



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

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Item 5 of the provisional agenda\*

### Asset recovery

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

### Note by the Secretariat

#### I. Introduction

1. In its resolution 1/4, adopted at its first session, the Conference of the States Parties to the United Nations Convention against Corruption established the Working Group on Asset Recovery. The resolution stipulated 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 established the functions of the Working Group, which 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 same 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.
4. At 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.
5. Between 2007 and 2015, the Working Group held annual meetings in Vienna.
6. The present note has been prepared to inform the Conference at its sixth session about the status of implementation of the mandate of the Working

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\* CAC/COSP/2015/1.



Group. It is aimed at assisting the Conference in its deliberations and in determining guidance and future activities for the Working Group.

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

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 Working Group has expressed its continued interest in the development of knowledge and related tools that would facilitate legislative reforms in the area of asset recovery.

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 discussed types of technical assistance relevant to asset recovery, such as capacity-building and training, gap analyses, assistance in drafting new legislation and the facilitation of the mutual legal assistance process, and has recognized the urgent and constant need to provide training.

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 has been noted.

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

#### **1. 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 portal developed by UNODC known as “Tools and Resources for Anti-Corruption Knowledge” (TRACK) (available at [www.track.unodc.org](http://www.track.unodc.org)).

13. At its meeting held in Vienna on 29 and 30 August 2013, the Working Group called upon States parties to provide regular updates on the information contained in the relevant databases of knowledge on asset recovery, and recommended further pursuing the collection and systematization of good practices and tools, including for enhancing early and spontaneous information exchange.

14. The Working Group has stressed the usefulness of the existing knowledge products of the StAR Initiative in building national capacity, and has requested the Secretariat to prepare a list of those products and to ensure their widest possible dissemination.
15. The Conference of the States Parties has urged that further study and analysis be carried out on how legal presumptions, measures to shift the burden of proof and examination of illicit enrichment frameworks facilitate the recovery of proceeds of corruption.
16. The Working Group has recommended that products such as *Stolen Asset Recovery: A Good Practices Guide for Non-Conviction Based Asset Forfeiture* be considered for the implementation of other provisions of the Convention.
17. The Conference has taken note of the Lausanne process initiative on practical guidelines for efficient asset recovery, with the support of interested States and in close collaboration with the International Centre for Asset Recovery and the StAR Initiative. In its resolution 5/3, the Conference 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, being mindful to seek to add value by building upon existing work in that area.
18. Also in resolution 5/3, the Conference encouraged States parties to share approaches and practical experience for the return of assets, consistent with article 57 of the Convention, for further dissemination through the Secretariat.
19. The Working Group has recommended that procedures for the compensation of victims should be further studied as a possible avenue for asset recovery in accordance with article 57 of the Convention.
20. The Working Group has considered that further good practices and tools relevant to the implementation of article 53 of the Convention should be collected in consultation with Member States, and has recommended that States parties should consider providing information on that issue in future meetings.

#### *Action taken*

21. The Convention against Corruption Legal Library is part of the TRACK portal. The Legal Library is an electronic repository of legislation, jurisprudence, anti-corruption strategies and institutional data from 176 States. Developed and administered by UNODC and supported by the StAR Initiative and partner organizations, the Legal Library is a repository of searchable legal information that is indexed according to each provision of the Convention. 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 being used to continuously update the information contained in the Legal Library.
22. At the request of the Working Group, a special section of the TRACK portal is dedicated to asset recovery. The section contains relevant information and links to data on asset recovery, including the legislation of 176 countries relevant to chapter V of the Convention; Asset Recovery Watch, a database developed by the StAR Initiative with information on over 225 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; a database on settlements in cases of transnational bribery, containing over 395 settlements; and the country guides for asset recovery that were prepared as part of the Action Plan on Asset Recovery of the Deauville Partnership with Arab Countries in Transition and other country-specific guides (see below), as well as *Requesting Mutual Legal Assistance in Criminal Matters from G20 Countries: A Step-by-step Guide 2012*, developed by the Group of 20 (G-20) countries.

23. 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.

