



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

Distr.: General  
15 June 2017

Original: English

---

## Open-ended Intergovernmental Working Group on Asset Recovery

Vienna, 24 and 25 August 2017

Item 2 of the provisional agenda\*

### Overview of progress made in the implementation of asset recovery mandates

## Progress made in 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 (the Conference), established the Open-ended Intergovernmental Working Group on Asset Recovery (the Working Group), 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 tasked the Working Group with, inter alia, assisting the Conference in developing cumulative knowledge in the area of asset recovery, facilitating the exchange of information, good practices and ideas among States, and building confidence and encouraging cooperation between requesting and requested States.
3. At its second to sixth sessions, the Conference decided to continue the work of the Working Group. In its resolutions 6/2 and 6/3 the Conference requested the Secretariat, within existing resources, to assist the Working Group in the performance of its functions, including by providing interpretation services in the six official languages of the United Nations.
4. The Working Group held its first through tenth meetings annually in Vienna from 2007 to 2016.
5. The present note has been prepared to inform the Working Group at its eleventh session on the status of implementation of its recommendations and those of the Conference relating to asset recovery. Its purpose is to assist the Working Group in its deliberations and in determining its future activities, in line with the three main themes: developing cumulative knowledge; building confidence and trust between requesting and requested States; and technical assistance, training and capacity-building.

---

\* [CAC/COSP/WG.2/2017/1](#).



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

6. With respect to the development of cumulative knowledge on asset recovery, the Working Group expressed its continued interest in the development of tools that would facilitate legislative reforms in the area of asset recovery.

7. The importance of confidence and trust between requesting and requested States for asset recovery has been repeatedly and consistently emphasized, in particular as a means of sustaining and strengthening political will, removing barriers to asset recovery, developing a culture of mutual legal assistance and paving the way for successful international cooperation.

8. 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 and recognized the urgent and constant need to provide training.

9. The Working Group has repeatedly highlighted the need to strengthen coordination of various initiatives in asset recovery. In this regard, the work of the Stolen Asset Recovery (StAR) Initiative of the United Nations Office on Drugs and Crime (UNODC) and the World Bank with developing countries and financial centres was noted.

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

#### **1. Tools for gathering and sharing information**

10. The Working Group has consistently given high priority to the availability, creation and management of knowledge on asset recovery. It particularly commended the progress made by the Secretariat on the United Nations Convention against Corruption Legal Library (the UNCAC Legal Library) and the comprehensive knowledge portal developed by UNODC known as TRACK.

11. Previously, the Working Group called upon States parties to provide regular updates on the information contained in the relevant databases on asset recovery, and recommended to further pursue the collection and systematization of good practices and tools, including for enhancing early and spontaneous information exchange.

12. The Working Group also stressed the usefulness of the existing knowledge products of the StAR Initiative in building national capacity, and requested the Secretariat to prepare a list of those products and to ensure their widest possible dissemination.

13. The Working Group also welcomed the preparation and dissemination of practical guides by States on their legal frameworks, mechanisms and procedures for asset recovery as a useful tool for requesting States.

14. In its resolution 5/3 the Conference encouraged States parties to share approaches and practical experience for the return of assets consistent with article 57 of the Convention, for further dissemination through the Secretariat.

15. In the same resolution the Conference called upon requesting and requested States with practical experience in asset recovery to develop, as appropriate, in cooperation with interested States and providers of technical assistance, non-binding practical guidelines, such as a step-by-step guide, for efficient asset recovery, being mindful to seek to add value by building upon existing work in this area.

16. In its resolutions 6/2 and 6/3 the Conference encouraged States parties to consider, where appropriate and in accordance with national law, the possibility of

referring to the draft Lausanne guidelines for the efficient recovery of stolen assets in their practice and to continue to exchange their practical experiences and consolidate them into a non-binding, step-by-step guide or asset recovery manual, in cooperation with interested States and providers of technical assistance, upon the request of the relevant interested parties.

#### *Action Taken*

17. The UNCAC Legal Library is part of the web-based platform known as “Tools and Resources for Anti-Corruption Knowledge” (TRACK), which was launched by UNODC on 1 September 2011.<sup>1</sup> The Legal Library contains laws, jurisprudence and information on anti-corruption authorities from over 180 jurisdictions worldwide, indexed and searchable according to each provision of the Convention. Developed and administered by UNODC and supported by the StAR Initiative and partner organizations, the UNCAC Legal Library collects and disseminates indexed and searchable legal information according to each provision of the Convention. Legal data received in the context of the Implementation Review Mechanism and validated by States parties under review, including judicial decisions rendered in asset recovery cases, is also being used to continuously update the information contained in the UNCAC Legal Library.

