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Agenda item 2

**Review of implementation of the United Nations
Convention against Corruption**

Executive summary: North Macedonia

Note by the Secretariat

The present conference room paper is being made available to the Implementation Review Group in accordance with paragraph 36 of the terms of reference of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption (Conference of the States Parties resolution 3/1, annex). The summary contained herein corresponds to a country review conducted in the second year of the second review cycle.



II. Executive summary¹

North Macedonia²

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

North Macedonia signed the Convention on 18 August 2005 and ratified it on 13 April 2007.

North Macedonia is a unitary State with a parliamentary governance structure. The constitutional organization of power is based on its division into legislative, executive and judicial.

The main legislation for corruption prevention and asset recovery includes the Law on Prevention of Corruption (LPC, 2002), the Law on Prevention of Conflict of Interest (LPCI, 2009), the Law on Public Sector Employees (LPSE), the Law on Administrative Servants (LAS), the Criminal Code (CC), the Criminal Procedure Code (CPC), the Law on Prevention of Money Laundering and Financing of Terrorism (AML Law), the Law on Management of Confiscated Property, Proceeds and Objects Seized in Criminal and Misdemeanour Procedure, and the Law on International Cooperation in Criminal Matters. In addition, the Convention may be directly applied.

The key institutions in corruption prevention and asset recovery include the State Commission for Prevention of Corruption (SCPC), the Public Prosecutor's Office (PPO), the courts, the State Audit Office (SAO), the Anti-Corruption Unit of the Ministry of Interior (MOI), the Financial Police Administration of the Ministry of Finance (MOF), the Anti-corruption Department of the Public Revenue Office (PRO), the Integrity Department of the Customs Administration (CA), and the Financial Intelligence Office (FIO).

2. Chapter II: preventive measures

2.1. Observations on the implementation of the articles under review

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

Under the overarching legal framework based on the LPC and the LPCI, the State Programme for Prevention and Suppression of Corruption and the State Programme for Prevention and Reduction of Conflict of Interest, originally separate but later combined, have been adopted as a national anti-corruption strategy. Corresponding action plans were constantly formulated to implement these State Programmes. The latest State Programme (2016–2019), in maintaining a continuity with previous programmes, has established fundamental strategic anti-corruption goals. New amendments to the LPC have been proposed and would be adopted soon.³

The SCPC, as an autonomous and independent national body, is assigned a variety of preventive and repressive functions against corruption, including monitoring and promoting the implementation of the State Programmes (Art. 49 LPC, and Art. 21 LPCI). The SCPC has taken measures on a broad scope of issues for the prevention of corruption. The Commission publishes periodic assessment reports on implementation of these measures and activities pursuant to the State Programme. In addition, it conducts proofing of legislation regarding corruption risks, which has

¹ This review refers to the implementation status by September 2018.

² The State was previously referred to as “the former Yugoslav Republic of Macedonia” within the United Nations. The amendments to the Constitution on 11 January 2019, in particular the change of the country name, do not have retroactive effect.

³ The authorities of North Macedonia reported that the Law on Prevention of Corruption and Conflict of Interest was adopted on 17 January 2019 which replaced the LPC and the LPCI, and the new law would be applicable in relation to Chapter II of the Convention.

been facilitated by mandatory obligations on other government bodies to submit draft legislation to the SCPC for such review. The SCPC strives to cooperate with other national bodies and ensure public participation in the fight against corruption.

The seven members of the SCPC are appointed and can be dismissed by the National Assembly, subject to a 4-year term with the possibility of reappointment for another term. Though the budget allocated to the SCPC is steadily increasing, its financial and human resources remain insufficient as the mandate of the Commission constantly expands. Shortage of specialized training for SCPC employees is also identified. At the time of the country visit, the SCPC was dysfunctional due to collective resignation of its members.⁴

North Macedonia participates in the Regional Anti-Corruption Initiative (RAI), and Ethics and Integrity Network of Regional School of Public Administration. The SCPC has also established cooperation with foreign anti-corruption authorities and maintains partnerships with several international or regional organizations, such as the European Union (EU), Organization for Economic Cooperation and Development (OECD) and Organization for Security and Cooperation in Europe (OSCE), on corruption prevention issues.

SCPC is the designated preventive authority under art. 6 (3) of the Convention.

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

The LPSE, the LAS and relevant secondary legislation regulate procedures on recruitment, retention, and retirement of public sector employees and administrative servants. The integrity of public sector is stipulated in the LPSE (Art. 9) and trainings against corruption are regularly provided to public officials.