24. In September 2014, the StAR Initiative published *Few and Far: The Hard Facts on Stolen Asset Recovery*. This joint study by the StAR Initiative and the Organization for Economic Cooperation and Development (OECD) involved looking at up-to-date performance data from 34 OECD countries on cases involving frozen or returned assets. The study covered the period 2010-2012, and compared progress with the period 2006-2009. One of the findings was that there has been an increase in assets frozen to 1.398 billion United States dollars during the period 2010-2012, up from 1.225 billion dollars during the period 2006-2009. Another finding was that an increasing percentage of returned assets went to developing countries. The study also contains details of the innovative methods that are increasingly used for asset seizure and recovery, such as non-conviction-based confiscation and administrative freezes.

25. In November 2014, the StAR Initiative launched *Public Wrongs, Private Actions: Civil Lawsuits to Recover Stolen Assets*. It sets out step-by-step guidance on the use of civil lawsuits and civil remedies to recover stolen assets. It lays out the various strategic, tactical and technical issues to consider when contemplating a civil lawsuit. The study also illustrates the advantages that civil claims can bring compared with pursuing only criminal proceedings. It identifies practical ways to overcome some of the potential obstacles to civil lawsuits, such as the higher cost of litigating in foreign jurisdictions and the challenges of asset tracing.<sup>1</sup>

26. The StAR Initiative and the International Centre for Asset Recovery, with input provided by UNODC, continued work on the explanatory notes to the draft guidelines for the efficient recovery of stolen assets. The draft guidelines were developed during a workshop held in Lausanne, Switzerland, from 26 to 28 January 2014, organized by the International Centre for Asset Recovery, the StAR Initiative and the Ministry of Foreign Affairs of Switzerland and were presented to the eighth session of the Working Group (CAC/COSP/WG.2/2014/CRP.4).

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<sup>1</sup> A list of available materials and tools developed by the StAR Initiative is available at <http://star.worldbank.org/star>.

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

27. 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*

28. The Secretariat continued its work on the redevelopment of the Mutual Legal Assistance Request Writer Tool in an effort to make it more user-friendly, expand its functionality, and integrate asset recovery features and a digital evidence module. The beta version of the tool supports a wide range of platforms and has a new, modern user interface. The tool will also import information from the directory of competent national authorities. In that context, an informal expert group meeting on UNODC tools on mutual legal assistance was held in Vienna on 13 and 14 May 2015, in order to discuss new functionalities and future directions of the tool. The revised text of the tool is currently being adjusted and will be finalized during the next informal expert group meeting, to be held in October 2015. A pilot phase to test the implementation of the final version of the tool will take place in early 2016.

29. 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 comprehensive 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 supported by the International Criminal Police Organization (INTERPOL) and the StAR Initiative.

## 3. Analytical study of asset recovery cases

30. 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 encouraged Member States to contribute to the work of the Secretariat and provide information on both successful and unsuccessful cases.

### *Action taken*

31. In August 2015, UNODC published the *Digest of Asset Recovery Cases*, an analysis of cases related to the recovery of proceeds of corruption submitted by States parties pursuant to a call for contributions by the secretariat and taken from the Asset Recovery Watch database (for more information on the *Digest*, see CAC/COSP/WG.2/2015/3). It provides factual examples of how the mechanisms for asset recovery and international cooperation have been applied and how well they have functioned in actual situations over past decades. In the *Digest*, the cases are organized into thematic sections that follow the structure of the Convention, and each section concludes with a summary for policymakers and practitioners drawn from the cases examined.

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

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

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

##### *Action taken*

34. All tools and knowledge products developed by UNODC and the StAR Initiative are made available on the Internet or presented at events. TRACK, including the Legal Library, is a web-based portal, which ensures its accessibility. From 1 January to 18 August 2015, the TRACK database had 12,153 visits and 8,883 unique visitors, who recorded 32,107 page views. For the StAR Initiative website, over 114,000 site visits were recorded between July 2012 and June 2013, over 146,000 between July 2013 and May 2014, and over 240,000 between June 2014 and August 2015.