18. At the request of the Working Group, a special section of TRACK is dedicated to asset recovery.<sup>2</sup> This section combines in one place all relevant information and links to data available on asset recovery, i.e., States’ legislation relevant to chapter V of the Convention; the Asset Recovery Watch, a database developed by the StAR Initiative with information on 240 past and current asset recovery cases involving corruption; the Puppet Masters Database of Grand Corruption Cases, which is a compilation of large-scale corruption cases involving the misuse of legal structures to conceal the origin and ownership of stolen assets, launched in October 2011; a database on settlements in cases of transnational bribery, containing information on over 500 settlements; the knowledge products published by the StAR Initiative; as well as the Country Guides for Asset Recovery that were prepared as part of the Deauville Partnership with Arab Countries in Transition Action Plan on Asset Recovery (the Deauville Action Plan) and other country-specific guides, and the Step-by-Step Guides on Requesting Mutual Legal Assistance in Criminal Matters developed by G-20 countries.

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. The process of translating these studies into all official languages of the United Nations is ongoing.<sup>3</sup>

20. In March 2017, UNODC and StAR contributed to preparations and presented at the 10th Practitioners’ Workshop On the Return of Illicit Assets of Politically Exposed Persons (Lausanne X), organized by the International Center for Asset Recovery, StAR, and the Government of Switzerland. The Lausanne Process entails seminars particularly addressed to practitioners in the field of asset recovery which have been hosted in Lausanne/Switzerland since 2001, with the objective of improving international cooperation and coordination in the fight against funds illicitly acquired by politically exposed persons. Noting that through the first seven Lausanne seminars, a number of recurring themes emerged, participants of Lausanne VIII in 2014 agreed on the “Guidelines for the Efficient Recovery of Stolen Assets” (the Guidelines).

21. The Lausanne X seminar finalized the work on a (step-by-step) guide to support the practical application and implementation of the Guidelines. By drawing from practical experience provided by asset recovery experts from all over the

<sup>1</sup> TRACK is available at [www.track.unodc.org](http://www.track.unodc.org).

<sup>2</sup> [www.track.unodc.org/assetrecovery/Pages/home.aspx](http://www.track.unodc.org/assetrecovery/Pages/home.aspx).

<sup>3</sup> For a list of available materials and tools developed by the StAR Initiative visit <http://star.worldbank.org/star/>.

world, the workshop identified single steps of action in the asset recovery process. The guide will be presented at the margins of the Working Group on Asset Recovery and launched at the seventh session of the Conference of the States Parties.

## **2. Mutual Legal Assistance Request Writer Tool**

22. 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 (MLA) Tool and to develop similar products.

### *Action taken*

23. UNODC completed its work on the redevelopment of the Mutual Legal Assistance Request Writer Tool, a guidance tool designed to assist criminal justice practitioners in drafting expeditiously MLA requests, thereby enhancing cooperation between States. In its redeveloped form, the Tool integrates features on asset recovery and additional forms or means of international cooperation in criminal matters, including transfer of criminal proceedings, videoconferencing and, to the extent applicable, joint investigations and international cooperation to conduct controlled deliveries. It also contains an “electronic evidence module” to facilitate the drafting of MLA requests to combat cybercrime and other criminal activities for which electronic evidence is located overseas or exists on the web and/or dark web. UNODC is in the process of preparations for making the tool available to practitioners as a HTML-based stand-alone simple application capable of running on all devices (including tablets and mobile phones). The tool will be made available free of charge and will also be downloadable from the UNODC website upon request. The tool will be gradually made available in all United Nations official languages.

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

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

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

### *Action taken*

26. All tools and knowledge products developed by UNODC and the StAR Initiative are widely disseminated on the Internet or in the context of events.

27. Efforts are made to actively disseminate knowledge products in various forums, including expert group meetings, training workshops and regional conferences, as well as through press outreach and interviews, social media, blogs, and a range of advocacy activities. The knowledge products are made available on the UNODC and StAR Initiative websites, and their translation into other languages is actively pursued.<sup>4</sup> In December 2016, StAR published “Getting the Full Picture on Public Officials: A How-To Guide to Financial Disclosure”. This handbook, available online, offers practical advice to governments about implementing financial disclosure systems. In 2016, the publication “The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It (2011)” was made available in Arabic.

28. In addition, UNODC’s e-learning anti-corruption tool was launched in January 2016, which included an asset recovery module.

---

<sup>4</sup> In 2016, the StAR Initiative website recorded 274,528 page views and 81,911 unique visitors.

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

29. At its third session, the Conference of the States Parties underlined that financial institutions should adopt and implement effective standards of due diligence and financial disclosure as previously highlighted by the Working Group, which had noted the need to increase the responsibility of financial institutions and financial intelligence units overseeing them. The Working Group recommended to include 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.

30. In its resolution 6/2 the Conference urged States parties to take measures, including measures to ensure compliance by financial and designated non-financial institutions, to identify, trace, seize, recover and return the proceeds of crime and funds of illicit origin.

##### *Action taken*

31. Under the UNODC Global Programme against Money-Laundering (GPML), UNODC mentors and experts continued 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, as well as investigation of money-laundering, disruption of illicit financial flows and interdiction of cash smuggling and investigation of cryptocurrencies.

32. Additionally, cooperation with the FATF and FATF Style Regional Bodies (FSRBs) has continued. For example, UNODC is working with the Middle East and North Africa Financial Action Task Force (MENA-FATF) on a collaborative study highlighting the links between corruption and money-laundering, with a specific focus on countries in the MENA region.