Recruitment of public sector employees must be conducted through transparent, fair and competitive selection procedure, including by announcing vacancies publicly and using open competition (Arts. 5 and 6, LPSE). Rules on mobility and rotation of positions are in place under the LPSE (Ch. VII). Remuneration for public sector employees is calculated by points system. Similar recruitment rules apply to administrative servants, including civil servants, where the Agency of Administration (AA) is designated to be the main recruitment authority. Unsuccessful candidates for positions of administrative servants can appeal to the AA, and further to the competent courts (Art. 19, LAS). Nevertheless, no appeal mechanism regarding the recruitment of other categories of public officials was reported.

Additional measures for selection and retention are available for certain categories of officials, such as Police, Financial Police and CA. However, there is no clear definition or reference regarding public positions that may be vulnerable to corruption.

Criteria for elected public officials and financing of elections are governed by the Electoral Code (EC) which also prescribes rules on financial reporting and auditing (Art. 85). Election campaigns are subject to financing ceiling of 3,000 Euro and 30,000 Euro on donations from each individual and each legal entity respectively (Art.83, EC). Penalties and misdemeanour procedure may be applied (Ch. XIV, EC). The Law on Financing of Political Parties also regulates the procedure for providing and disposing funds for activities of the political parties, including relevant reporting requirements.

Preventing conflicts of interest is envisaged in the LPCI, according to which every public official is required to submit a statement on conflicts of interest at the beginning of the service and when changes occur, subject to further verifications by the SCPC (Art. 20 a-e). The procedure of deciding the existence of a conflict of

⁴ The authorities of North Macedonia reported that the members of the SCPC were appointed on 8 February 2019.

interest is initiated by the SCPC, and disciplinary and other measures can be taken in case of violations (Art. 23, LPCI).

Ethical codes and codes of conduct for all categories of public officials have been adopted to promote integrity, honesty and responsibility. These include not only general codes for high-level officials and administrative servants, but also sector-specific codes taking into account various corruption risks. However, some codes are not enforceable.

The Law on Whistleblower Protection (LWP) aims to provide for a wide range of protections for reporting persons, including reporting by public officials. Specialized hotlines for reporting are in place and authorized persons have been designated in the public-sector entities to receive reports on irregularities and corruption conduct (Art. 50, Law on Public Internal Financial Control; Arts. 4, 5, LWP). Suspicions of corruption may also be reported directly to the SCPC, including anonymously.

North Macedonia has an asset declaration system for elected and appointed officials, responsible persons in public entities dealing with State funds, and officials in State bodies and municipal administrations, including judges and prosecutors. The obligated personnel are required to submit asset declarations to designated offices upon taking and leaving office and whenever a change in assets occurs that exceeds twenty average salaries (Arts. 33, 33-a, 34, LPC). The declarations are checked by the SCPC on a random basis and when processing concrete cases with allegations of corruption. The asset declarations submitted by elected and appointed persons to the SCPC are open to the public on SCPC's website www.dksk.mk (Art.35, LPC). Measures have also been undertaken for SCPC to connect to the national interoperability system. A software for electronic filing of asset declarations will be put in place in the future. Misdemeanour procedure in relation to asset declarations can be applied in non-compliance cases (Art. 36, LPC). Acceptance of gifts is generally prohibited for public officials, with exceptions on low-value protocol and occasional gifts (Art. 30, LPC; Art. 73, LAS).

The independence of the judiciary is established in the Constitution (Art. 98). The organization of courts, selection and dismissal of judges are governed by the Law on Courts (LOC) and the Law on Judicial Council (LJC). The courts make use of professional as well as lay judges (Part III, LOC). A Code of Judicial Ethics was adopted in 2014. The independent National Judicial Council may apply disciplinary and other measures against judges (Art. 78, LOC; Art. 60-a, LJC). In addition, the LOC provides for rules on prohibition of gifts (Art. 58), case assignment and distribution (Art. 7).

The PPO is an autonomous body (Art. 106, Constitution). The organization of the PPO, including selection and dismissal of prosecutors, is regulated by the Law on the Public Prosecution Office. The competence of the Council of Public Prosecutors responsible for ensuring the autonomy of public prosecutors in carrying out their functions is governed by the Law on Council of Public Prosecutors. A new Code of Ethics for Public Prosecutors entered into force in 2014, according to which an Ethical Council was established to monitor compliance with the Code (Art. 24 of the Code).