35. The StAR Initiative disseminates knowledge products through expert group meetings, training workshops and regional conferences, as well as through press outreach and interviews, social media, blogs and a range of advocacy activities with government departments, embassies, academic institutions, civil society organizations, private sector companies and others. The knowledge products are made available on the StAR Initiative and UNODC websites, and their translation into other languages is actively pursued. Specifically, during the reporting period, the *Asset Recovery Handbook: A Guide for Practitioners* and *A Good Practice Guide for Non-Conviction Based Asset Forfeiture* became available in Chinese. *Barriers to Asset Recovery: An Analysis of the Key Barriers and Recommendations for Action* became available in Spanish and Arabic. *The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It* became available in Arabic, French and Spanish. *On the Take: Criminalizing Illicit Enrichment to Fight Corruption and Public Office, Private Interests: Accountability through Income and Asset Disclosure* became available in French. These activities have attracted a high degree of interest and contributed to the considerable success of the publications globally.

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

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

*Action taken*

37. 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 against money-laundering and the financing of terrorism, including by strengthening financial intelligence units, analysing financial information and developing financial intelligence, as well as investigating money-laundering, disrupting illicit financial flows and combating cash smuggling.

38. UNODC and the StAR Initiative were active within the G-20 Anti-Corruption Working Group.

39. Additionally, the UNODC Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism and the StAR Initiative have close working relationships with the Financial Action Task Force.

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

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

*Action taken*

41. The Secretariat continued 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. In December 2014, the Russian Federation and the Secretariat conducted a training session in preparation for the second cycle of the Implementation Review Mechanism, with the focus on chapter V (Asset recovery) of the Convention. Focal points and experts from countries in the Group of African States, the Group of Asia-Pacific States and the Group of Eastern European States participated in the workshop, which covered both substantive and methodological aspects of the review process. During the workshop, practical exercises on the revised draft of the comprehensive self-assessment checklist on chapter V were undertaken by the participants. The revised draft of the comprehensive self-assessment checklist for the review of chapters II and V of the Convention was made available in all the official languages of the United Nations to the sixth session of the Implementation Review Group for discussion (CAC/COSP/IRG/2015/CRP.1).

**7. Gathering of information on legal frameworks and procedures relevant to asset recovery**

42. The Conference, in its resolution 5/3, and the Working Group, at its meeting held in Vienna on 11 and 12 September 2014, 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.

*Action taken*

43. The Secretariat circulated on 29 August 2014 a note verbale seeking from all States parties and signatories information on their legal frameworks and procedures relevant to asset recovery, which should take the form of a practical guide. The responses received have been posted, in addition to the guides developed as part of the Action Plan on Asset Recovery of the Deauville Partnership with Arab Countries in Transition, on the TRACK portal (<https://track.unodc.org/assetrecovery/Pages/CountryGuides.aspx>).

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

44. 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”.

45. The Working Group has recommended that further information should be collected regarding such cooperation in order to identify the scope of assistance that could be provided in relation to those civil and administrative proceedings.

*Action taken*

46. On 21 March 2014, the Secretariat circulated a note verbale asking all States parties and signatories to provide information on such mutual legal assistance. A report on the information received was submitted to the open-ended intergovernmental expert meeting to enhance international cooperation under the Convention against Corruption held in Vienna on 9 and 10 October 2014 (CAC/COSP/EG.1/2014/2).

47. On 3 July 2015, the Secretariat circulated a note verbale asking all States parties and signatories to the Convention that had not yet responded to the request for information on mutual legal assistance to provide such information. The note verbale also contained a request for updates on information already provided. A report on the subject will be presented to the open-ended intergovernmental expert meeting to enhance international cooperation under the Convention to be held on 2 and 3 November 2015.

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

48. 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 with regard to 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 both that resolution and other Conference resolutions on asset recovery.

*Action taken*

49. On 14 May 2014, the Secretariat circulated 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 ([www.unodc.org/unodc/en/treaties/CAC/working-group2-meeting8.html](http://www.unodc.org/unodc/en/treaties/CAC/working-group2-meeting8.html)).

**10. 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**

50. 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 addressing the administration of seized assets, and to consider developing non-binding guidelines on that issue.

