



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

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## Open-ended Intergovernmental Working Group on Asset Recovery

Vienna, 30 and 31 August 2012

Item 3 of the provisional agenda\*

### Overview of progress made in the implementation of Conference resolution 4/4 and the recommendations of the Working Group

## Strengthening international asset recovery efforts: progress report on the implementation of asset recovery mandates

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 Open-ended Intergovernmental Working Group on Asset Recovery. The Conference decided 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 defined the functions of the Working Group, including assisting the Conference in developing cumulative knowledge in the area of asset recovery, particularly on the implementation of articles 52-58 of the United Nations Convention against Corruption, such as through mechanisms for locating, freezing, seizing, confiscating and returning the instruments and proceeds of corruption; identifying capacity-building needs and encouraging cooperation among relevant existing bilateral and multilateral initiatives; facilitating the exchange of information, good practices and ideas among States; and building confidence and encouraging cooperation between requesting and requested States.
3. 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

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\* CAC/COSP/WG.2/2012/1.



one intersessional meeting within existing resources. The Conference further decided that the Working Group should submit to it reports on its activities.

4. At its second, third and fourth 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 session of the Conference in order to perform its mandated task, within existing resources.

5. The Working Group held its first meeting in Vienna, on 27 and 28 August 2007,<sup>1</sup> its second meeting on 25 and 26 September 2008,<sup>2</sup> its third meeting on 14 and 15 May 2009,<sup>3</sup> its fourth meeting on 16 and 17 December 2010<sup>4</sup> and its fifth meeting on 25 and 26 August 2011.<sup>5</sup>

6. The present note has been prepared to inform the Working Group of the status of implementation of its recommendations and those of the Conference relating to asset recovery. It is aimed at assisting the Working Group in its deliberations and in determining its future activities.

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

7. Previous meetings of the Working Group have focused on three main themes: developing cumulative knowledge; building confidence and trust between requesting and requested States; and technical assistance, training and capacity-building.

8. With respect to the development of cumulative knowledge on asset recovery, the continuing need to overcome practical challenges and barriers faced by States parties in the implementation of chapter V of the Convention, including the lack of capacity of practitioners to deal with asset recovery cases, has been noted. The Working Group expressed its interest in the development of legal knowledge and related products.

9. The importance of building confidence and trust between requesting and requested States for asset recovery was also stressed in the discussions of the Working Group, in particular as a means of increasing political will, developing a culture of mutual legal assistance (especially for the benefit of developing countries) and paving the way for successful international cooperation.

10. The Working Group also 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. It recognized the urgent and constant need to provide training to personnel of authorities involved in asset recovery, with a view to enhancing their capacity in tracing, freezing, seizing and confiscating proceeds of corruption.

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<sup>1</sup> CAC/COSP/2008/4.

<sup>2</sup> CAC/COSP/WG.2/2008/3.

<sup>3</sup> CAC/COSP/WG.2/2009/3.

<sup>4</sup> CAC/COSP/WG.2/2010/4.

<sup>5</sup> CAC/COSP/WG.2/2011/5.

11. The Working Group has repeatedly noted the need to strengthen coordination of various initiatives in asset recovery. In this regard, the United Nations Office on Drugs and Crime (UNODC) and the World Bank established in September 2007 the Stolen Asset Recovery (StAR) Initiative, which became fully operational at the end of 2008. The goal of the StAR Initiative is to encourage and facilitate the systematic and timely return of proceeds of corruption and to improve global performance in the return of stolen assets.

## **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. The Working Group welcomed the progress made by the Secretariat on the United Nations Convention against Corruption Legal Library and the comprehensive web-based knowledge portal developed by UNODC known as Tools and Resources for Anti-Corruption Knowledge (TRACK). The Working Group has commended the functionality of TRACK, as it contains legislation and analytical work.

13. 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.

14. The Working Group has recommended the development of practical tools for asset recovery, in particular a practical step-by-step manual that should be tailored to the needs of practitioners in asset recovery cases and be used for capacity-building measures.

15. The Conference urged the further study and analysis of how legal presumptions, measures to shift the burden of proof and the examination of illicit enrichment frameworks facilitate the recovery of proceeds of corruption.

#### *Action taken*

16. The basic tool for collecting information on domestic legislation and other measures to implement the Convention is the self-assessment checklist, endorsed by the Conference in its resolution 3/1. States parties are encouraged by the Conference to use the self-assessment checklist as a way to assess their efforts to implement the provisions of the Convention relating to asset recovery. Legal data submitted through the checklist and validated by States parties under review, including judicial decisions rendered in asset recovery cases, is being used to update the information contained in the Convention against Corruption Legal Library.

17. The Legal Library is part of the TRACK portal, which was launched by UNODC on 1 September 2011.<sup>6</sup> The Legal Library is an electronic repository of legislation, jurisprudence, anti-corruption strategies and institutional data from 178 States. Developed and administered by UNODC and supported by the StAR Initiative and partner organizations, the Legal Library collects and disseminates

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<sup>6</sup> TRACK is available at [www.track.unodc.org](http://www.track.unodc.org).

indexed and searchable legal information according to each provision of the Convention and thus provides a detailed analytical breakdown of how States have implemented the Convention, including with regard to its provisions on asset recovery.

