

Oslo Statement

on Corruption involving Vast Quantities of Assets

14 June 2019, Oslo, Norway

From 12 to 14 June 2019, over 140 experts specialized in preventing, investigating and prosecuting corruption involving vast quantities of assets coming from more than 50 countries from all over the world met in Oslo for a second Global Expert Group Meeting on Corruption involving Vast Quantities of Assets (VQA). The Expert Group Meeting was organized in partnership with the Ministry of Foreign Affairs of Norway and with the support of the Norwegian Agency for Development Cooperation (Norad). H.E. Ms. Ine Marie Eriksen Sørreide, the Minister of Foreign Affairs of Norway, H.E. Mr. Carlos Holmes Trujillo, the Minister of Foreign Affairs of Colombia, H.E. Dr. Harib Al Amimi, President of the Supreme Audit Institution of the United Arab Emirates and Chairman of the International Organization of Supreme Audit Institutions (INTOSAI), and Mr. Rolando Ruiz Rosas, Minister, Director of International Organizations and Multilateral Policy, Ministry of Foreign Affairs of Peru, took part in the opening ceremony and shared their visions for international cooperation on corruption involving vast quantities of assets in the years ahead.

The second Global Expert Group Meeting on Corruption involving Vast Quantities of Assets comprised eight substantive sessions on the following topics:

- (1) The impact of corruption involving vast quantities of assets on peace and security, human rights and the environment,
- (2) Lessons learned from investigating cases of corruption involving vast quantities of assets and bringing them to justice,
- (3) Enhancing transparency in political party financing and electoral processes,
- (4) Ways to hold financial, legal and accounting intermediaries responsible for their role in facilitating corruption involving vast quantities of assets,
- (5) Improving international cooperation among law enforcement and judicial authorities to facilitate the investigation, prosecution and adjudication of cases of corruption involving vast quantities of assets.
- (6) Better ways to protect journalists and whistle-blowers, as well as investigators, prosecutors and judges and their independence, by the international community,
- (7) Innovative international standards required to prevent corruption involving vast quantities of assets more effectively, and
- (8) Sanctioning and compensating for corruption involving vast quantities of assets, including for social damage caused by it.

In each session, panellists shared experiences and introduced various ideas for improving international cooperation on corruption involving vast quantities of assets. Each session will be summarized in the forthcoming report of the meeting to be made available to the Conference of States Parties to the United Nations Convention against Corruption (UNCAC). At the end of the meeting, the experts discussed the main outcomes of the meeting. They expressed support for the Lima Statement on Corruption involving Vast Quantities of Assets adopted in December 2018 in Lima, Peru. They agreed that the United Nations Convention against Corruption continued to provide the legally binding global framework in the fight against corruption and strongly urged all countries to fully implement the Convention. Furthermore, they agreed no regression from the obligations enshrined in the Convention should be accepted, as the fight against corruption continues to be a great challenge around the world. Finally, they made the following recommendations to be considered by decision-makers in the coming years, in order to effectively prevent and combat corruption involving vast quantities of assets effectively: *

Recommendations on Preventing and Combating Corruption involving Vast Quantities of Assets

14 June 2019, Oslo, Norway

Participants made the following recommendations for consideration:

1. PREVENTION

▪ ASSET DISCLOSURE AND VERIFICATION:

RECOMMENDATION 1: Asset declarations systems for Politically Exposed Persons (PEPs) should be established, including regular reporting, as well as sanctions for non-compliance, and public disclosure of those declarations should be encouraged, with due regard for national legislation.

RECOMMENDATION 2: International cooperation for asset verification should be strengthened, such as by exploring the possibility of entering into bilateral, regional or multilateral arrangements or instruments.

▪ TECHNOLOGY:

RECOMMENDATION 3: Consideration should be given to the benefits and the risks associated with using technologies in efforts to prevent and combat corruption.

▪ STATE-OWNED OR CONTROLLED ENTERPRISES:

RECOMMENDATION 4: State-owned or controlled enterprises, should disclose their management structures, revenues, expenditures, and profits, and disclosure should be required of the beneficial ownership of the supplier companies providing services or goods, and the value accrued by public officials or PEPs through contracts to private companies during their tenure at State-owned or controlled enterprises, in line with national legislation.