33. UNODC also supports a number of regional asset recovery networks (see below para. 71). UNODC GPML has launched the regular meetings of operational experts in Vienna to exchange information on large criminal financial networks which are capable to move billions of crime proceeds.

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

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

35. In its resolution 6/1, the Conference requested the Secretariat, in consultation with States parties and under the guidance of the Implementation Review Group, to continue improving the comprehensive self-assessment checklist for the second cycle of the Implementation Review Mechanism, without prejudice to its comprehensiveness or the methodology applied during the first cycle, and without prejudice to the launch and commencement of the second cycle.

##### *Action taken*

36. In accordance with this mandate, the Secretariat continued to solicit input from States parties on the revised draft self-assessment checklist, and the Implementation Review Group adopted the consolidated document at its seventh session ([CAC/COSP/IRG/2016/4](#)). In addition, the Secretariat prepared and disseminated a guidance document on how to fill in the revised draft self-assessment checklist ([CAC/COSP/IRG/2016/CRP.1](#)), which highlights information States may wish to

share regarding their implementation of chapters II (Preventive measures) and V (Asset recovery) of the Convention.

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

37. The Conference in its resolution 5/3 requested the Secretariat to invite States parties to provide, to the extent possible, information on mutual legal assistance in civil and administrative proceedings for the identification, freezing and confiscation of assets, in accordance with articles 43, paragraph 1, and 46, paragraph 3 of the Convention. A similar mandate was contained in resolution 5/1, entitled “Enhancing the effectiveness of law enforcement cooperation in the detection of corruption offences in the framework of the United Nations Convention against Corruption”.

38. The Conference in its resolution 6/4 entitled “Enhancing the use of civil and administrative proceedings against corruption, including through international cooperation in the framework of the United Nations Convention against Corruption” invited Member States to continue to provide to the Secretariat information on civil and administrative proceedings relating to corruption, when feasible and on a voluntary basis, in order to identify the scope of assistance that could be provided in relation to such proceedings, as well as to provide information about good practices and tools relevant to the implementation of article 53 of the Convention and requested the Secretariat to continue collecting and disseminating such information by, inter alia, reporting to the Conference and its relevant subsidiary bodies, including by providing suggestions regarding technical assistance needs and mechanisms to provide such assistance, and developing a study to identify best practices and ways to facilitate cooperation on the matter, subject to the availability of resources.

39. The Working Group further recommended that further information should be collected regarding such cooperation in order to identify the scope of assistance that could be provided in relation to such proceedings.

*Action taken*

40. In accordance with resolution 6/4, the Secretariat circulated in January 2017 a note verbale seeking information on civil and administrative proceedings relating to corruption, when feasible and on a voluntary basis from all States parties. The Secretariat attached a short questionnaire to the note to facilitate the process of collecting of this information. The note also sought information about designated officials or institutions appointed as focal points in the matter of the use of civil and administrative proceedings against corruption including for international cooperation in accordance with paragraph 8 of resolution 6/4.

41. On 8 May 2017 the Secretariat recirculated the note reminding all States parties to the Convention that had not yet responded to provide the requested information. The Secretariat will use the information obtained as a basis for the assessment of feasibility of developing a study to identify best practices and ways to facilitate cooperation on the matter subject to the availability of resources.

**7. Gathering of information on States’ practical experience in the management, use and disposal of frozen, seized and confiscated assets and on best practices in addressing the administration of seized assets**

42. The Conference in its resolution 5/3 encouraged States parties and UNODC to share experiences on the management, use and disposal of frozen, seized and confiscated assets, and to identify best practices as necessary, building upon existing resources that address the administration of seized assets and to consider developing non-binding guidelines on this issue.

43. In its resolution 6/3 the Conference encouraged States parties and UNODC to continue sharing experiences and building knowledge on the management, use and

disposal of frozen, seized, confiscated and recovered assets, and to identify good practices as necessary, building upon existing resources that address the administration of seized and confiscated assets, including with a view to contributing to sustainable development.

*Action taken*

44. UNODC prepared a study on effective management and disposal of seized and confiscated assets, which is presented to the Working Group in document [CAC/COSP/WG.2/2017/CRP.1](#). The study is aimed at assisting those directly tasked with developing legislative, policy and institutional frameworks on the management and disposal of these assets.

45. With a view to advancing the work on strengthening the recovery and return of stolen assets as included in Target 16.4 of the 2030 Agenda for Sustainable Development, adopted in resolution [70/1](#) of the General Assembly, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development endorsed by General Assembly resolution [69/313](#) that, inter alia, encouraged the international community to develop good practices on asset return, as well as in line with resolution [6/3](#) of the Conference of the States Parties to the United Nations Convention against Corruption on “Fostering effective asset recovery” which encourages States parties and UNODC to identify good practices as necessary that address the administration of seized and confiscated assets, including with a view to contributing to sustainable development, UNODC supported jointly by Ethiopia and Switzerland, started a process to identify good practices on the management and disposal of recovered and returned stolen assets in support of sustainable development. The first expert group meeting under this initiative was held in Addis Ababa in February 2017, and brought together for the first time different constituencies working on asset recovery and return, as well as financing for development practitioners.