18. The TRACK portal includes a special section on asset recovery that links directly to legislation relevant to chapter V of the Convention from 178 countries. The TRACK portal also contains direct links to Asset Recovery Watch, a database developed by the StAR Initiative with information on 84 past and current asset recovery cases involving corruption, and to the knowledge products published by the StAR Initiative.

19. 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. A number of these studies are being translated into all official languages of the United Nations. Recent StAR publications include the study entitled *Public Office, Private Interests: Accountability through Income and Asset Disclosure*, released in March 2012. This study formulates policy recommendations for improving income and asset declaration systems.

20. In November 2011, the StAR Initiative published jointly with the Organization for Economic Cooperation and Development (OECD) the study entitled *Tracking Anti-Corruption and Asset Recovery Commitments: A Progress Report and Recommendations for Action*. The study measures the progress made by 30 donor countries on the commitments contained in the Accra Agenda for Action with a view to combating corruption and recovering stolen assets.

21. Also in November 2011, the StAR Initiative, in cooperation with OECD, concluded a study on the identification and qualification of the proceeds of bribery. The study examines the existing methods and practices in various States members of OECD for calculating the gains made by companies that paid bribes to win contracts or obtain unfair advantages.

22. In October 2011, the StAR Initiative issued a study entitled *Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do about It*. The study analyses the use of corporate vehicles to conceal corruption and contains practical recommendations.

23. A conference version of the StAR Initiative study on illicit enrichment was presented at the fifth meeting of the Working Group. The Group called upon States parties to provide comments and suggestions to the secretariat of the StAR Initiative in view of the finalization of the study. This study provides a better understanding of the features of illicit enrichment and is intended to assist those contemplating or implementing illicit enrichment provisions to enhance effective prosecution of related offences and achieve recovery of the respective assets.

24. Currently, the StAR Initiative is finalizing a study on settlements in cases of transnational bribery and asset recovery. This study explores and analyses the practice of settlements in international bribery cases and their implications for the recovery and return of assets.

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

25. The Working Group stressed the importance of modern information technology in developing cumulative knowledge and requested the Secretariat to continue its work to expand the Mutual Legal Assistance Request Writer Tool and to develop similar products.

### *Action taken*

26. UNODC organized an expert group meeting on the expansion of the Mutual Legal Assistance Request Writer Tool to include added asset recovery features, which took place in Vienna on 14 and 15 December 2011. The experts made recommendations outlining the required features in connection with asset recovery that needed to be added to the Tool. While the basic structure and features of the Tool would remain unaltered, the expanded version of the Tool would offer additional features and possibilities in the area of asset recovery. The tool is expected to be presented to States parties at the sixth meeting of the Working Group.

27. Modern information technology is fully incorporated by UNODC into the development of resources to support the asset recovery process. Such resources include the TRACK portal and the Legal Library (see para. 17 above), the self-assessment checklist (see para. 16 above), the StAR Initiative's Asset Recovery Watch Database (see para. 18 above), the directory of asset recovery focal points and central authorities (see para. 60 below), the Global Focal Point Initiative established by INTERPOL and the StAR Initiative (see para. 62 below) and the Puppet Masters database of grand corruption cases of the StAR Initiative, 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 and available on the StAR Initiative website.

## 3. Analytical study of asset recovery cases

28. The Working Group 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 encouraged Member States to contribute to the work of the secretariat and provide information on both successful and unsuccessful cases, including through the self-assessment checklist and with due regard to the confidentiality of sensitive information.

### *Action taken*

29. UNODC is developing a digest of asset recovery cases, a compilation and analysis of cases related to the recovery of proceeds of corruption, building on the experience acquired when preparing the *Digest of Terrorist Cases* and following the same methodology. In response to the notes verbales issued by the Secretariat on 30 June 2009 and 22 January 2010 (CU 2009/87 and CU 2010/5), States parties and signatories to the Convention have submitted ten cases with an adequate level of detail that were used for the preparation of the digest of asset recovery cases. This material was treated in a manner that respected confidentiality restrictions requested

by the States. The analysis contained in the digest also drew on cases from the Asset Recovery Watch database developed by the StAR Initiative.

30. An expert group meeting, bringing together experts from all geographic regions and representatives of the StAR Initiative, was held on 2 and 3 April 2012 in Vienna. The meeting discussed a draft outline of the digest prepared by UNODC. Participants in the meeting made suggestions on the structure and content of the digest and provided additional information on recent asset recovery cases. A draft of the digest is expected to be presented at the sixth meeting of the Working Group and disseminated to Member States for comments.

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

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

32. Tools and knowledge products need to be widely disseminated, and follow-up on their effectiveness and usefulness should be considered by the Conference or the Working Group.