*Action taken*

51. In early 2014, UNODC started to work with the Region of Calabria, Italy, in the field of managing, using and disposing of seized and confiscated assets. The aim of that initiative is to identify good practices with a view to developing relevant tools and guidelines on the administration of seized and confiscated assets, both at the domestic level and within the context of international asset recovery cases.

52. At an expert group meeting held in April 2014, a set of findings and recommendations were produced on how to advance the work and thinking of the international community in the areas of: (a) international cooperation in identifying, seizing and confiscating criminal assets, particularly those 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 outcomes of the meeting (contained in CAC/COSP/WG.2/2014/CRP.1) reaffirmed that the management of assets recovered and returned in line with the requirements of chapter V of the Convention constituted a crucial topic for a large number of countries.

53. Based on some of the challenges identified at the above-mentioned meeting, UNODC organized an expert group meeting, held in Vienna from 7 to 9 September 2015, that involved experts from about 30 countries, the StAR Initiative, the International Centre for Asset Recovery and the Organization of American States to discuss issues such as: (a) the recognition of non-conviction-based seizure and confiscation orders and asset management orders issued by foreign courts; (b) measures to maintain the value of seized and confiscated assets; (c) institutional frameworks and specialized agencies dedicated to the management of seized and confiscated assets; (d) the concept of social reuse — successes and challenges; (e) the creation of operational databases to support the management and disposal of seized assets; (f) innovative approaches to the disposal and/or use of seized assets; (g) the creation of multi-stakeholder partnerships around the management and disposal of seized and confiscated assets; and (h) training needs and training programmes for various stakeholders involved in the management of seized and confiscated assets. As an outcome, a compilation of national experiences and good practices in those fields will be developed to help those tasked with designing

policy frameworks and with the management of such assets in learning from these experiences and avoiding and/or managing some of the risks and liabilities involved.

54. Building on earlier reflections, such as those by the StAR Initiative, the Financial Action Task Force, the International Centre for Asset Recovery, and in the context of the process launched at the expert group meeting held in April 2014, UNODC, in partnership with the International Centre for Asset Recovery, is planning to hold a meeting in the first quarter of 2016 to explore the demand for and feasibility of developing basic principles for the management and disposal of recovered and returned assets in line with article 57 of the Convention, for the consideration of the Conference. It is expected that a concluding document will serve as the basis for wider consultation with a greater number of States parties and practitioners with a view to informing possible further discussions, if States parties should consider that beneficial, within the context of the Conference and its relevant subsidiary bodies, in particular the Working Group on Asset Recovery.

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

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

55. 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.

56. 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.

57. 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.

58. 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.

59. 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*

60. As at 18 August 2015, 112 States parties had notified the Secretariat of their designated central authorities.

61. As at 18 August 2015, 65 States had notified the Secretariat of their designated asset recovery focal points in accordance with the recommendations of the Working Group and the Conference. The online directory of designated central authorities and asset recovery focal points is available at [www.unodc.org/compath\\_uncac](http://www.unodc.org/compath_uncac).

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 integrating the directory of competent national authorities into the knowledge management portal known as Sharing Electronic Resources and Laws on Crime (SHERLOC). The integration is in its final stages and is expected to be finalized by the end of 2015.

63. The Global Focal Point Initiative, supported by INTERPOL and the StAR Initiative, 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 purposes of identifying, tracing, freezing and ultimately recovering the proceeds of corruption and economic crime. Focal points can exchange information and technical knowledge on corruption and asset recovery through the secure communication system I-SECOM, which is connected to the INTERPOL I-24/7 secure communication network. Currently, 196 dedicated focal points representing 108 countries are participating in the platform. The fifth annual general meeting of the Initiative was held in Vienna on 9 and 10 September 2014. The meeting brought together over 170 corruption investigators and prosecutors from 79 countries, and addressed topics such as asset recovery in the cyber era, protection of the value of seized and confiscated assets, plea bargaining, parallel investigations and joint investigative teams. The sixth annual general meeting will be held in New Delhi from 17 to 19 November 2015.