RECOMMENDATION 5: State-owned or controlled enterprises shall be subject to high standards of conduct and integrity and apply processes for hiring, retention, training, retirement and remuneration that are underpinned by the principles of efficiency, transparency and pre-determined criteria, such as merit, equity and aptitude in line with article 7 (1) of the UNCAC. Private and public companies controlled by or affiliated with PEPs and public officials, including security officials, should increase transparency in their operations in line with national legislation.

▪ CHARITIES:

RECOMMENDATION 6: Not-for-profit organizations established or controlled by individuals holding high political office, their families and associates should provide full transparency on their revenues and expenditures, in line with national legislation.

- VQA CONTRACTS:

RECOMMENDATION 7: For all contracts and sub-contracts involving vast quantities of assets concluded between public authorities and private contractors, the ultimate beneficiaries should be disclosed publicly, in line with national legislation.

- SECTORS:

RECOMMENDATION 8: Strategies to reduce the risks of corruption involving vast quantities of assets should be developed for corruption-prone sectors, including security and defence, infrastructure, energy, extractive industries, water, health, education, sports, election administration, humanitarian assistance and foreign aid.

- HIGH-VALUE REAL ESTATE, YACHTS, AIRCRAFT, AND OTHER VEHICLES, AND ART WORK:

RECOMMENDATION 9: The ultimate beneficial ownership information of high-value real estate, yachts, aircraft, and other vehicles, and art works should be maintained, so it can be accessible to the appropriate public authorities, including law enforcement.

- BENEFICIAL OWNERSHIP TRANSPARENCY:

RECOMMENDATION 10: Global standards on beneficial ownership transparency could be further developed following in-depth study of the existing and emerging systems. Public beneficial ownership registries of legal entities, such as companies, trusts, and limited liability partnerships, should be considered for introduction in all jurisdictions.

- PROCUREMENT IN THE DEFENSE SECTOR:

RECOMMENDATION 11: Economic offset offers in the context of defence procurement decisions should be prohibited and transparency should be ensured as regards intermediaries, the services provided, and the fees received, in line with national legislation.

- EFFECTIVENESS AND MONITORING

RECOMMENDATION 12: The evaluation of anti-corruption and anti-money-laundering systems should continue to go beyond formal compliance with international standards and also assess their effectiveness, including by collecting relevant data and encouraging its publication. Synergies among anti-corruption monitoring mechanisms should be further pursued to strengthen the impact of these mechanisms on evaluating and improving the effectiveness of States' anti-corruption measures.

- PUBLIC-PRIVATE COLLABORATION

RECOMMENDATION 13: Consideration should be given to developing formal and informal mechanisms and encouraging closer public-private sector collaboration to tackle corruption involving VQA, including by cooperating with civil society to complement the work of governments and the private sector.

2. INTERMEDIARIES

- ENABLERS:

RECOMMENDATION 14: Further research, policy development, and programming should be undertaken to address the enablers of corruption involving VQA.

- LEGAL PRIVILEGE:

RECOMMENDATION 15: International standard setters, law-makers and bar associations should remove existing uncertainties around the interpretation of legal privilege or professional secrecy by clarifying which activities are and which activities are not covered by these protections in their jurisdiction.

RECOMMENDATION 16: To prevent the facilitation of corrupt activities, legal privilege or professional secrecy should protect only activities that are specific to the legal profession, such as ascertaining the legal position of a client, providing legal advice, or representing a client in legal proceedings. These protections should not extend to activities performed by a legal professional that are purely financial or administrative in nature, such as handling client funds, acting as a nominee director or shareholder on behalf of a client, or acting as a formation agent of legal persons.

RECOMMENDATION 17: Legal professionals should be required to conduct thorough due diligence on their clients, especially high-risk clients, which should always include maintaining up-to-date beneficial ownership information on legal entities. In the context of investigations, legal professionals should cooperate with law enforcement, whenever a disclosure requirement for beneficial ownership information exists and make such information readily available to law enforcement. Reporting obligations should be considered when lawyers have reasonable grounds to believe that the conduct of their client is or may become illegal.