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

Public procurement is decentralized and regulated by the Law on Public Procurement (LPP).⁵ The LPP provides for clear rules on various types of contract award procedures, including open procedure (Ch. V). The contracting authorities are required to publish the contract invitation through the Electronic System for Public Procurement and the Official Gazette, except in negotiated procedure without prior publication of a notice (Art. 53, LPP). Reasonable time is established for preparation and submission of tenders under different procurement procedures (Ch. V). The

⁵ The authorities of North Macedonia indicated that a revised Law on Public Procurement was adopted on 28 January 2019, and the amended provisions would be applicable in relation to article 9 of the Convention.

contract is generally awarded to the most economically advantageous or the lowest priced tender (Art. 160). It is mandatory to notify the award decision to all tenderers, including refusal reasons for the non-selected parties (Arts. 167 and 168).

The State Appeals Commission is a specialized and independent authority assigned to review public procurement award procedures (Arts. 200 and 201, LPP). An aggrieved party having relevant legal interest or the State attorney may appeal to the Commission (Art. 207, LPP). The Commission may suspend the procurement process and its decisions are subject to review by administrative courts (Arts. 217 and 230, LPP).

The Public Procurement Bureau is mainly designated to supervise the public procurement process, including undertaking trainings for procurement staff. The key personnel in each public procurement commission of the contracting authorities bear the obligation to submit a declaration on conflicts of interest which may lead to potential recusals (Art. 62, LPP). Additionally, contracting parties are forbidden to hire persons previously involved in the tender evaluation (Art. 63, LPP).

The procedure for preparation and adoption of the budget is provided in the Organic Budget Law (OBL). The MOF is responsible for coordinating policies on the public internal control, including organizing trainings and meetings to help governmental agencies cope with risks identified. Risk management system is also put in place in most of the government agencies. The OBL and the Law on Reporting and Recording Liabilities set out rules on timely reporting on revenue and expenditure.

The SAO has the authority to conduct audit on financial reports and transactions relating to government expenditures (Arts. 3, 18 and 19, State Audit Law). The head of each public-sector entity is obliged to appoint a person responsible for reporting on irregularities and to take necessary actions against irregularities and fraud, subject to fines in case of failures (Arts. 50 and 54, Law on Public Internal Financial Control).

The different periods of keeping accounting books and records are specified in the Law on Accountancy of the Budget and the Budget Beneficiaries (Arts. 10 and 13). The falsification of data and documents is criminalized under article 280 of the CC.

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

Free access to information is enshrined in the Constitution (Art. 16) and regulated by the Law on Free Access to Information of Public Character (LFAI). Access may be refused on grounds provided by article 6 of the LFAI. These grounds were considered to be too wide and the compulsory harm test foreseen under this article may not sufficiently limit the discretion to reject access to information. If a request for information is refused, an appeal can be made to the Commission for Protection of the Right to Free Access to Public Information, and then to the Administrative Court (Arts. 28 and 35, LFAI).

North Macedonia adopted an Open Government Partnership National Action Plan 2018–2020. The public institutions are required to inform the public of various information and designate personnel in dealing with relevant requests, otherwise the responsible persons may be subject to fines (Art. 39, LFAI). The prevention of access to a public information system is also criminalized (Art. 149-a, CC).

The Ministry of Information Society and Administration has compiled an initial database of administrative services, with a view to enhancing future administrative simplification for public access to information and government service delivery. Information concerning corruption risks is regularly published by several institutions.

Public consultation on draft legislation is mandatory, where the draft report and legislation text must be published on the Single National Electronic Register of Regulations. Civil society organizations (CSO) have taken an active part in preparation and implementation of anti-corruption policies and measures. The SCPC also signed memoranda of cooperation for the prevention of corruption and conflict of interest with many CSOs. There are nationwide projects for primary and

secondary schools and individual projects for tertiary schools on anti-corruption education.

Anyone can report corruption directly to the SCPC through mail, email or via personal delivery.

Private sector (art. 12)

Apart from criminal penalties, the LPC prescribes provisions regarding corruption in the private sector with preventive and repressive characters (Arts. 22, 32, 46 and 59). The whistle-blower protection under LWP also applies to reporting in the private sector. In order to prevent potential conflicts of interest, former public officials are prohibited from employment or obtaining business interest in certain private entities for three years after the termination of their public functions (Art. 17, LPCI).