46. Participants at the expert group meeting agreed that, while the symbolic value of asset recovery was high, returned assets could only provide for a small portion of the funds needed to support the SDGs. Further, they emphasized that returned assets should not be stolen again, but used to support investment in the SDGs. They concluded that more work was required in three work streams: (1) Management of seized and confiscated assets pending return, (2) The end use/disposal of returned assets, including in support of the SDGs, and (3) Modalities and negotiation of agreements for returning the assets.

**8. Gathering of information on the volume of assets seized, confiscated and returned or disposed by States**

47. The Conference in its resolution [6/3](#) invited States parties, in accordance with national legislation and policies, to collect and make public data on the volume of assets seized, confiscated and returned or disposed of by their jurisdictions.

*Action taken*

48. Collecting and publishing data on the volume of assets seized, confiscated and returned or disposed of is a complex issue, yet it is an important avenue to assess actual progress on asset recovery. In particular, collecting data is crucial to measure progress on the Sustainable Development Goals, especially Target 16.4. (“by 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets”). While many States parties have statistical systems in place, these systems do not necessarily produce internationally comparable data over time. Also, weaknesses in the national statistics systems have been identified as one of the most frequent challenges during the country reviews in the first cycle of the Implementation Review Mechanism.

49. To support States parties in collecting such data, the Working Group may wish to consider the following possibilities: (1) The development of a questionnaire to all

States parties in which data on the volume of assets seized, confiscated and returned or disposed of could be reported; (2) To include relevant questions in the already existing UNODC questionnaires on drug control and crime prevention. However, doing so would require the approval by the Commissions on Narcotic Drugs and/or on Crime Prevention and Criminal Justice;<sup>5</sup> (3) To collect statistics through the regional asset recovery networks. The Asset Recovery Inter-Agency Network Southern Africa (ARIN-SA) has started in 2016 to collect relevant information from their constituencies and its members report to the Secretariat of the network cases of money-laundering and proceeds of crime, including seizures of assets. For the moment, such practice has not yet been replicated by any of the other CARIN-style networks. However, the asset recovery networks could be used as a starting point for collecting such data, provided that a common approach can be adopted for all regional networks; (4) Information could also be collected through the Comprehensive Self-Assessment Checklist on the Implementation of the Convention. The inclusion of further questions on seized and confiscated assets could be realized under the guidance of the Implementation Review Group and the Open-ended Intergovernmental Group on Asset Recovery. In order to create meaningful data over time, these parts of the self-assessment would need to be completed by States parties periodically, not only on the occasion of their country review; and (5) The joint OECD/StAR study “Few and Far. The Hard Facts on Stolen Asset Recovery” contains questionnaire-based survey results about country progress on asset recovery of the 34 OECD countries. The methodology used for the OECD countries could also inform any global effort to collect data on seized and confiscated assets.

50. The Group may wish to discuss if any of the above options should be further pursued or which other possibilities for the collection and publication of data on the volume of assets seized, confiscated and returned or disposed of by their jurisdictions would be considered feasible. The Secretariat could then elaborate a detailed proposal for the data collection, including its budgetary implications. A pilot data collection to assess the feasibility of a large scale data collection, for example on a voluntary basis and on selected topics, could be a first step.

## **9. Gathering of information on States’ best practices for identifying victims of corruption and parameters of compensation**

51. In its resolution 6/2 the Conference directed the Working Group to initiate the process for identifying victims of corruption and the parameters for compensation.

52. The Working Group requested the Secretariat to continue its efforts, subject to the availability of resources, in gathering information on good practices in relation to the identification and compensation of victims in accordance with Conference resolution 6/2, including through soliciting information from States parties and organizing an expert panel at the eleventh meeting of the Working Group.

---

<sup>5</sup> With regard to drug control, the revised Annual Report Questionnaire (ARQ) has been adopted by Member States of the Commission on Narcotic Drugs at its reconvened 53rd session, in December 2010. While information on seizures is collected, the information filled into the ARQ is mostly owned by drug control authorities, which could make the inclusion of a provision on the seizures of corruption proceeds unpractical. On the other hand, after the decade of 2009-2019, to which the Political Declaration refers, the negotiation of a further revised version of the ARQ is likely, which is a process in which additional questions could be proposed. Similarly, the United Nations Survey of Crime Trends and Operations of Criminal Justice Systems (UN-CTS) uses a questionnaire that is product of an intergovernmental consensus and it collects information, primarily statistical, on the main components of the criminal justice system (police, prosecution, courts and prisons). Among other crimes, it also collects information on various corruption offences. This questionnaire is substantively closer to the questions referenced above. However, the revised questionnaire is being finalized; the negotiation of a further revised version is currently not expected.

*Action taken*

53. In carrying out this mandate the Secretariat circulated on 2 May 2017 a note verbale seeking the provision of information from all States parties and signatories on good practices in relation to the identification and compensation of victims. The Secretariat is organizing an expert panel at the eleventh meeting of the Working Group with a view to explore further possibilities to gather and analyse information on the issue.