- CORPORATE FORMATION AGENTS:

RECOMMENDATION 18: Lawyers, accountants, notaries, bankers, non-bank financial service providers, and corporate professionals, should not knowingly or negligently (e.g. failing to undertake the necessary due diligence) engage in or assist in corrupt practices, including by setting up shell companies and other legal arrangements. When failing to do so, they should be held accountable, individually or as legal entities.

RECOMMENDATION 19: Professional standards should also be strengthened for lawyers and accountants and other relevant professionals.

- FINANCIAL INTELLIGENCE:

RECOMMENDATION 20: All existing standards and norms on anti-money laundering should be implemented and supervisory and enforcement bodies should be properly resourced and enabled to carry out their functions.

RECOMMENDATION 21: Consideration should be given to improving international information sharing systems with timely access to cross-border financial transactions.

RECOMMENDATION 22: Dissuasive sanctions should be established by national authorities to effectively address cases of non-reporting of suspicious transactions.

- **BANKS:**

RECOMMENDATION 23: All beneficial owners of banks and non-bank financial institutions operating in a country should be known to the bank licensing and supervisory authorities in that country and accessible to the relevant law enforcement and anti-corruption authorities.

RECOMMENDATION 24: As part of the “Fit and Proper Tests for Directors and Senior Managers”, bank licensing and supervisory authorities should apply enhanced scrutiny to PEPs and related parties, who are proposed to take up positions as directors or senior managers in a bank.

RECOMMENDATION 25: Licensing and supervisory authorities for banks and non-bank financial institutions should have strong involvement in combating corruption, including having the necessary powers, independence, and resources to enforce banking regulations.

RECOMMENDATION 26: Greater attention should be paid to the enforcement of obligations on correspondent banks to conduct due diligence on the ownership and management structure, their clients, including banks, as well as the sources of their initial investment. They should take the necessary measures when suspicious influence of PEPs is detected.

RECOMMENDATION 27: Institutions offering payable-through-accounts capabilities should know the counterparties of those accounts and conduct due diligence on them, including the identification of ultimate beneficial owners.

RECOMMENDATION 28: Banks and non-bank financial institutions should strengthen and implement compliance systems, including through the use of appropriate innovative technology. Procedures should be established through which compliance officers, in appropriate cases, can flag suspicious patterns of transactions or those involving VQAs, to relevant higher authorities in cases of disagreement between compliance officers and their managers.

RECOMMENDATION 29: Greater attention should be paid to the use of undisclosed related party transactions to further corruption schemes involving VQA and this issue should be further studied.

3. IMPACT

- **GENDER:**

RECOMMENDATION 30: More gender differentiated analysis of corruption should be undertaken by international organizations and other stakeholders and the findings of such analysis should be made publicly available to inform gender appropriate responses.

- HUMAN RIGHTS AND HUMAN SECURITY:

RECOMMENDATION 31: Additional research on the impact of corruption involving VQA on global peace and security, the enjoyment of human rights, the climate and bio-diversity should be conducted.

- VICTIMS:

RECOMMENDATION 32: Further study on the identification and compensation of victims of corruption involving VQA should be carried out both nationally and internationally.

- URBAN PLANNING:

RECOMMENDATION 33: Public administration, especially local institutions, involved in urban planning and other related stakeholders should cooperate with anti-corruption bodies in order to improve implementation of measures for preventing the use of real estate for money laundering.

4. INTERNATIONAL COOPERATION

- TRANSNATIONAL NATURE:

RECOMMENDATION 34: The transnational nature of corruption involving VQA should be properly acknowledged and addressed by using all the tools available for international cooperation, including using the full extent of a country's jurisdiction.

RECOMMENDATION 35: When initiating a case involving VQA, law enforcement officials should think and act globally and pro-actively, and should consider coordination with additional relevant jurisdictions, in line with Article 53 of the UNCAC, taking into account the practical steps laid out in the Guidelines for the Efficient Recovery of Stolen Assets.

- INFORMAL COOPERATION:

RECOMMENDATION 36: In order to complement mutual legal assistance frameworks, national practitioners, are encouraged to use informal cooperation channels for the purpose of sharing information and building trust and confidence and to make full use of regional and international platforms to establish direct contact and channels of communication.