The Company Law (CL) requires the registration of private entities in the commercial register (Art. 99). North Macedonia has also introduced a register of beneficial owners of legal entities, which is publicly available (Arts. 26 and 29 AML Law).⁶ The SCPC has signed memoranda with 9 associations from the private sector for prevention of corruption, and as a result of such cooperation, a Business Code of Ethics was developed in 2012.

Auditing and accounting standards and requirements are regulated in the CL (Arts. 469 and 479), according to which commercial entities must keep proper accounting books and records. Sanctions are provided regarding violation of accounting and reporting obligations by various types of companies (Arts. 598, 599, 601, 602, 605). In addition, criminal provisions on counterfeiting or destruction of business books can also apply (Art. 280, CC). The corporate criminal liability is provided in the CC (Arts. 28-a to 28c and 96-a to 96-m).

Prohibition on tax deductibility of expenses that constitute bribes is not provided in the tax regulation.

Measures to prevent money-laundering (art. 14)

The AML Law came into force in March 2002 (revised in 2004, 2008, 2014 and 2018) and established a list of financial and non-financial institutions subjected to this regime as well as professions (Art. 5, AML Law). The AML law also lists categorized supervisory authorities of these professions (Art. 146), as well as details on risk management by obliged entities (Arts. 10 and 11).

In 2016, the Republic of Macedonia finalized a national risk assessment with the assistance of the World Bank, which was designed to identify, assess and understand the Money Laundering and Terrorism Financing risks within its jurisdiction. Consequently, the Republic of Macedonia adopted a risk-based approach in accordance with the National Strategy Against Money Laundering and Financing of Terrorism in November 2017. The country has established a FIO in March 2002 (Art. 64, AML Law). This office is a member of the Egmont Group of FIUs and has concluded several cooperation agreements with national and international institutions to share information received domestically as well as internationally (Art. 127, AML law).

Article 126 of the AML Law provides an obligation to declare the importation or exportation of cash or negotiable instruments of an amount equivalent to ten thousand Euros. The CA is responsible for centralizing, collecting, registering and processing the information contained in the declarations (Art. 126, AML Law). Information gathered in the declaration/disclosure process is sent to the FIO (Art. 126(4)). Sanctions for undeclared, false or incomplete information to the customs authority are provided by the Law on Foreign Exchange Operations (Arts. 29, 56-a and 57-b).

⁶ The authorities of North Macedonia reported that the implementation of the Register would start by the end of 2019.

North Macedonia has various requirements for electronic transfers and money remitters. These include provisions on obtaining and forwarding of information relating to the payer and receiver in cases of money transfer (Art. 43), exchange operations (Art. 44), as well as due diligence obligations of money remitters (Arts. 53(4), 57 AML Law). The AML Law implements the Financial Action Task Force (FATF) Recommendations and EU AML/CFT Directives. Compliance of the AML/CFT system with FATF recommendation and its efficiency is evaluated by the Moneyval Committee in the framework of the Council of Europe.

2.2. Successes and good practices

- Adoption of a specialized law, the LWP, for protection of whistle-blowers (Art. 8(4)).
- The SCPC has established wide cooperation with the private sector and CSOs by signing memoranda of cooperation for the prevention of corruption and conflict of interest (Art. 12 and 13(1)).

2.3. Challenges in implementation

It is recommended that North Macedonia:

- Take measures to ensure that the SCPC has operational capacity and is allocated adequate resources to fulfil its broad mandates, including providing necessary trainings for its staff to carry out their functions (Art. 6(2)).
- Consider introducing an appeal mechanism for unsuccessful candidates applying for public positions other than positions of administrative servants (Art. 7 (1)).
- Consider adopting a clear definition of public positions considered especially vulnerable to corruption and providing rules on the rotation of such officials where appropriate (Art. 7 (1)).
- Continue enhancing the asset declaration system, including through the use of electronic means and methods (Art. 8(5)).
- Consider strengthening enforcement mechanisms for the ethical codes or relevant behaviour standards for public officials. (Art. 8(6)).
- Consider establishing effective risk management systems in all government agencies (Art. 9(2)).
- Narrow the grounds on denial of access to information, with a view to facilitating public to participate in the decision-making process (Arts. 10 and 13(1)).
- Continue efforts to facilitate public access to information and government services (Art. 10(b)).
- Adopt an explicit provision disallowing the tax deductibility of expenses that constitute bribes (Art. 12(4)).
- Consider developing systematic and nation-wide public education programmes that contribute to non-tolerance of corruption for tertiary education (Art. 13(1)).