**10. Gathering of information on States' proactive and timely sharing of information**

54. In its resolution 6/2 the Conference directed the Working Group to initiate the process for identifying best practices and developing guidelines for proactive and timely sharing of information to enable States parties to take appropriate action, in accordance with article 56 of the Convention.

*Action taken*

55. In order to assist the Working Group in its efforts to identify best practices and develop guidelines on proactive and timely sharing of information, the Secretariat circulated on 2 May 2017 a note verbale seeking the provision of relevant information from all States parties and signatories, with a view to making this information available to the Working Group at its eleventh session.

56. The Secretariat prepared a discussion paper ([CAC/COSP/WG.2/2017/2](#)) on the issue for the attention of the Working Group.

**11. Gathering of information on States' use of settlements and other alternative mechanisms**

57. In its resolution 6/2 the Conference directed the Working Group to collect information, with the support of the Secretariat, regarding State parties' use of settlements and other alternative mechanisms and analyse the factors that influence the differences between the amounts realized and the amounts returned to affected States, with a view to considering the feasibility of developing guidelines to facilitate a more coordinated and transparent approach for cooperation among affected States parties and effective return.

58. In its resolution 6/3 the Conference further encouraged States parties to make widely available information on their legal frameworks and procedures, including those used in settlements and alternative legal mechanisms, in a practical guide or other format designed to facilitate use by other States, and to consider, where appropriate, the publication of that information in other languages.

59. The Working Group encouraged States to provide to the Secretariat information on their legal framework and practice relevant to the use of settlements and other alternative mechanisms in concluding transnational corruption cases in accordance with Conference resolutions 6/2 and 6/3, with a view to contributing to an informed discussion to consider the feasibility of developing guidelines to facilitate a more coordinated and transparent approach for cooperation among requested and requesting States parties and effective return.

*Action taken*

60. In execution of this mandate the Secretariat circulated on 2 May 2017 a note verbale seeking the provision of information from all States parties and signatories on the use of settlements and other alternative mechanisms with a view to making this information available to the Working Group at its eleventh session.

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

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

61. The Working Group has requested the Secretariat to invite those Member States that have not done so to designate a central authority for mutual legal assistance. The Conference made a request to all States parties along the same lines.

62. The Conference has requested the Working Group to continue considering the issue of establishing a global network of asset recovery focal points as a network of practitioners, without duplicating existing networks, to facilitate more effective cooperation. The Working Group has underlined the need for a global network of focal points on asset confiscation and recovery with technical expertise, and has emphasized the need for collaboration and coordination between regional networks.

63. The Conference, in its resolution 6/3, encouraged States parties to apply lessons learned in all areas of asset recovery cooperation through, inter alia, enhancing international cooperation, including through participation in international law enforcement networks, such as the asset recovery focal points under the Convention, the Global Focal Point Initiative, supported by the International Criminal Police Organization and the Stolen Asset Recovery Initiative, and the Camden Asset Recovery Inter-agency Network, and regional initiatives such as the Arab Forum on Asset Recovery.

64. The Working Group has also recommended that UNODC explore how the database of asset recovery focal points could be amended, with a view to making it possible to ascertain the contact details of persons in other jurisdictions.

#### *Action taken*

65. As of 8 June 2017, 126 States parties had notified the Secretariat of their designated central authorities on mutual legal assistance.

66. As of 8 June 2017, 69 States had notified the Secretariat of their designated focal points asset recovery focal points in accordance with the recommendations of the Working Group and the Conference. The online directory of designated central authorities and asset recovery focal points is available at [www.unodc.org/compauth\\_uncac/en/index.html](http://www.unodc.org/compauth_uncac/en/index.html).

67. Further to the recommendation of the Open-ended intergovernmental expert meeting on international cooperation at its fifth session in November 2016, the Secretariat has developed a new separate section under the Directory on central authorities on extradition, including information on the requirements and procedures for granting extradition. The expert meeting also recommended States parties to continue updating the information on their competent authorities, including central authorities and national focal points on asset recovery.

68. In June 2017, the Secretariat circulated a note verbale encouraging States parties to update and/or provide information on the various competent authorities, namely central authorities for mutual legal assistance, central authorities for extradition, prevention authorities, asset recovery focal points and focal points for international cooperation in the use of civil and administrative proceedings.

69. The Global Focal Point Network supported by INTERPOL and the StAR Initiative was launched in January 2009 to support the investigation and prosecution of corruption and economic crime through international cooperation and informal assistance for the purpose of identifying, tracing, freezing and ultimately recovering the proceeds of corruption and economic crime. This network established a virtual platform hosted on the secure website of INTERPOL and accessible through the secure communication protocol offered by INTERPOL, enabling Focal Points to exchange information and technical knowledge on corruption and asset recovery. Currently, 224 dedicated focal points representing 129 countries are participating in

the platform. The Seventh Global Focal Point Conference was co-hosted by the Royal Canadian Mounted Police (RCMP) and held in Ottawa from 6 to 8 June 2017. The meeting brought together more than 120 anti-corruption investigators and prosecutors from some 50 countries and provided an opportunity for participants to review international trends and developments in the field, and to continue building relationships to enhance international cooperation in future asset recovery cases. On the margins of the conference, several bilateral meetings were facilitated mostly for the purpose of case consultations.

