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## Executive summary

## Note by the Secretariat

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\*\* [CAC/COSP/IRG/2020/1](https://www.unodc.org/documents/convention/cac/cac/cacsp/irg/2020/1).



## II. Executive summary<sup>1</sup>

### North Macedonia<sup>2</sup>

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

The State party under review signed the United Nations Convention against Corruption 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 the Prevention of Corruption (SCPC), the Public Prosecutor's Office (PPO), the courts, the State Audit Office, 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, 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 are to be adopted soon.<sup>3</sup>

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). SCPC has taken measures on a wide scope of issues for the prevention of corruption. The Commission publishes periodic assessment reports on the implementation of these measures and activities pursuant to the State Programme. In addition, it conducts proofing

<sup>1</sup> The present review refers to the implementation status as of September 2018.

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

<sup>3</sup> The authorities of North Macedonia reported that the Law on Prevention of Corruption and Conflicts of Interest of 17 January 2019 replaced the Law on Prevention of Corruption, and the Law on Prevention of Conflict of Interest, and that the new law would be applicable in relation to chapter II of the United Nations Convention against Corruption.

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

The seven members of SCPC are appointed and can be dismissed by the National Assembly, and are subject to a four-year term with the possibility of reappointment for another term. Though the budget allocated to 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 has also been identified. At the time of the country visit, SCPC was dysfunctional owing to the collective resignation of its members.<sup>4</sup>

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

SCPC is the designated preventive authority under article 6, paragraph 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 the recruitment, retention and retirement of public sector employees and administrative servants. The integrity of the public sector is stipulated in the LPSE (art. 9) and training sessions on corruption are regularly provided to public officials.

The 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 (chap. VII). Remuneration for public sector employees is calculated by means of a points system. Similar recruitment rules apply to administrative servants, including civil servants, where the Agency of Administration is designated as the main recruitment authority. Unsuccessful candidates for positions of administrative servants may appeal to the Agency and, beyond, 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 the police, the 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 contains rules on financial reporting and auditing (art. 85). Election campaigns are subject to a financing ceiling of 3,000 euros and to a ceiling of 30,000 euros on donations from each individual and each legal entity, respectively (art. 83, EC). Penalties and misdemeanour procedures may be applied (chap. 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 SCPC (art. 20, paras. a–e). The procedure for deciding the existence of a conflict of interest is initiated by SCPC, and disciplinary and other measures may be taken in case of violations (art. 23, LPCI).

<sup>4</sup> The authorities of North Macedonia reported that the members of the State Commission for the Prevention of Corruption were appointed on 8 February 2019.

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 Whistle-Blower 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 corrupt conduct (art. 50, Law on Public Internal Financial Control; arts. 4 and 5, LWP). Suspicions of corruption may also be reported directly to 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 20 average salaries (arts. 33, 33-a and 34, LPC). The declarations are checked by SCPC on a random basis and when processing concrete cases of allegations of corruption. The asset declarations submitted by elected and appointed persons to SCPC are open to the public on the SCPC website ([www.dksk.mk](http://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 may 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, LOC provides for rules on prohibition of gifts (art. 58), case assignment and distribution (art. 7).

PPO is an autonomous body (art. 106, Constitution). The organization of PPO, including the 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)<sup>5</sup>. The LPP provides for clear rules on various types of contract award procedures, including open procedure (chap. V, LPP). The contracting authorities are required to publish the contract invitation through the Electronic System for Public Procurement and the Official Gazette, except in cases of negotiated procedure without prior publication of a notice (art. 53, LPP). Reasonable time is established for the preparation and submission of tenders under different procurement procedures (chap. V, LPP). The contract is generally awarded to the most economically advantageous or the lowest priced tender (art. 160, LPP). It is mandatory to notify the award decision to all tenderers, including refusal reasons for the non-selected parties (arts. 167 and 168, LPP).

<sup>5</sup> The authorities of North Macedonia indicated that a revised law on public procurement was adopted on 28 January 2019 and that the amended provisions would be applicable in relation to article 9 of the Convention.

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). In addition, contracting parties are prohibited from hiring 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). MOF is responsible for coordinating policies on the public internal control, including organizing trainings and meetings to help governmental agencies to cope with risks identified. A risk management system is also put in place in most government agencies. The OBL and the Law on Reporting and Recording Liabilities set out rules on timely reporting on revenue and expenditure.