##### *Action taken*

33. Experts from different regions and legal systems are invited to contribute to the efforts of UNODC in developing cumulative knowledge on asset recovery. The expert group meetings convened by UNODC to discuss the draft outline of the digest of asset recovery cases and the expansion of the Mutual Legal Assistance Request Writer Tool brought together practitioners from all regions and legal systems. Similarly, the secretariat invites experts from a variety of countries and legal traditions to make presentations on issues of interest at the meetings of the Working Group.

34. All tools and knowledge products developed by UNODC are widely disseminated on the Internet or through presentation at events attended by representatives of the secretariat. The Mutual Legal Assistance Request Writer Tool is available online,<sup>7</sup> and TRACK is presented as a web-based portal to ensure broad accessibility. The Legal Library, being part of TRACK, is also available online. Subsequent to their launch in September 2011, TRACK and the Legal Library were presented at the fifth General Conference and Annual Meeting of the International Association of Anti-Corruption Authorities (IAACA), held in Marrakech, Morocco, on 22 and 23 October 2011; at the fourth session of the Conference of the States Parties to the Convention against Corruption, held in Marrakech, Morocco, from 24 to 28 October 2011; and at the second biennial meeting of the International Corruption Hunters Alliance, held at Washington, D.C., on 5 and 6 June 2012, as well as at a variety of expert group meetings and training workshops, including those organized for governmental experts in the context of the Implementation Review Mechanism.

35. Similarly, the knowledge products of the StAR Initiative are available on the Internet through the UNODC and StAR Initiative websites and the TRACK portal.

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<sup>7</sup> See [www.unodc.org/mla](http://www.unodc.org/mla).

The StAR Initiative is pursuing translations of all its publications into Arabic, French and Spanish, which are or will be made available on its website. Russian versions of some publications are also available, and translation into additional languages may be envisaged upon request and with the support of States. Also, StAR Initiative products are disseminated widely through various means, including press outreach and interviews, as well as presentation at events and meetings and through social media and blogs. These activities have attracted a high degree of interest and contributed to the considerable success of the publications: among the best-selling publications of the World Bank Group, *Politically Exposed Persons: Preventive Measures for the Banking Sector* ranks second and the *Asset Recovery Handbook* ranks fourth. Moreover, dissemination efforts in some cases resulted in requests for technical assistance from States in Africa, Asia and Latin America.

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

36. At its third session, the Conference 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 recommended the inclusion of such institutions in the development of cumulative knowledge on asset recovery; it also encouraged the work on the preventive measures contained in chapter V of the Convention and placed emphasis on effective financial investigations.

##### *Action taken*

37. “No safe havens: a global forum on asset recovery and development”, co-sponsored by the StAR Initiative and the Government of Switzerland, took place in the Paris office of the World Bank on 8 and 9 June 2010. The Global Forum brought together more than 120 participants from 18 countries, including representatives of the financial and private sectors, civil society organizations and international and bilateral development agencies.

38. UNODC and the World Bank, through their observer status to the Financial Action Task Force (FATF) and the Group of Twenty (G-20) Finance Ministers and Central Bank Governors, ensure, inter alia, that in efforts to counter money-laundering, attention is also given (particularly from financial intelligence units and law enforcement agencies) to combating the laundering of proceeds of corruption through the recognition of corruption as a predicate offence to money-laundering and to ensuring due diligence on the part of financial institutions.

39. Under the UNODC Global Programme against Money-Laundering, UNODC mentors work in the field to assist Member States in building effective systems against money-laundering and the financing of terrorism, including by strengthening financial intelligence units, the analysis of financial information and the development of financial intelligence. A key component of the Global Programme is assistance provided to States to develop the skills of criminal justice officials in the investigation and prosecution of complex financial crimes.

40. The capacity-building activities provided in this context include training on how to conduct effective financial investigations. Also, UNODC is currently

developing, in cooperation with the United Nations Development Programme (UNDP) and the World Bank, a course on conducting financial investigations for practitioners in Arab States. Other activities relate to the conduct of enhanced scrutiny of accounts sought or maintained by or on behalf of politically exposed persons, and how financial institutions can foster the effective implementation of such enhanced scrutiny based on the StAR Initiative publication *Politically Exposed Persons: Preventive Measures for the Banking Sector*.

41. Representatives of the StAR Initiative have also participated actively in workshops and discussions attended by representatives of financial institutions, including in the context of the work of the Wolfsberg Group, an association of 11 global banks aimed at developing standards in the financial services industry, in order to promote policy recommendations and more active measures by the financial sector against the laundering of proceeds of corruption. The updated Wolfsberg Anti-Corruption Guidance, issued in August 2011, provides tailored advice to international financial institutions and explicitly refers to the StAR Initiative. Moreover, the StAR Initiative has provided policy and technical advice to the FATF process of the review of the 40+9 recommendations on money-laundering and terrorism financing, with a view to stressing the importance of tackling the proceeds of corruption. This work has led directly to fundamental improvements of the recently revised FATF recommendations on beneficial ownership and on the transparency of legal entities, on international cooperation and on the tracing of assets.

