Unexplained Wealth Orders
In the United Kingdom

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Presentation by UK delegate

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Unexplained Wealth Orders
History

- Some countries already have something called an Unexplained Wealth Order. But each one is different.

- Some countries have an illicit enrichment offence.

- UK experience was inability to obtain evidence in specific suspicious cases – often relating to MLA or crime bosses.

What is an Unexplained Wealth Order?

- A UWO is an investigation tool. Primarily designed to obtain evidence/information on specific property.

- It is **not** a final power of recovery

- It requires the respondent to provide specified information on -
  - their lawful ownership of an identified property, and
  - the means by which it was obtained.

- It is an addition to a number of financial investigation powers already available. Should not be viewed in isolation but another available tool.

- Supporting power to freeze relevant property – Interim Freezing Order
Conditions for a UWO

- Issued by the High Court as a civil investigation order.
- It is available against those connected to
  - serious crime
  - non-EEA PEPs
- In relation to specific identified property worth more than £50,000
- There are reasonable grounds for suspecting that the income of the respondent is insufficient to have obtained the wealth to hold the property.
- Provides a deadline to produce information to explain their legitimate ownership of the identified property.
- Available to limited number of law enforcement agencies – cases can be referred to them.
What next?

- If information is produced in response to a UWO – a decision can be made on further use of that information
  - Criminal investigation and/or court proceedings? (self-incrimination)
  - Civil investigation and/or court proceedings?
  - Further UWO – to trace beneficial ownership.
  - No further action.

- If information is not produced in response to a UWO – the property may be presumed to be liable to recovery under subsequent domestic civil recovery (non-conviction based confiscation) proceedings.
What is civil recovery?

- Civil proceeding in the High Court. Non-conviction based confiscation
- Recovery of the proceeds of crime (directly/indirectly). Focus on property.
- Modelled on normal civil procedures – including -
  - Full court hearing with usual safeguards.
  - Right of interested persons to make representations.
  - Interim freezing orders.
  - Onus on law enforcement agency – to the balance of probabilities.
- £10,000 threshold
- Limited number of law enforcement authorities can take proceedings; cases can be referred.

In relation to UWOs
- The issue can be argued if the respondent intervenes.
- No cases yet reached this stage.
• The UWO was designed for a domestic proceeding issue relating to the inability to obtain evidence. No obvious utility in international cooperation.
• But, is available. The UK decides which powers to use in response to a MLA evidence request.
• The consequences of non-compliance do not apply in MLA cases – i.e. the presumption the property is recoverable.
• If a MLA request has been made, it is likely a more focussed investigative tool will be available.
• The UK could apply for a domestic UWO on the basis of information supplied from abroad.
Example and potential

- Zamira Hajiyeva - appeal
- Changed behaviour – examples of engagement with law enforcement
- Clear potential in international corruption cases – re PEPs
- Asset return