The State Audit Office 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 for 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 under article 6 of the LFAI. These grounds were considered to be too wide, and the compulsory harm test provided for under this article may not sufficiently limit the discretion to reject access to information. If a request for information is refused, an appeal may be made to the Commission for the 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 created 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, whereby the draft report and legislation text must be published on the Single National Electronic Register of Regulations. Civil society organizations have taken an active part in the preparation for and implementation of anti-corruption policies and measures. SCPC also signed memorandums of cooperation for the prevention of corruption and conflicts of interest with many such organizations. There are nationwide projects for primary and secondary schools and individual projects for tertiary schools on anti-corruption education.

Anyone may report corruption directly to SCPC by mail or email or in person.

*Private sector (art. 12)*

Apart from criminal penalties, the LPC contains provisions regarding corruption in the private sector of a preventive and repressive character (arts. 22, 32, 46 and 59). Whistle-blower protection under the 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 having a 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).<sup>6</sup> SCPC has signed memorandums of understanding for the prevention of corruption with nine associations from the private sector 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 and 605, CL). In addition, criminal provisions on counterfeiting or the destruction of business books may apply (art. 280, CC). The corporate criminal liability is provided in the CC (arts. 28-a-c and 96-a-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 (with revisions in 2004, 2008, 2014 and 2018) and established a list of financial and non-financial institutions subject to that regime as well as professions (art. 5, AML Law). The AML Law also lists categorized supervisory authorities of those professions (art. 146), as well as details on risk management by obliged entities (arts. 10 and 11).

In 2016, the State party under review 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 State party under review adopted a risk-based approach in accordance with the National Strategy Against Money-Laundering and Financing of Terrorism in November 2017. The country established a financial intelligence office in March 2002 (art. 64, AML Law). The Office is a member of the Egmont Group of Financial Intelligence Units 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 establishes an obligation to declare the import or export of cash or negotiable instruments of an amount equivalent to 10,000 euros. CA is responsible for centralizing, collecting, registering and processing the information contained in the declarations (art. 126, AML Law). Information gathered during the declaration and disclosure process is sent to FIO (art. 126, para. 4). Sanctions for undeclared, false or incomplete information to the customs authority are provided for under the Law on Foreign Exchange Operations (arts. 29, 56-a and 57-b).

North Macedonia has various requirements for electronic transfers and money remitters. These include provisions on obtaining and forwarding information relating to the payer and receiver in cases of money transfer (art. 43, AML Law), exchange operations (art. 44, AML Law), as well as due diligence obligations of money remitters (arts. 53, para. 4, and 57, AML Law). The AML Law implements the Financial Action Task Force (FATF) Recommendations and European Union

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

anti-money-laundering/combating the financing of terrorism Directives. Compliance of the anti-money-laundering/combating the financing of terrorism system with FATF recommendations and its efficiency are evaluated by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism in the framework of the Council of Europe.

## 2.2. Successes and good practices

- Adoption of a specific law, the LWP, for the protection of whistle-blowers (art. 8, para. 4, of the Convention)
- SCPC has established wide cooperation with the private sector and civil society organizations by signing memorandums of cooperation for the prevention of corruption and conflicts of interest (ibid., arts. 12 and 13, para. 1)

## 2.3. Challenges in implementation

It is recommended that North Macedonia:

- Take measures to ensure that SCPC has operational capacity and is allocated adequate resources to fulfil its broad mandates, including providing the trainings necessary for its staff to carry out their functions (ibid., art. 6, para. 2)
- Consider introducing an appeal mechanism for unsuccessful candidates applying for public positions other than positions of administrative servants (ibid., art. 7, para. 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 (ibid., art. 7, para. 1)
- Continue enhancing the asset declaration system, including through the use of electronic means and methods (ibid., art. 8, para. 5)
- Consider strengthening enforcement mechanisms for the ethical codes or relevant behaviour standards for public officials. (ibid., art. 8, para. 6)
- Consider establishing effective risk management systems in all government agencies (ibid., art. 9, para. 2)
- Narrow the grounds on denial of access to information, with a view to facilitating the contribution of the public to decision-making processes (ibid., arts. 10 and 13, para. 1)
- Continue efforts to facilitate public access to information and government services (ibid., art. 10, para. b)
- Adopt an explicit provision disallowing the tax deductibility of expenses that constitute bribes (ibid., art. 12, para. 4)
- Consider developing systematic and nationwide public education programmes for tertiary education that contribute to the non-tolerance of corruption (ibid., art. 13, para. 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 a clear domestic policy and procedure. Legislative amendments to fill the identified gaps are currently pending.