70. At the UK Summit, held on 12 May 2016, States decided to convene a Global Forum on Asset Recovery (GFAR) in 2017 to provide a venue for countries seeking to advance the recovery of assets. GFAR will be held in December 2017 in Washington D.C. Nigeria, Sri Lanka, Tunisia and Ukraine will be the first priority countries at the forum which will be co-hosted by the United Kingdom of Great Britain and Northern Ireland and the United States of America and supported by StAR.

71. UNODC and the StAR Initiative continued their support for the strengthening of regional networks engaged in asset recovery and confiscation. During the reporting period the following meetings were carried out with the support of UNODC and the StAR Initiative:

(a) The Asset Recovery Network of GAFILAT (Red de Recuperación de Activos de GAFILAT, RRAG), composed of 16 countries, held the thirteenth meeting of focal points on: (i) practical and legal aspects in the development of covert operations; (ii) interception of communications and its impact on organized crime; and (iii) international cooperation regarding strategies for effective asset recovery in Guatemala from 3 to 5 May 2016. A presentation on strategies for effective asset recovery and the UNODC Guide on Mutual Legal Assistance on Asset Recovery was made;

(b) The Asset Recovery Inter-Agency Network for Eastern Africa (ARINEA), composed of eight countries, held its Annual General Meeting in September 2016, and a range of bilateral meetings and discussions on challenges arising in international cooperation both informally and formally were facilitated;

(c) The Asset Recovery Inter-Agency Network — Asia Pacific (ARIN-AP) held its Steering Committee and Annual General Meeting in October 2016. The meeting also provided an opportunity to engage in bilateral meetings and for further exchanges with members of ARIN-AP.

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

72. The Working Group has recommended strengthening cooperation between financial intelligence units, anti-corruption authorities and central authorities responsible for mutual legal assistance at the national and international levels. Further cooperation with existing networks and institutions such as the Egmont Group of Financial Intelligence Units and the International Association of Anti-Corruption Authorities should be explored.

73. The Conference, in its resolution 6/3, encouraged States parties to consider making use of opportunities for cooperation through existing practitioner-based networks, such as the asset recovery focal points under the Convention, the Global Focal Point Initiative, and the Camden Asset Recovery Inter-agency Network, and information provided at the financial intelligence unit level, in the course of making requests for mutual legal assistance.

### *Action taken*

74. UNODC works closely with and supports the activities of the International Association of Anti-Corruption Authorities (IAACA) and participates in its Executive Committee and continues to be involved in activities of the Egmont Group. StAR participated in the Egmont Group meetings in Doha from 29 January

to 3 February 2017 to present its work (Egmont Working Group and plenary meetings, and the Egmont Group Regional meetings).

75. StAR in collaboration with the Bangladesh Financial Intelligence Unit (BFIU) delivered a Workshop on International Cooperation Focused on “Asset Recovery” for officials of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Member Countries. The participating countries included Bangladesh, India, Nepal, Sri Lanka and Thailand, and the workshop brought together Financial Intelligence Units and anti-corruption authorities in order to foster inter-agency cooperation and coordination among the various domestic and regional stakeholders and explore ways to improve formal and/or informal cooperation.

76. Both the UNODC Global Programme against Money-Laundering and the StAR Initiative continued to work with financial intelligence units to assist them in joining the Egmont Group and in implementing the Egmont standards of exchange of information on countering money-laundering and the financing of terrorism.

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

77. The Working Group has emphasized the need for the Secretariat to further strengthen its work with regard to promoting dialogue between requested and requesting States, building trust and confidence and nurturing and further strengthening political will in ensuring asset recovery, including in its work with other intergovernmental organizations and in the context of the G-20.

78. The Conference, in its resolution 5/3, called upon States parties to give particular and timely consideration to the execution of international mutual legal assistance requests that need urgent action, including those related to the States concerned in the Middle East and North Africa, as well as other requesting States.

79. The Conference, in its resolution 6/3, called upon States parties to give particular and timely consideration to the execution of requests for mutual legal assistance in asset recovery, and encouraged States parties to remove barriers to asset recovery, including by simplifying legal procedures, while preventing their abuse.

80. The Working Group has recommended exploring the feasibility of adopting a help desk approach to asset recovery to give advice during the initial stages of a case in an informal manner and to refer requesters to counterparts who would be able to provide further assistance.

#### *Action taken*

81. UNODC is actively engaged in advocacy in a number of international forums to strengthen political will, including the Anti-Corruption and Transparency Working Group of the Asia-Pacific Economic Cooperation Forum (APEC), INTERPOL, the European Union and Eurojust, the Group of Seven (G-7), the Group of Twenty (G-20) Anti-Corruption Working Group and the World Economic Forum, in particular its Partnering against Corruption Initiative (PACI).

