2014, on the potential roles of financial intelligence units in asset recovery and, together with the Egmont secretariat, conducted a training for financial intelligence units on asset tracing and recovery.

**Cooperation with the private sector**

68. The Working Group has recommended that the Secretariat continue to promote partnerships with the private sector, in particular with financial institutions, in order to assist them in complying with their obligations under the Convention and to facilitate asset recovery. The Working Group has encouraged States parties to support the efforts of the Secretariat, inter alia, by developing partnerships at the national level.

*Action taken*

69. UNODC and the United Nations Global Compact continued to cooperate on the interactive e-learning tool for the private sector entitled “The Fight against Corruption”. In 2013, the tool was translated into new languages (using in-house resources) and is now available in English, French, Spanish, Russian, Chinese, Arabic, German, Korean, Norwegian and Turkish. UNODC also received additional funding and in-kind contributions from a private company to translate the videos into 11 new languages (Ukrainian, Swedish, Norwegian, Danish, Finnish, Bulgarian, Lithuanian, Latvian, Estonian, Czech and Hungarian) during 2014. Since February 2012, the tool has had 114,053 online users. In March 2013 a certificate programme was launched. From the 60,000 users who have visited the page since then, approximately 5 per cent registered to acquire the certificate.

70. With a view to enabling the private sector to adopt anti-corruption policies aligned with the Convention, the *Anti-Corruption Ethics and Compliance Handbook for Business* was finalized, as part of an initiative with OECD and the World Bank. As a complement to that Handbook, *An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide* was launched at the fifth session of the Conference of the States Parties. It is available in English, French, Russian and Spanish.

71. Under the Russian presidency of the G-20, UNODC continued to be an active member of the Business-20 (B-20) Task Force on Improving Transparency and Anti-Corruption. UNODC contributed to the identification of B-20 priority areas and the development of key recommendations for individual and collective action by Governments and businesses from the G-20 and beyond for each of those priority areas, which included the involvement of the private sector in the Implementation Review Mechanism and a preliminary study on possible regulatory developments to enhance the private sector role in the fight against corruption in a global business context.

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

72. 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 the G-20. The Group has also encouraged States parties to seek to remove barriers to asset recovery, in particular by simplifying domestic procedures and by strengthening such procedures to prevent their misuse.

73. 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.

#### *Action taken*

74. UNODC actively engages in advocacy in a number of international forums to strengthen political will. Apart from its role as the secretariat of the Conference of the States Parties and its working groups, the Office participates in international meetings organized by other stakeholders, including INTERPOL, the European Union and Eurojust, the Group of Seven (G-7) and the G-20 Anti-Corruption Working Group, and it supports the Arab Forum on Asset Recovery and the Ukrainian Forum on Asset Recovery. A number of special events were held during the fifth session of the Conference, on the following topics: the StAR Initiative: seven years of international efforts in support of the recovery of stolen assets (held on 26 November 2013); public interest whistle-blower systems: incentives, protections and new tools (held on 22 November); illicit financial flows (held on 27 November); and performance, principles and innovations of asset disclosure systems (held on 27 November).

75. As an observer, UNODC has raised awareness about the importance and benefits of ratifying the Convention against Corruption at the meetings of the G-20 Anti-Corruption Working Group as well as at the Third Annual High-Level Anti-Corruption Conference for G-20 Governments and Business. As an outcome of those activities, asset recovery ranks high in the G-20 Anti-Corruption Action Plan for the period 2013-2014. The Leaders' Declaration adopted at the G-20 summit in St. Petersburg, Russia, in September 2013 contains the commitment of the G-20 leaders to continue developing and strengthening frameworks to facilitate cooperation in order to deny entry to their countries by corrupt officials and those who corrupt them. In order to enhance international collaboration in the

investigation and prosecution of corruption offences, as well as in the recovery of proceeds of corruption, the Group also endorsed the High-Level Principles on Mutual Legal Assistance. Among the potential priorities for the G-20 Anti-Corruption Action Plan for the period 2014-2015 are international cooperation in criminal matters, and asset recovery. During the G-20 Anti-Corruption Working Group meeting held in Rome on 9 and 10 June 2014, the Group agreed on the G-20 High-Level Principles on Beneficial Ownership. This was a significant step towards fulfilling the mandate set by the G-20 Leaders and Finance Ministers for G-20 countries to lead by example in ensuring transparency and addressing the misuse of legal persons and legal arrangements.