42. The perspective of and input from financial institutions has also been incorporated into the development of cumulative knowledge on asset recovery in the framework of the StAR Initiative. For example, the publication *The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It* involved consultations with financial institutions in Australia, Germany, India, Malaysia, Singapore, Switzerland, Ukraine, the United Kingdom of Great Britain and Northern Ireland and the United States of America, as well as in Hong Kong, China, and Jersey.

## **6. Model legislative provisions and best practices guides**

43. The Working Group 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 with regard to which the preparation of models or best practice guides relating, for example, to the restraint, freezing and confiscation of assets was feasible.

### *Action taken*

44. A number of existing knowledge products intended to assist asset recovery practitioners are designed to support the implementation of other provisions of the Convention, in particular the study on illicit enrichment, the Asset Recovery Handbook and the Good Practices Guide to Income and Asset Declarations which can be useful in supporting the prosecution of cases of corruption and assisting financial institutions in identifying politically exposed persons. Also, the Asset Recovery Handbook includes a chapter dedicated to tracing assets that emphasizes the importance of securing stolen assets as quickly as possible.



45. UNODC has existing model laws that are closely linked to asset recovery, including the Model Law on Mutual Legal Assistance in Criminal Matters (2007),<sup>8</sup> the model legislation on money-laundering and financing of terrorism (for civil law systems, published in 2005)<sup>9</sup> and the model provisions on money-laundering, terrorist financing, preventive measures and the proceeds of crime (for common law systems, published in 2009).<sup>10</sup> At the regional level, in the framework of the Legal Assistance Programme for Latin America and the Caribbean, UNODC has developed model legislative provisions on in rem forfeiture in Latin America (published in July 2011 in English and Spanish). The model legislative provisions were presented at the Financial Action Task Force (FATF), the Financial Action Task Force of South America against Money Laundering (GAFISUD) and the Inter-American Drug Abuse Control Commission (CICAD) and were brought to the attention of the Working Group at its fifth meeting, held in August 2011.

46. The assessment of areas in which the preparation of further models or best practice guides is feasible is under way. In particular, UNODC is considering modalities for developing model provisions for asset recovery. One approach would be to elaborate such provisions in a single document, covering all aspects that could contribute to the full implementation of the relevant provisions of chapter V of the Convention. An alternative approach would be to develop model provisions focusing on those articles that have not yet been covered by existing model laws.

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

47. The Working Group has repeatedly invited States parties, with the support of the Secretariat, 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, including information on case law at the national level, to assess their efforts and identify further steps to implement chapter V of the Convention, to compile good practices and to identify technical assistance needs. The Working Group expressed the wish that States parties present new legislation on asset recovery at future meetings of the Group.

##### *Action taken*

48. The Conference decided in its resolution 3/1 that the comprehensive self-assessment checklist should be used as a tool for the Implementation Review Mechanism of the Convention against Corruption. A further improved version of the self-assessment checklist presented to the Implementation Review Group at its third session, held in Vienna from 18 to 22 June 2012, would further facilitate that process in anticipation of the review of chapter V of the Convention during the second five-year cycle of the Mechanism.

49. UNODC invited States to provide up-to-date information on their domestic legislation relevant to the Convention, including asset recovery, in order to update

<sup>8</sup> For further information, see [www.unodc.org/pdf/legal\\_advisory/Model%20Law%20on%20MLA%202007.pdf](http://www.unodc.org/pdf/legal_advisory/Model%20Law%20on%20MLA%202007.pdf).

<sup>9</sup> See [www.unodc.org/documents/money-laundering/2005%20UNODC%20and%20IMF%20Model%20Legislation.pdf](http://www.unodc.org/documents/money-laundering/2005%20UNODC%20and%20IMF%20Model%20Legislation.pdf).

<sup>10</sup> See [www.unodc.org/documents/money-laundering/Model\\_Provisions\\_2009\\_Final.pdf](http://www.unodc.org/documents/money-laundering/Model_Provisions_2009_Final.pdf).

and amend the information contained in the TRACK portal and the Convention against Corruption Legal Library.

50. Information on the implementation of chapter IV of the Convention on international cooperation, which could be relevant to the implementation of provisions on asset recovery, will be collected during the first cycle of the Implementation Review Mechanism. In that context, the thematic implementation reports prepared by the Secretariat under paragraph 35 of the terms of reference of the Mechanism compile good practices, challenges, observations and technical assistance needs contained in the country review reports, thus providing useful information with respect to international cooperation.

51. Moreover, the proposed workplan for the meetings of the Working Group until 2015 is aimed at structuring its work so as to cover all matters dealt with in chapter V of the Convention and to allow States parties to further develop their knowledge and understanding of the asset recovery provisions of the Convention, thus contributing in their preparation for the review of implementation of chapter V.