82. UNODC continued to raise awareness about the importance of the ratification and full implementation of the United Nations Convention against Corruption, emphasizing the importance of its provisions on asset recovery, as an observer at the meetings of the G-20 Anti-Corruption Working Group. UNODC supported the implementation of the 2017-2018 G-20 Anti-Corruption Action Plan. Moreover, UNODC actively contributed to the development of the G-20 High Level Principles on the Liability of Legal Persons for Corruption Offences, the G-20 High Level Principles on Countering Corruption related to the Illegal Trade in Wildlife and Wildlife Products, and the G-20 High Level Principles on Organizing against Corruption. In April 2017 UNODC also participated in the International Symposium on Non-Conviction Based Confiscation organized by the Research Center on

International Cooperation Regarding Persons Sought for Corruption and Asset Recovery in G-20 Member States.

83. UNODC and StAR have participated in various meetings related to money-laundering in order to promote coordination with regard to asset recovery (see above para. 32). UNODC also organized a Regional Workshop on Liability of Legal Persons for Corruption Offences at the National and International Level for South-East Asian countries in August 2016. UNODC participated in the 17th International Anti-Corruption Conference (IACC) in December 2016 in Panama, and presented on asset recovery-related panels. StAR supported UNODC in organizing a Regional Conference for Fast-tracking Implementation of UNCAC for Economic and Social Development in South-East Asia in January 2017 and StAR facilitated the Working Group focusing on “Preventing money laundering, preventing and detecting transfer of proceeds of crime and recovering stolen assets”.

84. Among others, StAR participated in the World Bank regional conference on Financial Disclosure by Public Officials in ASEAN in June 2016, the China-ASEAN Anti-Corruption Workshop in November 2016, the 4th Senior Level Workshop on Extradition and MLA in Asia and the Pacific in Seoul in December 2016 organized by the Ministry of Justice of the Republic of Korea, and the first meeting of the Network for Integrity organized by the Haute Autorité pour la Transparence de la Vie Publique of France with participation from 20 countries in December 2016.

85. The United Kingdom Anti-Corruption Summit in May 2016 recommended the establishment of an International Anti-Corruption Coordination Centre (IACCC) that would seek to provide countries with timely support for the recovery of stolen assets. UNODC has been in contact with authorities involved in setting up IACCC to coordinate in preparation for operationalization of IACCC.

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

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

87. 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 through the StAR Initiative at both the national and regional levels.

88. The Working Group has recommended that States parties consider adopting a curriculum approach to technical assistance programmes, with coordination at the regional level in order to ensure the most effective use of limited available resources.

89. In its resolution 6/3, the Conference urged States parties to ensure that they have adequate legal and institutional frameworks in place to prosecute corruption, to detect the illegal acquisition and transfer of assets derived from corruption, to request and provide international legal cooperation, including mutual legal

assistance, to ensure that there are suitable mechanisms in place to recover through confiscation the identified proceeds of corruption, to enforce foreign conviction-based and non-conviction-based orders in accordance with the requirements of the Convention and to ensure that such frameworks are enforced, and encouraged technical assistance in this regard.

*Action taken*

90. Since the official start of the second cycle of the Implementation Review Mechanism (IRM) in June 2016, UNODC has regularly responded to technical assistance requests by States parties, in order to strengthen their capacity in implementing chapter V of the Convention and their full participation in the IRM.

91. In 2016, UNODC facilitated regional training sessions on the second review cycle for focal points and reviewing experts from the States of GRULAC in Panama, for the Middle Eastern States in Qatar and for the Asia-Pacific Region in Malaysia. In September and November 2016, UNODC conducted a training workshop for focal points and governmental experts from overall 37 States participating in the IRM in Vienna. In April 2017, UNODC conducted a training session for the focal points from 22 States parties under review in the second year of the second cycle in the Russian Federation. In addition, UNODC conducted ten national training sessions and workshops on the finalization of the self-assessment checklist for the second review cycle and provided ad hoc assistance to numerous countries in the margins of other meetings on the completion of the checklist.

92. UNODC, including through the StAR Initiative, continued to provide demand-driven, country-specific assistance to States in their asset recovery efforts. In the reporting period, 24 countries, two asset recovery forums and three regional networks were receiving such assistance through the StAR Initiative, and new requests were received from six countries. In addition, StAR worked with a number of other jurisdictions at regional and/or international organizations in areas such as, capacity-building and technical assistance. Country engagements constituted the majority of StAR's activities.

93. Country engagements are designed as multi-year programmes and cover a range of diverse activities including tactical analysis and establishment of asset recovery strategies, financial investigation techniques, asset disclosure, forensic audit preparatory to cases, case management advice and the facilitation of contacts with other jurisdictions. Such assistance entails both generic capacity-building activities as well as targeted, case-related engagements. StAR methodologies include more traditional training workshops as well as the placement of mentors, and the practical facilitation of coordination and cooperation both domestically and internationally. What follows provides an example of country engagement work.

94. In one African country, StAR has been providing assistance to the Asset Forfeiture and Recovery Section in the Directorate of Public Prosecutions since 2012, including through training in financial investigations, asset-tracing and other tools for prosecutors and investigators as well as members of the judiciary likely to hear asset recovery related cases. In 2016, StAR coordinated meetings with asset recovery stakeholders to evaluate progress of the technical assistance and identify areas for prioritization and continuation of the StAR programme.