3. Chapter V: asset recovery

3.1. Observations on the implementation of the articles under review

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

The asset recovery regime is currently in its infancy in North Macedonia. The asset recovery framework is comprised of the CC, the CPC, the Law on Management of Confiscated Property, Proceeds and Objects Seized in Criminal and Misdemeanour Procedure; the Law on International Cooperation in Criminal Matters, and the AML

Law. The Convention may be directly applied. Its application is however difficult in practice given the absence of clear domestic policy and procedure. Legislative amendments are currently pending in order to fill the identified gaps.

A number of law enforcement, financial and judicial institutions play a role in the asset recovery process including the PPO, the courts, the MOI, the MOF, the PRO, the CA, the Agency for Management of Seized Assets, the SCPC, and the FIO. There is no national institution specialised in the tracing securing and the confiscation of assets. The overlapping asset recovery mandates of the above institutions engaged in asset recovery and their means of collaboration on the asset recovery process is not clear.

Article 25 of the Law on International Cooperation in Criminal Matters provides for the spontaneous transmission of information by the domestic judicial authority to foreign counterparts on crimes, including for the ultimate objective of recovering assets domestically or internationally. Furthermore, the FIO is a member of the Egmont Group. North Macedonia has been an observer in Camden Asset Recovery Inter-Agency Network since July 2014, and its police internationally engage through INTERPOL.

North Macedonia has concluded a number of bilateral and multilateral agreements that enhance the effectiveness of international cooperation undertaken pursuant to this chapter, with countries including Serbia, Croatia, Montenegro and Bosnia and Herzegovina.

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

Customer due diligence is required under article 12 of the AML Law, while beneficial owners are defined under article 2(20) of the AML Law. The framework for a beneficial ownership register is established under article 26 of the AML Law. The AML Law provides a definition of high-risk profile person, in particular of domestic and foreign Politically Exposed Persons (PEPs) (Art. 2(22)). The subjected entities must, in addition, focus particularly on business relationships or operations, which involve a person from a country representing a high risk of money laundering (Art. 37, AML Law).

The MOF publishes guidelines for credit institutions. These institutions take measures to prevent risks related to the use of new technologies (Art. 10(6), AML Law). Moreover, financial institutions subjected to AML measures use ongoing monitoring for profiling clients. Foreign PEPs and United Nations Security Council Resolutions are included in the screening tools (Art. 14-e, AML Law). Following AML law and the Circulars from supervisory authorities, it is required to put in place enhanced due diligence mechanisms relating to transactions carried out by high-risk customers (Art. 33, AML Law). When there is suspicion of money laundering and/or financing of terrorism, the Office may submit to the entity (financial institution), a written warrant for monitoring of the client's business relationship. (Article 119(1), AML Law).

Entities are required to keep files and records for at least 10 years from the day of receipt (Art. 145, AML Law). Records are currently kept within each institution in electronic and hard copy format.

The establishment of "shell banks" is prohibited (Art. 49, AML Law). Financial institutions shall also refrain from establishing or maintaining correspondent banking relationships with any fictitious financial institution (Art. 49, AML Law).

The national system of asset declarations provides for a fine of between 500 to 1000 Euros for non-compliance (Article 63, LPC). Taxes on undeclared earnings in the declarations are also calculated at 70 per cent (Art. 36-a (1), LPC). It is not clear whether declarations may be shared with competent authorities in other jurisdictions. Residents of may open bank accounts abroad under specific conditions prescribed by decision of the National Bank (Art. 23, Law on Foreign Exchange Operation). Those

granted exceptions are required to provide details and records of those accounts. A fine in the amount of 10,000 Euro shall be imposed for a misdemeanour to a legal entity or a sole proprietor resident if it opens and has an account abroad contrary to the conditions. (Art. 56-a, Law on Foreign Exchange Operation).

The FIO does not have investigative powers. As a result, it receives and analyses STRs and forwards them, where needed, to the law enforcement authorities (Art. 64(3), AML Law). In addition, the FIO has temporary freezing powers over transactions for 72 hours (Art. 120, AML Law). In practice, as the FIO disseminates information to financial entities, it assesses systemic risks, and regularly hosts discussions with financial entities, and government authorities. The FIO is an autonomous body under the MOF Finance composed of members who are experts in anti-money laundering, terrorist-financing, as well as tax matters. It may cooperate with other FIOs pursuant to its MOU and membership in the EGMONT Group, as well as article 127 of the AML Law which allows the international exchange of information by the FIO.