76. The StAR Initiative supported the second meeting of the Arab Forum on Asset Recovery, held in Marrakech, Morocco, from 28 to 30 October 2013. It was attended by representatives of 35 countries and territories, as well as six international and regional organizations. The Arab Forum was launched in the context of the Deauville Partnership with Arab Countries in Transition. The meeting allowed for a practical assessment of challenges and progress to date, and provided an important platform for charting the way forward. Following the first meeting, held in Doha in 2012, three special sessions had been held with the aim of providing targeted training and awareness-raising, and country- and case-specific on-site technical assistance to individual countries in transition.

77. A joint concept for activities under the Arab Forum was developed and, on that basis, a workplan for 2014 was established, focusing on beneficial ownership, the role of the private sector and networks for asset recovery, as well as capacity-building and the development of guides for asset recovery. In the context of the workplan, the StAR Initiative facilitated a project aimed at publishing a practitioners' handbook and an interactive website on beneficial ownership rules and regulations in 10 strategic financial centres as they relate to asset recovery in Arab countries. The handbook is due to be presented at a one-day event in Vienna on 10 September 2014 and at the third meeting of the Arab Forum, to be held in Geneva from 1 to 3 November 2014.

78. The UNODC Regional Special Advocate for Asset Recovery, the Attorney General of Qatar, Dr. Ali bin Fetais al-Marri, continued his work.

79. On 5 June 2014, the G-7 adopted the Brussels G-7 Summit Declaration, in which it expressed its ongoing commitment to preventing the misuse of companies and other legal arrangements such as trusts to hide financial flows stemming from corruption and other crimes, ensuring that beneficial ownership information was available in a timely fashion to financial intelligence units, tax collection and law enforcement agencies. The Group further committed to building on existing efforts, including in the G-20, to take additional steps to prevent the negative impact of corruption, continuing their engagement to and support of the StAR Initiative and working with Governments and global financial centres to follow up on asset recovery efforts.

80. StAR Initiative representatives participated in the Ukraine Forum on Asset Recovery, held in London on 29 and 30 April and convened by the Governments of the United Kingdom of Great Britain and Northern Ireland and the United States of America, in support of the asset recovery efforts of the Government of Ukraine.

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

81. 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.

82. 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. 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.

83. The Working Group has requested the Secretariat to continue to ensure that all activities undertaken within the framework of the StAR Initiative comply strictly with the legal framework and international standards established by the Convention. It has also requested the Secretariat to continue to report to it and to the Conference on a regular basis on those activities.

84. 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.

85. 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.

86. In its resolution 5/3, the Conference urged States parties to ensure that their anti-corruption authorities or other relevant bodies were trained sufficiently and on a regular basis and had the requisite authority, legislative and otherwise, to identify, trace, freeze and confiscate corruption proceeds, including in terms of access to the financial and other information necessary to do so. The Conference also encouraged requested States and assistance partners to work with requesting States to identify asset-recovery-related capacity-building needs of requesting States and, to the extent possible, to prioritize the needs to be met, stressing specific, practical efforts.

#### *Action taken*

87. In the area of legislative assistance, UNODC is working with several States to assess their implementation of the provisions of chapter V of the Convention in a gap analysis. 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 on asset recovery, including on non-conviction-based forfeiture.

88. UNODC, including through the StAR Initiative, continued to provide demand-driven, country-specific assistance to States in their asset recovery efforts. More than 30 countries and regional associations were receiving such assistance through the StAR Initiative at the time of reporting. Since 2011, over 1,800 practitioners have been provided with general capacity-building, with over 250 receiving instruction relating to case-specific capacity-building, and 62 practitioners have attended train-the-trainers workshops so that knowledge and experience may be replicated on the ground. Additionally, the StAR Initiative assisted in initiating almost 40 asset recovery cases and arranged in excess of 150 bilateral meetings related to cases. In 19 cases, the progress or eventual success of mutual legal assistance requests was facilitated. Two asset recovery mentors were placed in Senegal and Tunisia for several months. Some examples of technical assistance activities are listed below.

89. The work of the StAR Initiative in Tunisia continued in the context of the Arab Forum on Asset Recovery. A training workshop for law enforcement officers and investigative judges on international asset recovery was held in January 2014. It included a case simulation exercise and particular attention was paid to legal concepts, practical challenges, the use of banking documentation and information that could be obtained from open sources. The workshop was also an occasion to discuss further capacity-building needs in Tunisia. Within the overall framework of UNODC work in Tunisia, a set of four workshops on financial investigations were planned to take place in Tunis, three of which were to be held during 2014. The first one was held from 10 to 13 June and the second one is scheduled to be held from 15 to 18 September 2014.