A number of law enforcement, financial and judicial institutions play a role in the asset recovery process, including PPO, the courts, MOI, MOF, the Public Revenue Office, CA, the Agency for Management of Seized Assets, SCPC and FIO. There is no national institution specialized in the tracing, securing and confiscation of assets. The overlapping asset recovery mandates of the aforementioned institutions engaged in asset recovery and their means of collaboration on the asset recovery process are 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, FIO is a member of the Egmont Group. North Macedonia has been an observer to the Camden Asset Recovery Inter-Agency Network since July 2014, and its police is engaged internationally through the International Criminal Police Organization.

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

*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 its article 2 (20). The framework for a beneficial ownership register is established under its article 26. The AML Law provides a definition of high-risk profile person, in particular of domestic and foreign politically exposed persons (art. 2, para. 22). The entities concerned must, in addition, focus particularly on business relationships or operations that involve a person from a country representing a high risk of money-laundering (art. 37, AML Law).

MOF publishes guidelines for credit institutions. These institutions take measures to prevent risks related to the use of new technologies (art. 10, para. 6, AML Law). Moreover, financial institutions subjected to AML measures use ongoing monitoring for profiling clients. Foreign politically exposed persons and Security Council resolutions are included in the set of screening tools (art. 14-e, AML Law). In compliance with the AML Law and 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 or financing of terrorism, the Office may submit to the entity (financial institution) a written warrant for monitoring the client's business relationship (art. 119, para. 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 and 1,000 euros for non-compliance (art. 63, LPC). Taxes on undeclared earnings in the declarations are also calculated at 70 per cent of their value (art. 36-a, para. 1, LPC). It is not clear whether declarations may be shared with competent authorities in other jurisdictions. Residents of North Macedonia may open bank accounts abroad under specific conditions established by decision of the National Bank (art. 23, Law on Foreign Exchange Operation). Those granted exceptions are required to provide details and records of such accounts. A fine in the amount of 10,000 euros shall be imposed for a misdemeanour to a legal entity or a sole proprietor resident if said entity

or resident opens and holds an account abroad contrary to the conditions (art. 56-a, Law on Foreign Exchange Operation).

FIO does not have investigative powers. As a result, it receives and analyses suspicious transaction reports and forwards them, as necessary, to the law enforcement authorities (art. 64, para. 3, AML Law). In addition, FIO has temporary freezing powers over transactions for 72 hours (art. 120, AML Law). In practice, as FIO disseminates information to financial entities, it assesses systemic risks and regularly hosts discussions with financial entities and government authorities. FIO is an autonomous body under MOF composed of members who are experts in anti-money-laundering, the financing of terrorism and tax matters. It may cooperate with other financial intelligence offices pursuant to its memorandum of understanding and membership in the EGMONT Group, as well as article 127 of the AML Law, which allows the international exchange of information by 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 recognized 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, and North Macedonia has also never had a case involving a foreign State as a civil party.

North Macedonia does not require a treaty to engage in 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 the criminal police to temporarily seize and freeze assets until a court order is issued.

A competent authority of a foreign State party may request the direct enforcement of interim measures in North Macedonia. 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 (arts. 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). The legislation of North Macedonia allows for 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 a foreign arrest or criminal charges issued by a foreign court. Because North Macedonia has not yet had to deal with a case of enforcement of interim or confiscation orders related to corruption, the implementation of articles 55, paragraphs 1 and 2, of the Convention cannot yet be fully assessed.

The 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.

The confiscation of property by adjudication of an offence of money-laundering is provided in the CC (arts. 97, 97-a, 98, 100 and 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 euros become the property of North Macedonia, while in all other cases, 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, para. 1, of the Convention).

**3.3. Challenges in implementation**

It is recommended that North Macedonia:

- Take steps to clarify the institutional roles of different offices in the asset recovery process, given the overlapping mandates, and continue efforts (*ibid.*, 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 (*ibid.*, art. 52, paras. 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 (*ibid.*, art. 53)
- Consider enforcing foreign confiscation orders emanating from civil proceedings (*ibid.*, arts. 54, para. 1 (a), and 55, para. 1 (b))
- Consider taking measures to ensure that assets may be preserved for confiscation on the basis of foreign arrests or criminal charges issued by a foreign court (*ibid.*, art. 54, para. 2 (c))
- Ensure that the obligations under article 55, paragraphs 1 and 2, of the Convention 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 the lifting of provisional measures (*ibid.*, art. 55, para. 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 of the Convention 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 (*ibid.*, arts. 52–57)