52. In addition, upon the request of several States and in the context of ongoing technical assistance activities, UNODC is using the self-assessment checklist as a tool for assessing countries' efforts towards full implementation of chapter V of the Convention and, based on the outcome, provides advice on the actions required to fill identified shortfalls.

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

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

53. The Working Group requested the Secretariat to invite those Member States that had not done so to designate a central authority responsible for requests for mutual legal assistance and to make available a list of the authorities to the Conference. The Conference also requested all States parties that had not done so to designate a central authority.

54. The Conference 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, in particular mutual legal assistance, on cases relating to asset recovery. While the Conference and its Working Group were seen as serving as a platform for the exchange of knowledge and experience, a network of focal points could provide further opportunities for dialogue, which were deemed essential. The Working Group underlined the need for a global network of focal points on asset confiscation and recovery with technical expertise. The Working Group stressed the importance of regional networks of focal points and the need for collaboration and coordination with those networks.

55. The Working Group recommended exploring the feasibility of adopting a help-desk approach for 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.

56. The Working Group 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.

57. The Working Group 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*

58. In October 2011, the Secretariat sent a note verbale, in which it requested all States parties to the Convention that had not done so to designate central authorities responsible for requests for mutual legal assistance. As at 25 June 2012, 101 States parties had notified the Secretariat of their designated central authorities. A list of designated authorities with relevant contact information was made available at the fourth session of the Conference.<sup>11</sup>

59. UNODC has compiled a database of asset recovery focal points designated by States parties to the Convention. The Secretariat has addressed successive notes verbales to States parties and signatory States (CU 2009/143 in September 2009, CU 2011/54 in March 2011 and CU 2011/162 in October 2011), inviting them to proceed to the designation and notification of their asset recovery focal points in accordance with the recommendations of the Working Group and the Conference. As at 25 June 2012, 53 States parties and three signatories had notified the Secretariat of their designated focal points.<sup>12</sup>

60. An online directory of designated central authorities and asset recovery focal points was developed by UNODC to gather information and enhance trust and communication between States parties.<sup>13</sup> The directory is hosted on the website of UNODC and allows easy access to the contact information of asset recovery focal points and central authorities. Access is limited to competent authorities and Government agencies with a user account to ensure the confidentiality of information.

61. An Internet-based community of practice for asset recovery practitioners is being developed by UNODC as a component of the TRACK portal. This community of practice, named the “Practitioners’ Corner”, is aimed at providing a central location to facilitate communication and collaboration for users registered worldwide, supplementing other regional and local networks in existence or under development. Asset recovery focal points designated under the Convention will have the opportunity to register with the Practitioners’ Corner.

<sup>11</sup> CAC/COSP/2011/CRP.10.

<sup>12</sup> Afghanistan, Algeria, Armenia, Australia, Austria, Bahrain, Belgium, Bolivia (Plurinational State of), Bosnia and Herzegovina, Bulgaria, Canada, Cape Verde, Chile, Denmark, Ecuador, Egypt, El Salvador, Finland, Germany (signatory), Guatemala, Indonesia, Israel, Jordan, Kenya, Latvia, Lebanon, Luxembourg, Malaysia, Malta, Mauritius, Mexico, Myanmar (signatory), the Netherlands, Nigeria, Pakistan, Palau, Peru, the Philippines, Poland, Portugal, the Republic of Korea, Romania, the Russian Federation, Rwanda, Serbia, Singapore, Slovenia, Sweden, Switzerland, the Syrian Arab Republic (signatory), Togo, Tunisia, Turkey, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Viet Nam.

<sup>13</sup> Available at [www.unodc.org/compauth\\_uncac/en/index.html](http://www.unodc.org/compauth_uncac/en/index.html).

62. The Global Focal Point Initiative established by the StAR Initiative in partnership with the International Criminal Police Organization (INTERPOL) was launched in January 2009. Its objective is to support investigation through law enforcement cooperation and informal assistance (i.e. prior to the submission of formal requests for mutual legal assistance) for the purpose of identifying, tracing, freezing and ultimately recovering the proceeds of corruption and economic crime. It achieves those functions through a secure database containing the names of asset recovery focal points within the law enforcement agencies of participating countries who are available 24 hours a day, seven days a week. A communication platform to enable focal points to communicate on a secure basis is currently being developed. As at 20 June 2012, 102 countries were participating in this initiative.

63. UNODC and the StAR Initiative have used the G-20 Anti-Corruption Action Plan to encourage States parties to lead by example by designating asset recovery focal points both under the Convention and under the Global Focal Point Initiative established by INTERPOL and the StAR Initiative as soon as possible.

64. UNODC and the StAR Initiative have also contributed to the creation and strengthening of regional networks engaged in asset recovery and confiscation. The establishment of the Asset Recovery Inter-Agency Network of Southern Africa (ARINSA), a regional network which supports operational work in asset recovery and confiscation, was facilitated by UNODC, as was the regional asset recovery network established by GAFISUD countries. The StAR Initiative has also approved a project to support the GAFISUD asset recovery network. Discussions are ongoing for setting up similar regional networks focusing on the needs of countries in Eastern Europe and Central Asia (in partnership with the Organization for Security and Cooperation in Europe (OSCE)), the Middle East and North Africa region (in the context of the Group of Eight (G-8) Deauville partnership) and the Asia-Pacific region (in dialogue with Australia).