90. In Romania, support for the National Office for Crime Prevention and Asset Recovery continued. The third phase of the training programme took place in October 2013 and the fourth phase in April 2014. Modules for the training adopted a step-by-step approach to financial investigations and asset tracing and included planning methods for investigations, visualization of financial flows, establishing timelines and building subject profiles, securing and handling evidence, and interviewing and other investigative techniques. Modules also covered issues of beneficial ownership, as well as mutual legal assistance and other forms of international cooperation in criminal matters. Support continued to be provided through the StAR Initiative for the preparation of asset management guidelines. Together with the Ministry of Justice and the National Office for Crime Prevention and Asset Recovery, a high-level meeting was organized through the StAR Initiative on 11 October 2013 that brought together law enforcement agencies and development partners for the launch of an inter-agency forum for domestic cooperation and coordination in asset recovery.

91. Support was provided to the Plurinational State of Bolivia to establish an inter-agency working group on asset recovery (GIRA). The Group was created as an operational coordination group comprising four national institutions. Training workshops were held in July and October 2013, focusing on financial investigations and mutual legal assistance, in particular with European and common law countries, as well as special cooperation techniques and joint investigation teams.

92. Cooperation with the East African Magistrates and Judges Association and the judicial training institutes of Kenya, Uganda and the United Republic of Tanzania was continued by way of building sustainable training capacity on asset recovery,

specifically addressing the needs of judicial officers. A training-of-trainers seminar was organized in cooperation with the Association in February 2014. The five-day training course included several drafting exercises for pre-arrest and post-arrest asset freezing, interim management, disclosure and other related orders, as well as a mock trial and the drafting of a confiscation judgement. Further training under the project will continue at the country level, starting with a training in the United Republic of Tanzania that is expected to take place in November 2014.

93. UNODC coordinated the First Technical Dialogue and Exchange of Experiences in Non-Conviction-Based Confiscation in Latin America. The event was held in Bogotá in November 2013 and brought together investigators, prosecutors and judges from five countries in the region (Colombia, Guatemala, Honduras, Mexico and Peru). The event allowed practitioners to analyse relevant aspects of forfeiture such as standards of proof, the scope and interpretation of “bona fide third party”, autonomy of the forfeiture and recommendations for an adequate asset investigation.

94. In 2013, an internal review of the StAR Initiative was carried out, which found that client countries felt that the work of the Initiative was of strong relevance to their needs, that it had allowed important progress to be made on country engagement and international standards and advocacy, and that there had been significant advancement in working with international organizations and groups (such as the Financial Action Task Force, OECD, G-8 and G-20) and regional networks (such as the Camden Inter-Agency Network on Asset Recovery, the Asset Recovery Inter-Agency Network of Southern Africa, the Asset Recovery Inter-Agency Network for Eastern Africa and the asset recovery network established by GAFISUD). Based on those findings, the mandate of the Initiative was extended for seven years.

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

95. The Working Group may wish to provide further guidance on the implementation of Conference of the States Parties resolution 5/3 and the recommendations made at its previous meetings, in particular with a view to facilitating the development of non-binding practical guidelines, such as a step-by-step guide, for efficient asset recovery.

96. The Working Group may wish to provide further guidance on steps that could be taken to encourage States to make information on their legal frameworks and procedures more widely available through practical guides on asset recovery. In particular, the Group may wish to explore how the gathering of relevant information for the preparation of such guides and the completion of the self-assessment checklist can be mutually reinforcing.

97. The Working Group may wish to discuss whether, in view of the low number of States that provided information on their asset recovery focal points, further guidance on the role and functions of such asset recovery focal points is needed.

98. With regard to the need to enhance cumulative knowledge on asset recovery, the Working Group may wish to provide guidance on areas where further knowledge products could be developed. In particular, the Working Group may wish to provide

guidance on possible areas for model legislative provisions and best practice guides, based on the thematic discussion on its agenda.

99. The Working Group 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 and to encourage States to take advantage of available opportunities for capacity-building in the area of asset recovery.

100. The Working Group may particularly wish to provide guidance on actions to be taken to further advance the full implementation of chapter V of the Convention and to ensure its application in practice, inter alia, by encouraging Member States to conduct gap analyses of chapter V by using the updated self-assessment checklist.

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