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:

(a) The Asset Recovery Network of the Financial Action Task Force of Latin America against Money-Laundering, which comprises 16 countries, held its twelfth meeting of focal points in Brasília from 4 to 8 November 2014 and its biannual meeting in Asunción from 5 to 7 May 2015. The StAR Initiative completed a guide for international cooperation in asset recovery, which includes multilateral and bilateral treaties and recommendations on how to structure an effective strategy on international cooperation for asset recovery. An anti-corruption workshop for the Asset Recovery Network of the Financial Action Task Force of Latin America against Money-Laundering was held in Buenos Aires from 26 to 31 July 2015;

(b) The Asset Recovery Inter-Agency Network for Eastern Africa, composed of eight countries, held its first annual general meeting in Nairobi from 17 to 19 November 2014. The Steering Committee met on 1 and 2 June 2015 in Kampala;

(c) The Asset Recovery Inter-Agency Network for Asia and the Pacific held asset recovery training workshops in October 2014 and June 2015, and its Steering Group meeting was held in Sydney, Australia, on 4 and 5 March 2015;

(d) The Asset Recovery Inter-Agency Network of Southern Africa held prosecutor placement workshops in 2014 and 2015, and its annual general meeting was held in Pretoria on 2 and 3 July 2015;

(e) The UNODC Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism organized a regional workshop that was held in Accra from 24 to 27 November 2014, at which the Asset Recovery Inter-Agency Network for West Africa was officially established;

(f) The StAR Initiative holds an observer position in the Camden Inter-Agency Network on Asset Recovery and attended the Network's annual meeting held in Santiago de Compostela, Spain, from 14 to 18 October 2014.

65. In a number of instances, the StAR Initiative has been approached by States parties requesting the facilitation of contacts and case meetings in other jurisdictions on an ad hoc basis.

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

66. 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*

67. UNODC works closely with and supports the activities of the International Association of Anti-Corruption Authorities and participates in its Executive Committee. The Rule of Law and Anti-Corruption Centre in Qatar has assumed the secretariat functions of the Association since June 2015. The eighth annual conference and general meeting of the Association is to be held back to back with the sixth session of the Conference of the States Parties in St. Petersburg, Russian Federation, in November 2015.

68. 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 its principles for information exchange between financial intelligence units.

## **3. Cooperation with the private sector**

69. 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*

70. UNODC has continued its cooperation with the private sector on a wide range of anti-corruption matters, including in the context of its cooperation with OECD, the United Nations Global Compact and the World Economic Forum, and its projects under the Siemens Integrity Initiative (see CAC/COSP/2015/9).

71. Within the Business-20 (B-20) Anti-Corruption Working Group, 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. The business community has asked the G-20 Anti-Corruption Working Group to focus in particular on beneficial ownership, public procurement, voluntary self-reporting and capacity-building in public office.

#### **4. 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 States in the Middle East and North Africa, as well as other requesting States.

*Action taken*

74. UNODC and the StAR Initiative actively engage in advocacy in a number of international forums to strengthen political will, including the Anti-Corruption and Transparency Working Group of Asia-Pacific Economic Cooperation, INTERPOL, the European Union and Eurojust, the Group of Seven (G-7), the G-20 Anti-Corruption Working Group and the World Economic Forum, in particular its Partnering Against Corruption Initiative. The StAR Initiative also supports the Arab Forum on Asset Recovery.

75. The StAR Initiative and UNODC continued to raise awareness about the importance of the ratification and full implementation of the Convention, as well as about asset recovery, as observers at the meetings of the G-20 Anti-Corruption Working Group. In particular, the StAR Initiative and UNODC actively participated in the development of the G-20 Anti-Corruption Action Plan for the period 2015-2016, in which the leaders of the G-20 reiterated their commitment to ratifying and implementing the Convention, criminalizing foreign bribery and

cooperating with other countries to investigate, prosecute and return the proceeds of corruption. Further, the StAR Initiative and UNODC actively participated in the development of the G-20 Anti-Corruption Implementation Plan for the period 2015/2016, which sets out actions to be taken and anticipated deliverables.

76. The StAR Initiative and UNODC contributed to the development of the G-20 High-Level Principles on Beneficial Ownership Transparency, one of the priorities under the Australian Presidency of the Anti-Corruption Working Group. The Principles were adopted by G-20 leaders at their summit in Brisbane, Australia, in November 2014.