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

65. 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 IAACA should be explored.

### *Action taken*

66. Through its Global Programme against Money-Laundering, UNODC works with financial intelligence units to assist them in joining the Egmont Group and to implement the Egmont standards of exchange of information on countering money-laundering and the financing of terrorism. The StAR Initiative also actively encourages States to enhance cooperation between their financial intelligence units with a view to facilitating the exchange of information and informal cooperation on financial investigations. In the context of assistance provided to a specific country, the StAR Initiative has helped individual financial intelligence units to accelerate accession to the Egmont Group, thereby allowing them to use the channels of communication and informal cooperation available to members of the Egmont Group.

67. UNODC works closely with and supports the activities of IAACA. It participates in the IAACA Executive Committee and is regularly consulted with regard to the programme of work and the formulation of strategic future plans of the Association. UNODC participated in and contributed to the fourth IAACA seminar, held from 25 to 28 June 2012, which focused on the provisions on asset recovery of chapter V of the Convention. UNODC will continue to actively support the activities of IAACA and provide assistance in the implementation of its workplan.

68. The engagement of UNODC and the StAR Initiative with FATF is leading that body to give increased attention to how it can promote international efforts against the laundering of the proceeds of corruption. Furthermore, the publication of the StAR Initiative policy note "Stolen asset recovery: towards a global architecture for asset recovery" includes a note to donor agencies with advice on linking strategies to counter money-laundering and corruption.

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

69. The role of the private sector in the fight against corruption remains crucial. 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 encouraged States parties to support the efforts of the Secretariat, inter alia, by developing partnerships at the national level.

#### *Action taken*

70. UNODC continued to work on established partnerships with private sector entities and launched several projects aimed at promoting the implementation of the Convention among members of the business community. UNODC has continued to be actively involved in the work of the United Nations Global Compact Working Group on the Tenth Principle, which focuses on the private sector's commitment to fighting corruption. It participated in the ninth meeting of the Global Compact Working Group, held on the margins of the fourth session of the Conference, from 23 to 25 October 2011. At the meeting, incentives for improving policy and corporate anti-corruption performance and preventive measures were discussed, progress made on anti-corruption collective action projects was reviewed.

71. UNODC and the Global Compact Office have jointly developed an anti-corruption electronic learning tool for the private sector. Through six interactive modules based on real-life scenarios, the tool is aimed at enhancing understanding of the Tenth Principle of the Global Compact and its underlying instrument, the Convention, as it applies to actors operating in the business community. The tool is available free of charge from the websites of both UNODC and United Nations Global Compact.

72. UNODC, in partnership with the Organization for Economic Cooperation and Development (OECD) and the World Bank, is developing a practical handbook for businesses to bring together guidelines and related material on private sector anti-corruption compliance. On the margins of the fourth session of the Conference, UNODC, together with Transparency International, the World Economic Forum, the

International Chamber of Commerce and the Global Compact, organized a high-level forum on the Convention and global competition.

73. UNODC and the StAR Initiative actively engage in advocacy in a number of international forums to strengthen political will, including in the Anti-Corruption Working Group established by the Group of Twenty (G-20) and in the Business 20 (B20), an offshoot of the G-20 and a forum for the world's largest corporations. UNODC participates as an observer of the G-20 Anti-Corruption Working Group. In 2012, UNODC was also invited to participate in the Task Force on Improving Transparency and Anti-Corruption of B20. UNODC has been actively involved in discussions on the scope and objectives of what business in particular can pledge to deliver to the G-20 and in the development of respective private sector-led policy recommendations, which were presented to G-20 leaders at the B20 and G-20 summits in Los Cabos, Mexico, on 18 and 19 June 2012. In their declaration adopted at the Los Cabos summit, the leaders of the G-20 renewed their commitment to denying safe haven to the proceeds of corruption and to the recovery and restitution of stolen assets.

74. UNODC is a recipient of funding for anti-corruption projects through the Siemens Integrity Initiative, which is part of the World Bank-Siemens AG comprehensive settlement agreed in 2009. The Initiative finances three separate UNODC projects, aimed at the following areas: reducing vulnerabilities to corruption in public procurement systems; creating systems of legal incentives to encourage corporate integrity and cooperation; and educating present and future generations of business and public leaders on the Convention.

75. UNODC is implementing an initiative aimed at identifying good practices, based on the Convention, for preventing corruption in connection with the organization of major public events. An international expert group meeting was held in Vienna from 4 to 6 June 2012, bringing together more than 40 high-level experts representing Governments, international organizations, the private sector and civil society. Based on an initial review of existing measures and experiences, as well as the recommendations of the expert group, a compilation of good practices is being prepared.