95. In another African country capacity-building training was delivered to the judiciary and law enforcement focused on using anti-money-laundering tools to fight corruption. Taking into account international standards and international cooperation, the training included "follow the money" as well as tailor made simulation training on use of domestic legislation to freeze, seize and confiscate proceeds of crime. This training was delivered under the StAR Judicial Training programme which has been ongoing in the region.

96. In November 2016, a court in another African country delivered a judgement which found three defendants guilty and sentenced them to imprisonment between

3-10 years with a confiscation/compensation order of several million dollars. The presiding judge, participated in judicial training organized by StAR and the judgement for confiscation reflected such training. StAR also supported the case strategy in that case including securing two auditors to work with the investigation and prosecution team, building capacity on the job. StAR undertook focused training for the team and closely monitored progress. This was the first case in the country in which assets of high value were frozen and continue to remain frozen.

97. StAR has initiated a country engagement programme with and continued discussions with relevant authorities in two fragile and conflict-affected countries to clarify technical assistance needs in order to plan the next steps and to follow up on previous activities.

98. After the completion of StAR's first phase of support to a country in Asia in June 2016, a subsequent mission was conducted in November 2016 to address a further request from the authorities who identified ongoing areas where additional support would enhance the effectiveness of their efforts to recover stolen assets and improve the asset declaration system. StAR continued working with the authorities to develop the investigations manual template. Upon completion and translation, the document will be reviewed and enhanced to ensure that it accurately reflects the legal processes and internal procedures while incorporating practical guidance based on country experience.

99. In another country in Asia, a UNODC team conducted a workshop to follow up on recommendations of the first cycle of the review of implementation of UNCAC which included provisions on international cooperation and confiscation. The workshop led to the adoption of a work plan which includes action items for reform of legislation and policies related to mutual legal assistance and development of legislation on proceeds of crime. In the same country, StAR has been providing case-related support since April 2016 and delivered training programmes on financial investigations, and on electronic evidence and digital forensics in June 2016 and April 2017.

100. In a Latin American country, StAR has been helping establish a sound legal and professional infrastructure to undertake anti-corruption and asset recovery work. A new asset recovery unit is seeking to establish a formal legal and institutional framework for itself and become a full-fledged agency covering the mandate of recovery of stolen State assets. A draft bill was prepared by the authorities for this purpose and UNODC continued its work with providing comments on the draft asset recovery legislation and attending the national stakeholder consultations on the bill. Specific activities will be planned after the adoption of the bill, including: training on the new provisions and at the operational level for the new agency as well as for prosecutors and the judiciary; assistance in developing a strategy, investigations manual and code of practice; supporting inter-agency cooperation; and, potential mentorship.

101. In a number of other Latin American countries UNODC provided training to prosecutors, investigators and judges on the use of Non-Conviction Based (NCB) Forfeiture. The trainings usually involved an inter-institutional exercise for prosecutors, investigators and judges, in which they interacted with each other and exchanged knowledge particularly on the NCB Asset Forfeiture process.

102. StAR also continued its support to authorities in a European country looking to identify asset recovery strategies and will help facilitate meetings with other key parties that may be able to provide assistance to the authorities, including the law enforcement agencies representatives from overseas jurisdictions currently working in that country, as well as other local offices. At the same time, advisory services on asset declaration were provided to countries, including in launching electronic filing systems and on asset declaration verification and effective communication.

103. In addition, in the area of legislative assistance, UNODC has continued to work with States to assess their implementation of the provisions of chapter V of the

Convention. In addition, UNODC and the StAR Initiative have responded to several other requests from States with respect to conducting desk reviews of legislation or assisting in drafting legislation.

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

104. The Working Group may wish to continue to provide further guidance on the implementation of resolution 6/2 of the Conference of the States Parties, in particular with a view to initiate the process of identifying victims of corruption and the parameters of compensation; facilitating the development of guidelines for proactive and timely sharing of information to enable States parties to take appropriate action, in accordance with article 56 of the Convention; and the collecting of information regarding State parties' use of settlements and other alternative mechanisms and analysing the factors that influence the differences between the amounts realized in settlements and other alternative legal mechanisms and the amounts returned to affected States, with a view to considering the feasibility of developing guidelines to facilitate a more coordinated and transparent approach for cooperation among affected States parties and effective return.

105. The Working Group may wish to provide further guidance on: (a) steps that could be taken to encourage States to build trust and confidence, and to remove barriers to asset recovery; (b) the options for collecting data on the volume of assets seized, confiscated and returned or disposed of by States; and (c) the management of seized and confiscated assets, in particular, on the way towards the identification of good practices.

With regard to the latter, it may wish to take into account the three work streams identified by the participants of the workshop in Addis Ababa on 14-16 February 2016, in particular:

- (1) Management of seized and confiscated assets pending return:
- (2) The end use/disposal of returned assets, including in support of the SDGs: and
- (3) Modalities and negotiation of agreements for returning the assets.