77. Through the World Bank's observer status, the StAR Initiative has continued its close working relationship with the Financial Action Task Force, participating in its meetings held three times a year. The StAR Initiative is active within relevant working groups, in particular the policy development group of the Financial Action Task Force. As a result of this ongoing participation, in 2014, the Financial Action Task Force issued "Guidance on transparency and beneficial ownership", which contains guidance on how countries can implement the Financial Action Task Force Recommendations related to transparency of beneficial ownership of legal persons and legal arrangements (recommendations 24 and 25 and others). In the Recommendations, countries are called upon to take specific measures that closely echo the recommendations contained in *The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It*, a report issued by the StAR Initiative in 2011. The UNODC Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism has continued its close working relationship with the Financial Action Task Force and, as co-chair of the Financial Action Task Force typologies working group on illicit financial flows deriving from the trafficking in opiates originating in Afghanistan, finalized a report on the subject in June 2014.

78. The StAR Initiative participated in the third meeting of the Expert Working Group on the Identification, Location and Seizure of Assets, organized by INTERPOL in Berlin on 11 and 12 May 2015 to discuss, finalize and adopt the main features and elements of a new specific INTERPOL notice for international investigations into corruption and financial matters. This "gold notice" will be presented to the next INTERPOL general assembly for consideration and adoption.

79. The third meeting of the Arab Forum on Asset Recovery was held in Geneva from 1 to 3 November 2014. It was hosted by the Government of Switzerland, with support from the StAR Initiative, and co-chaired by Egypt and Tunisia. In parallel, the International Centre on Asset Recovery and Transparency International organized, in close coordination with the organizers of the third meeting of the Arab Forum on Asset Recovery, a side event for international and local civil society, focused on the role of civil society organizations in the asset recovery process. The Forum structured its work along three work streams. The first, "Using innovative asset recovery tools", included discussions on asset recovery strategies and institutional set-ups, administrative freezes, civil remedies and action proposals for civil society organizations and Governments. The second, "Lifting the corporate veil", addressed the investigation of shell companies, trusts and beneficial owners, cooperation with financial centres on beneficial ownership, the role of the private sector in accessing beneficial ownership information and mutual legal assistance requests in the contexts of different legal traditions. The third focused on ways to

use financial intelligence unit channels more effectively. As a contribution to the material of the Arab Forum on Asset Recovery, several countries published asset recovery guides to provide assistance to investigators in obtaining beneficial ownership information.

80. Germany, as chair of the G-7 in 2015, organized a special session in Tunis from 18 to 22 May 2015 for the exchange of technical and tactical information. The special session was divided into two parts: one focused on technical presentations and capacity-building, and the second was a country-specific part for Tunisia that included discussions on its ongoing challenges in asset recovery efforts. Following the offer of Qatar to host the fourth meeting of the Arab Forum on Asset Recovery in Doha from 8 to 10 December 2015, the StAR Initiative continued to work with Germany, Qatar and other partner countries to prepare for the upcoming session.

81. At the third biennial meeting of the World Bank Group's International Corruption Hunters Alliance, held in Washington, D.C., from 8 to 10 December 2014, illicit financial flows and stolen assets were on the agenda both in the plenary and during the side sessions led by the StAR Initiative.

82. UNODC participated actively in the system-wide work on the sustainable development goals, including in the specific language for goal 16 relating to illicit financial flows, corruption and transparent and accountable institutions (targets 16.4, 16.5 and 16.6). In particular, one of the targets under goal 16 is to significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime by 2030 (see A/68/970 and Corr.1). The StAR Initiative and UNODC also participated in the Third International Conference on Financing for Development, held in Addis Ababa from 13 to 16 July 2015, and co-hosted (with OECD, the World Bank and the Governments of Sweden and the United Kingdom of Great Britain and Northern Ireland), a high-level panel discussion on multi-stakeholder partnerships and policy coherence with regard to illicit financial flows. The Conference adopted the Addis Ababa Action Agenda (General Assembly resolution 69/313, annex), in which it urged countries that had not yet done so to ratify or accede to the Convention against Corruption, and committed to making the Convention an effective instrument to deter, detect, prevent and counter corruption, and recover and return stolen assets to their country of origin. It encouraged the international community to develop good practices on asset return, and expressed support for the StAR Initiative and other initiatives supporting asset recovery. In addition, the Conference invited the United Nations, the World Bank and the International Monetary Fund to assist both source and destination countries in helping to combat illicit financial flows.