RECOMMENDATION 37: Global networks of law enforcement authorities working on cases involving VQA should be strengthened and, in this regard, full use should be made of the fora provided by the Conference of the States Parties to the Convention and its subsidiary bodies, the meetings of other international organizations, regional meetings and meetings of experts.

- **JOINT INVESTIGATIONS:**

RECOMMENDATION 38: Articles 48 and 49 of UNCAC on law enforcement cooperation and joint investigations should be used to their full potential.

RECOMMENDATION 39: The use of parallel or joint investigations should be considered in transnational cases, in order to access all necessary evidence and the parties should fully support each other's proceedings by furnishing relevant information spontaneously whenever possible and promptly processing valid requests for MLA.

- **TAX AUTHORITIES:**

RECOMMENDATION 40: Tax authorities are encouraged to further strengthen their cooperation with each other and with other law enforcement authorities internationally in cases of corruption involving VQA.

- **FOREIGN BRIBERY:**

RECOMMENDATION 41: Legislation on foreign bribery should be adopted and enforced as a matter of priority by national authorities.

- **NON-TRIAL RESOLUTION:**

RECOMMENDATION 42: Where appropriate and consistent with national legal systems, non-trial resolution can be considered as one effective means for settling cases of corruption involving VQA. It should be ensured that settlements and non-trial resolutions in foreign bribery cases meet adequate standards of transparency, accountability and due process and, as far as possible, involve the jurisdictions affected and persons harmed by foreign bribery.

- **IMMUNITIES:**

RECOMMENDATION 43: No functional immunity from prosecution should be granted to public officials engaged in corruption involving VQA.

- **MUTUAL LEGAL ASSISTANCE:**

RECOMMENDATION 44: Central Authorities for Mutual Legal Assistance or other competent authorities should pro-actively and in a timely manner assist requesting States in cases of corruption involving vast quantities of assets to meet the national requirements for MLA, including by, where feasible, providing a contact person. Statistics on MLA requests made, received and successfully responded to, should be collected and published.

- **INFORMATION ON BENEFICIAL OWNERSHIP:**

RECOMMENDATION 45: Parties, where possible, should provide the details of the beneficial ownership of companies or other legal entities holding assets in the requesting jurisdiction in a timely manner, and ideally within 3 months, to the investigatory agency lawfully requesting those details.

- **IMPUNITY:**

RECOMMENDATION 46: Innovative ideas to end impunity should be explored. To this effect, some proposals could be further analysed and discussed in more detail, including, for example, the establishment of regional mechanisms for prosecution, or international mechanisms, such as establishing an international anti-corruption court, with respect for the sovereignty of States.

RECOMMENDATION 47: Other innovative ideas which could be further analysed and discussed were, with respect for sovereignty of States, for example, the establishment of an international special rapporteur for anti-corruption, the development of a protocol to UNCAC on corruption involving VQA, exploring the possibility of extending the jurisdiction of the International Criminal Court to include corruption involving VQA, creating international commissions against corruption and impunity, as well as elevating the Jakarta Principles to a more binding instrument, as well as the promotion of the three zero principles as enshrined in the Beijing Initiative for the Clean Silk Road.

RECOMMENDATION 48: National audit institutions should strengthen their cooperation with national anti-corruption authorities, where appropriate, including by using the full potential of audits and ensuring appropriate follow-up action to their reports. As with other oversight bodies, measures should be put in place to ensure that their actions are in accordance with international standards.

5. PROTECTION OF ENFORCERS

- **ENFORCEMENT:**

RECOMMENDATION 49: Authorities involved in the investigations, prosecution and adjudication of corruption cases involving VQA should have the necessary powers, independence and resources to investigate and prosecute such cases.

- **ANTI-CORRUPTION BODIES:**

RECOMMENDATION 50: Investigators, prosecutors, judges dealing with cases of corruption involving VQA should be given special protection against retaliatory action and threats.

- **SUPPORT FUNDS:**

RECOMMENDATION 51: Consideration should be given to support funds for anti-corruption practitioners in difficult circumstances and similar initiatives to protect anti-corruption fighters, such as investigative journalists and other activists.