76. There was considerable demand from financial institutions and professionals for the policy paper "Politically exposed persons: preventive measures for the banking sector", which was used by the StAR Initiative to engage private sector on the one hand (in particular in the context of the Wolfsberg Group) and FATF on the other hand to ensure that international good practices on politically exposed persons are strengthened.

#### **4. Promoting dialogue and removing barriers to asset recovery**

77. The Working Group 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 noted the importance of providing a forum for discussing the practical aspects of asset recovery, including challenges and good practices. The Group 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.

*Action taken*

78. The Conference and working groups, as well as the Implementation Review Group, provide opportunities for dialogue and the strengthening of political commitment among States parties. In addition, the StAR Initiative and UNODC have actively participated, together with other stakeholders such as INTERPOL, the European Union and Eurojust, in meetings aimed at coordinating international cooperation among requesting and requested States in the context of ongoing asset recovery efforts. In those meetings, States delegations exchanged operational information on the status of ongoing asset recovery cases, thus reinforcing channels of communication and dialogue.

**5. The Convention as the legal framework for assistance in asset recovery**

79. The Working Group requested the Secretariat to continue to ensure that all activities of the StAR Initiative complied strictly with the legal framework and international standards established by the Convention. It also requested the Secretariat to continue to report to it and to the Conference on a regular basis on the activities of the StAR Initiative.

*Action taken*

80. The StAR Initiative operates within the legal framework of the Convention. Its activities are aimed at fulfilling the mandates of the Conference and the Working Group. A formal partnership agreement between UNODC and the World Bank Group governs the StAR Initiative. Three representatives of UNODC are members of the StAR Initiative Management Committee, which oversees the activities of the Initiative and establishes its overall policies and priorities. At the working level, two UNODC staff members work as part of the StAR secretariat in Washington, D.C., and contribute to the day-to-day management of the Initiative, in close coordination with UNODC. All StAR Initiative products undergo a peer review process, for the purpose of which UNODC nominates peer reviewers for each product. As a matter of general practice, UNODC staff are included in teams assigned to deliver training courses and carry out country missions. An account of the activities under the StAR Initiative has been provided to the Working Group and the Conference at every meeting since the establishment of the StAR Initiative.

**6. Topics of discussion at the Working Group and the Conference**

81. At its meeting held in August 2011, the Working Group expressed its appreciation for presentations of new legislation on asset recovery adopted by States parties in compliance with the Convention and recommended that the Secretariat strive at future meetings to foster the same pragmatic approach. The Group noted the importance of providing a forum for discussing the practical aspects of asset recovery, including challenges and good practices. In that connection, the Working Group recommended that States parties prepare to conduct such discussions at the fourth session of the Conference.

*Action taken*

82. New legislation on asset recovery was presented by States parties at the fourth session of the Conference, held in October 2011. At that session, the secretariat organized a panel discussion on the practical aspects of asset recovery, which attracted significant interest among participants. The proposed multi-year workplan submitted to the Working Group foresees such discussion at future meetings of the Group.

**C. Technical assistance, training and capacity-building****1. Technical assistance, training and capacity-building in the area of asset recovery**

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 matters relating to asset recovery and has stressed the need for specialized training on asset recovery and capacity-building activities. 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 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 and has requested the Secretariat to promote ways and means for Member States to request technical assistance from the StAR Initiative at both the national and regional levels.

*Action taken*

86. In the area of legislative assistance, UNODC has responded to requests from States with respect to conducting a desk review of draft legislation and has provided access to domestic legislation in force through the Convention against Corruption Legal Library. In addition, in the context of several ongoing technical assistance activities, UNODC is working with requesting States in assessing their implementation of the provisions of chapter V of the Convention and in providing advice on actions required to fill identified shortfalls.

87. The StAR Initiative continues to follow a demand-driven approach to the provision of technical assistance, responding to requests from States. The StAR Initiative is aimed at helping States collect and analyse information that will facilitate progress in asset recovery efforts and inform the decision-making of national authorities and at assisting in making international cooperation, in particular mutual legal assistance, more effective by, for example, sponsoring meetings and workshops that bring together relevant parties at the national, regional



and international levels, as necessary. At present, the StAR Initiative is providing country-specific technical assistance in 16 countries or groups of countries, with a significant increase of the number of countries to which it provides case-specific assistance and capacity-building (five countries).

88. The nature of the assistance offered varies and is fully tailored to the specific needs of the requesting State: in some cases, assistance is geared towards policy dialogue and facilitation of contacts between national authorities and financial centres; in other cases, assistance has focused on capacity-building activities and providing advisory services to support specific asset recovery cases.

89. A number of asset recovery training courses have been conducted jointly with the StAR Initiative, including events in the Pacific islands, the Middle East and North Africa, South and Central America, Southern and Eastern Europe, East and Southern Africa and South and East Asia. Training has been delivered on three levels: (a) introductory workshops to raise awareness about asset recovery; (b) advanced training courses that drill down to each of the technical aspects of asset recovery, including various practical exercises such as financial investigation, international asset tracing, net-worth analysis and mutual legal assistance; and (c) case-related training seminars which involve practitioners directly responsible for ongoing cases, as well as their respective counterparts in cooperating jurisdictions. These latter training courses focused on issues directly relevant to ongoing cases and sought to identify and address specific knowledge and skill gaps which constitute challenges in the pursuit of ongoing cases.