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

83. 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.

84. The Working Group has also emphasized the importance of strengthening the capacity of legislators, law enforcement officials, judges and prosecutors on relevant matters and has stressed the need for specialized training and capacity-building activities and the importance of granting sufficient resources to UNODC and other relevant assistance providers. In addition to activities such as seminars and training courses, the Working Group has encouraged the Secretariat to organize training sessions using innovative technology such as electronic learning programmes.

85. 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.

86. 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. It has also 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.

87. 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.

88. 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 the 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*

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

90. UNODC, including through the StAR Initiative, continued to provide demand-driven, country-specific assistance to States in their asset recovery efforts.<sup>2</sup> During the reporting period, 27 countries, two asset recovery forums and two regional networks received such assistance through the StAR Initiative, and new requests were received from three countries. Country assistance constituted approximately 60 per cent of the activities of the StAR Initiative. Such assistance

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<sup>2</sup> The country assistance projects referred to in this section of the document are examples, bearing in mind the confidential nature of some such assistance.

covered a range of areas, including tactical analysis the establishment of asset recovery strategies, financial investigation techniques, asset disclosure processes, forensic audit procedures, case management advice and the facilitation of contacts with other jurisdictions. The assistance entailed both generic capacity-building activities and targeted, case-related activities. StAR Initiative activities include more traditional training workshops as well as the placement of mentors, the involvement of foreign practitioners and the practical facilitation of contacts, both domestically and internationally.

91. The StAR Initiative supported the enactment and implementation of non-conviction-based forfeiture in Central America. In El Salvador, the StAR Initiative provided capacity-building training to enable a new law on non-conviction-based forfeiture to be used. The StAR Initiative has also supported Costa Rica in fine-tuning and further developing its non-conviction-based forfeiture law, which was developed with the assistance of the StAR Initiative in 2013. At the regional level, an exchange meeting of experts on the methodology of mock trials on non-conviction-based forfeiture was held in Bogotá in April 2015.

92. A regional workshop on investigative techniques for transnational corruption offences was held in Tehran on 3 and 4 March 2015, with technical support provided by the Corruption and Economic Crime Branch of UNODC. Senior practitioners from Afghanistan, Iran (Islamic Republic of), Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan and Turkmenistan attended the event.

93. A three-day regional workshop on investigating, prosecuting and adjudicating money-laundering cases was held in Dakar from 8 to 12 March 2015. The simulation exercise was attended by 25 prosecutors and investigative judges from Burkina Faso, Côte d'Ivoire, Guinea-Bissau, the Niger and Senegal.

94. The StAR Initiative is assisting the national authorities in Botswana to strengthen the institutional, operational and legal environment for asset recovery by enhancing expertise and training trainers for the country, in accordance with a prioritized training needs assessment developed by the Initiative, in consultation with domestic authorities and as part of a multi-module training-of-trainers curriculum.

95. In Mongolia, the StAR Initiative conducted a number of activities to build the asset recovery capacities of the authorities. Those services included training of officials in carrying out mutual legal assistance, assistance in drafting mutual legal assistance requests, drafting of a best practice guide on mutual legal assistance and facilitation of contacts with other jurisdictions. Three training courses were held in October 2014. Further, in March 2015, advisory services were delivered to the Independent Authority against Corruption of Mongolia to enhance the effectiveness of the asset declaration and conflict of interest system through the use of electronic tools. A training programme was held from 1 to 5 June 2015 on investigating and proving corruption and money-laundering offences through effective international cooperation.