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

Natural and legal entities are entitled to initiate civil action, sue for compensation and be recognised as legitimate owners of property acquired through an offence established in accordance with the Convention (Arts. 110, 111 and 114, CPC). Whether foreign States are entitled to initiate civil action is not explicitly regulated. North Macedonia has also never had a case involving a foreign State as a civil party.

North Macedonia does not require a treaty to render international cooperation and articles 97 and 98 of the CC provide the basis for confiscation. The provisions protect bona fide owners and victims (Art. 98, CC). Article 202 of the CPC allows the Public Prosecutor and Criminal Police to temporarily seize and freeze assets until a court order is issued.

A competent authority of a foreign State party may request direct enforcement in North Macedonia of interim measures. In that case, the request is implemented by the domestic judicial authority, although the direct enforcement of interim measures relating to civil matters is not clear (Art. 28 and 29, Law on International Cooperation in Criminal Matters). The request is presented to court by the Public Prosecutor who should provide, inter alia, reasons for the probability that the seizure of property shall be made especially difficult or impossible following criminal proceedings (Art. 202, CPC). Legislation of North Macedonia allows the direct enforcement of foreign judgements and orders of confiscation after recognition by a domestic court (Arts. 82 and 83, Law on International Cooperation in Criminal Matters).

Nevertheless, North Macedonia does not have other mechanisms to proactively preserve property for confiscation on the basis of foreign arrest or criminal charges issued by a foreign court. Because North Macedonia has not yet had a case for enforcement of interim or confiscation orders related to corruption, implementation of articles 55(1) and (2) cannot yet be fully assessed.

Legislation and procedures of North Macedonia do not explicitly give the requesting State party the opportunity to present its reasons in favour of continuing the measures before lifting any provisional measures taken in relation to assets, but foreign authorities are always informed of all circumstances that may reflect on their requests in practice. North Macedonia submitted copies of its pertinent laws at the time of the review.

Confiscation of property by adjudication of an offence of money laundering is provided in CC (Arts. 97, 97-a, 98, 100, 273), without distinguishing the origin of the property.

North Macedonia provides for non-conviction-based forfeiture, with respect to natural persons and legal entities that have committed crimes, including where a suspect is deceased, has absconded or is otherwise unavailable (Art. 540, CPC).

Return and disposal of assets (art. 57)

There is no law that specifically provides procedures for the disposal and return of assets to other States in the case of offences under this Convention, including with deductions of reasonable expenses. Confiscated properties below 10,000 Euro become the property of North Macedonia, while in all others 50 per cent of the amounts obtained from the confiscation order are transferred to the foreign State (Art. 27, Law on International Cooperation in Criminal Matters). There is a project currently under way to change the Law on International Cooperation in Criminal Matters to bring it in line with the Convention in this respect. Consequently, North Macedonia has not yet returned assets or concluded any agreements for the final disposal of confiscated property.

3.2. Successes and good practices

- North Macedonia has established a “Register of Beneficial Ownership Information” (Arts. 12 and 52(1))

3.3. Challenges in implementation

It is recommended that North Macedonia:

- Take steps to clarify institutional roles of different offices in the asset recovery process given the overlapping mandates and continue efforts (Art. 51);
- Consider permitting the sharing of asset declarations with competent authorities in other States parties and establishing clear procedures on the reporting of accounts held in foreign jurisdictions (Arts. 52 (5) and (6));
- Ensure that another State party is allowed to initiate civil action, sue for compensation and be recognized as legitimate owner of property acquired through the commission of an offence established under the Convention (Art. 53);
- Consider enforcing foreign confiscation orders emanating from civil proceedings (Arts. 54(1)(a) and 55(1)(b));
- Consider taking measures to ensure that assets can be preserved for confiscation on the basis of foreign arrests or criminal charges issued by a foreign court (Art. 54 (2)(c));
- Ensure that the obligations under Art. 55(1) and (2) are discharged when a foreign confiscation order is received;
- Take measures to ensure that whenever possible, the requesting State party is given an opportunity to present its reasons in favour of continuing the measure before lifting of provisional measures (Art. 55(8));
- Take measures to ensure that confiscated property is returned to requesting States or to its prior legitimate owners in accordance with the requirements of article 57 and consider concluding agreements for the final disposal of confiscated property.

3.4. Technical assistance needs identified to improve implementation of the Convention

- Capacity-building and training (Arts. 52–57).
-