90. The StAR Initiative, with the assistance of the field-based anti-corruption adviser for East and Southern Africa of UNODC, has also undertaken, with the East African Association of Anti-Corruption Authorities, the development and ongoing delivery of a core asset recovery curriculum for the training of trainers. Three training workshops in the context of this course have been conducted. Training materials were derived from the Asset Recovery Handbook and related knowledge products.

91. UNODC, the World Bank and the StAR Initiative provided assistance to the League of Arab States in the preparation and implementation of a two-day regional workshop on asset recovery in June 2011. A series of training courses and capacity-building workshops on asset recovery for Egyptian authorities is currently being developed by the UNODC Regional Office for the Middle East and North Africa. A financial investigations course for practitioners in Arab States is also currently being developed by UNODC, in collaboration with UNDP and the World Bank.

92. A workshop on international cooperation in criminal matters for senior experts and practitioners from West and Central Asia was organized by UNODC in Vienna from 16 to 18 May 2012. The participants were introduced to the international cooperation and asset recovery provisions of the Convention and exchanged views on the challenges and successes they had experienced.

93. UNODC has also been actively involved in the establishment of, and is partnering with, international and regional anti-corruption academies. The International Anti-Corruption Academy was established following a joint initiative by UNODC, Austria, the European Anti-Fraud Office (OLAF) and other stakeholders and became an independent international organization on 8 March 2011. Asset recovery will feature prominently in the Academy's work. UNODC is

actively participating in the provisional commission prior to the establishment of the final institutional structure of the Academy, while a cooperation agreement between UNODC and the Academy is being developed. UNODC is also assisting the Government of Panama in the establishment of a regional anti-corruption academy for Central America and the Caribbean.

94. The Secretariat is currently exploring the possibility of establishing electronic learning programmes in asset recovery.

95. UNODC has a leading role in the Anti-Corruption Academic Initiative, a collaborative academic project which is aimed at producing a comprehensive anti-corruption academic curriculum composed of a menu of individual academic modules, syllabi, case studies, educational tools and reference materials that may be integrated by universities and other academic institutions into their existing academic programmes. At the third meeting of the Initiative, held in Vienna on 7 and 8 June 2012, it was recognized that the curriculum should be expanded to include topics and courses related to asset recovery.

96. UNODC has forged additional partnerships with other organizations and bodies for the purpose of coordinating technical assistance activities related to asset recovery, including with IAACA, the Organization of American States, the Asia-Pacific Economic Cooperation and OSCE, as well as with the Government of Switzerland through the Lausanne process. UNODC has also been actively involved in those efforts through its work with the Development Assistance Committee of the OECD and the Anti-Corruption Task Team of the Committee's Network on Governance (GOVNET).

## **2. Preparing for the review of implementation of chapter V of the Convention**

97. Recognizing that chapter V of the Convention would be reviewed during the second cycle of the Implementation Review Mechanism, the Working Group stressed the importance of preparing States parties for the review of implementation of that chapter, to commence in 2015. For that purpose, the Working Group recommended that a multi-year workplan be developed to structure its work until 2015, and requested States to submit relevant proposals to the secretariat by 1 October 2011. At its fourth session, the Conference requested the Working Group to proceed with developing such a workplan.

### *Action taken*

98. A proposed workplan, developed on the basis of proposals submitted by States parties, is submitted for the consideration of the Working Group in a separate background paper (CAC/COSP/WG.2/2012/2). The proposed workplan foresees that the discussion during each meeting of the Working Group will be focused on specific articles of chapter V of the Convention, thus allowing States to exchange views on the implementation of relevant provisions and enhance their knowledge thereof while allowing for discussions to cover chapter V in its entirety prior to 2015.

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

99. The Working Group may wish to provide guidance on the further implementation of the recommendations made at its previous meetings. It may in particular wish to discuss action taken with a view to establishing a global network of asset recovery focal points under the Convention and providing guidance as to future steps to that effect.

100. The Working Group may wish to consider and assess the activities proposed in the multi-year workplan prepared by the Secretariat. It may also wish to determine further means in order to enable the Working Group to provide a forum for discussing the practical aspects of asset recovery, including challenges and good practices.

101. With regard to the need to enhance cumulative knowledge on asset recovery, the Working Group may wish to provide guidance on areas where further knowledge products could be developed. In particular, the Working Group may wish to discuss the structure and content of the draft digest of asset recovery cases and the expanded Mutual Legal Assistance Request Writer Tool.

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

103. The Working Group may particularly wish to provide guidance on actions to be taken to further advance the full implementation of chapter V of the Convention and to ensure its application in practice.

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