96. In Tunisia, UNODC continued to assist authorities in strengthening their capacities on asset recovery. Two training courses for Tunisian judges on financial investigations in support of asset recovery were held in June and October 2014. Further, UNODC organized a train-the-trainers workshop on financial investigations and assisted three Tunisian judges from the Higher Institute of Magistrates in the

drafting of a related module, in January 2015. UNODC also assisted national authorities in preparing a guide on financial investigations for Tunisian practitioners.

97. In close coordination with UNODC activities, the StAR Initiative continued capacity-building for Tunisian judges, prosecutors, members of the financial intelligence unit and police officials. This contributed to a number of accomplishments, including bringing about an innovative legal judgement on money-laundering, which, for the first time, relied upon circumstantial evidence to prove an offence. Joint UNODC/StAR Initiative training workshops were held in January 2014 and January 2015. Further, the StAR Initiative assisted in the drafting of mutual legal assistance requests and facilitated contacts on specific cases.

98. In Uganda, a training course was held in May 2015 for 29 judges (from the Court of Appeal and High Court) and magistrates. The Judicial Studies Institute of Uganda co-sponsored the training. A focus of the event was on the application of the new Anti-Money-Laundering Act (2013) and the extensive asset recovery provisions of the Anti-Corruption Act. Further planned activities include support to the Director of Public Prosecutions and assistance in a multi-agency effort to reform the asset declaration system. Further, the StAR Initiative provided case assistance and case-related training activities.

99. In Moldova, the StAR Initiative provided capacity-building and technical assistance to the authorities following the passing of new legislation on illicit enrichment. In addition, the StAR Initiative worked with the authorities as part of a broader World Bank supervision team to improve their asset declaration systems and processes.

100. In the United Republic of Tanzania, assistance was provided across a number of areas. In 2014, the StAR Initiative assisted in the development of a strategic plan by the Asset Forfeiture and Recovery Section in the Department of Public Prosecution to support the successful investigation and prosecution of asset recovery cases. A mentor under the StAR Initiative began her work advising the section on the implementation of the strategic plan. Additional ad hoc assistance was given in advising on cases and in reviewing a draft law on non-conviction-based forfeiture. In 2015, the StAR Initiative further provided capacity-building for the judiciary on asset recovery matters, to support the efforts of the United Republic of Tanzania throughout the asset recovery process.

101. The StAR Initiative uses multilateral events as opportunities to organize bilateral and multijurisdictional case meetings. On the margins of the fifth annual meeting of the Global Focal Point Initiative, supported by INTERPOL and the StAR Initiative, 23 bilateral formal consultations were facilitated with officials from a range of countries to discuss pending or upcoming cases, in addition to a significant number of informal bilateral discussions. Also at the meetings of the regional networks mentioned above, the StAR Initiative brokered meetings between regional officials on active cases. During the third meeting of the Arab Forum on Asset Recovery, more than 70 bilateral meetings were facilitated.

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

102. The Conference 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 Conference may wish to explore how the gathering of relevant information for the preparation of such guidance and the completion of the comprehensive self-assessment checklist can be mutually reinforcing.

103. The Conference may wish to further discuss the issue of international cooperation in civil and administrative proceedings for the identification, freezing and confiscation of assets, including through mutual legal assistance in accordance with the Conference of the States Parties resolution 5/3, and procedures for the compensation of victims as a possible avenue for asset recovery in accordance with article 57 of the Convention.

104. With regard to the need to enhance cumulative knowledge on asset recovery, the Conference may wish to provide guidance on areas where further knowledge products could be developed.

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

106. The Conference may also wish to consider further exploring the good practices that States have applied in the management and disposal of seized, frozen and confiscated assets, with a view to further strengthening international cooperation in asset recovery and return.

107. The Conference may further wish to provide guidance on actions to be taken to ensure the early preparations for the second cycle of the Mechanism for the Review of Implementation of the Convention.

108. The Conference may wish to welcome the high priority given to asset recovery and the significant reduction of illicit financial flows in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. In that context, it may wish to identify further measures to explore the linkages between asset recovery, the fight against illicit financial flows and sustainable development.

109. The Conference may also wish to call on States parties to support the proposal to prioritize asset recovery and the significant reduction of illicit financial flows as part of the new sustainable development agenda.