- **WHISTLE-BLOWERS:**

RECOMMENDATION 52: Whistle-blowers should be able to report corruption involving VQA through effective, confidential and secure channels, and should be encouraged to use internal disclosures (i.e., to their employer including at the highest level of senior management) or report to designated bodies, including anti-corruption authorities, relevant

civil society organizations and the media, as appropriate, and receive proper protection for doing so.

- **THREATS:**

RECOMMENDATION 53: All threats against whistle-blowers, witnesses, journalists and civil society activists, involved in pursuing cases of corruption involving vast quantities of assets should be taken seriously and protection should be granted in a timely manner by relevant authorities. In addition, protections could be extended through international, regional and bilateral channels.

RECOMMENDATION 54: Public figures should refrain from making menacing statements against investigators, prosecutors, judges, as well as whistle-blowers and witnesses, and journalists and civil society activists, particularly in cases of corruption involving vast quantities of assets.

6. POLITICAL FINANCE

- **TRANSPARENCY:**

RECOMMENDATION 55: Political finance should be transparent in line with Article 7 (3) of the UNCAC, taking into consideration the Principles on Transparency in Political Finance recommended by the expert group held in Prague in May 2019.

RECOMMENDATION 56: Any authority mandated to oversee and enforce political finance regulations should be granted the necessary powers, independence, and resources required to fulfil its role, as well as the support of other enforcement agencies, where appropriate.

RECOMMENDATION 57: Civil society and media should provide oversight over political financing and be encouraged to monitor the sources of funds, costs, and expenditures of political campaigns and parties, and they should be afforded the necessary protections to do so.

RECOMMENDATION 58: Addressing state capture, foreign funding in politics and the penetration of political parties by organized crime groups should be prioritized by national and international stakeholders.

7. SANCTIONS

- **NON-CONVICTION-BASED MEASURES**

RECOMMENDATION 59: Non-conviction-based measures should be considered to be introduced and further promoted, in particular in cases of corruption involving VQA, in line with national legislation. Foreign non-conviction-based forfeiture orders should be enforced and requesting countries should be granted MLA during the investigation phase by requested countries, in line with national legislation.

- NETWORK SANCTIONS:

RECOMMENDATION 60: Measures to address consequences of corruption, in particular when it involves VQA, may include curtailing the activities of natural and legal persons and, in order to be more effective, encompass all actors involved at national and international levels and their networks. Legal measures such as denial of entry and asset blocking or freezing in relation to corrupt individuals, enablers and beneficiaries can have a powerful deterrent effect. The more effective use of existing authorities and the development of new authorities that address human rights abuses and corruption could be further considered and analysed.

- LEGAL ENTITIES:

RECOMMENDATION 61: The legal sanctions for legal entities engaged in corruption involving vast quantities of assets should be effective, proportionate and dissuasive, and established by law.

- INVESTMENT FUNDS, INCLUDING PENSION FUNDS:

RECOMMENDATION 62: Investment funds, including pension funds, should establish mechanisms for divesting from companies where complicity in offences in relation to corruption involving VQA has been confirmed or established and where there is an unacceptable risk that they do not establish adequate prevention mechanisms.

RECOMMENDATION 63: Institutional investors, sovereign wealth funds, state investors and other investors should ask all the companies in whom they invest to report routinely on the progress of their anti-corruption efforts and to publish summaries of these efforts annually.

8. REMEDIAL ACTION

- ASSETS RECOVERED:

RECOMMENDATION 64: Assets recovered from corruption involving VQA should benefit, to the extent possible, the victims, the society and local communities that have been harmed by the corruption in accordance with principles of domestic law. Experts, civil society and grassroots organizations and the private sector should be invited to significantly participate in the decision-making process over the managing and disposition of parts of returned assets for compensation of social damage, in line with national legislation. When States decide to enter into case-specific arrangements, as foreseen in article 57 of UNCAC, such arrangements can serve to further promote the principles of UNCAC to ensure transparency, as well as the accountable use of repatriated funds for the benefit of people harmed by the corruption. Such arrangements should not in any way interfere in the domestic affairs.