



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

Distr.: General
18 August 2022

Original: English

Open-ended Intergovernmental Working Group on Asset Recovery

Vienna, 7–11 November 2022

Items 2 and 5 of the provisional agenda*

Overview of progress made in the implementation of asset recovery mandates

Technical assistance

Progress in implementing the mandates of the Open-ended Intergovernmental Working Group on Asset Recovery

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 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 ninth sessions, the Conference decided that the Working Group should continue its work. The Working Group held its first to fifteenth meetings annually in Vienna from 2007 to 2021.
4. The present document has been prepared to inform the Working Group, at its sixteenth meeting, of the status of implementation of its recommendations and the resolutions of the Conference relating to asset recovery. It is aimed at assisting the Working Group in its deliberations and in determining its future activities.

* [CAC/COSP/WG.2/2022/1](#).



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

5. Previous meetings of the Working Group have focused on three main themes, in line with the mandates of the Group established by Conference resolution 1/4: (a) developing cumulative knowledge; (b) building confidence and trust between requesting and requested States; and (c) technical assistance, training and capacity-building.

6. With respect to the development of cumulative knowledge on asset recovery, the Working Group has expressed its continued interest in the development of knowledge products and related 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 stressed, in particular as a means of increasing political will, developing a culture of mutual legal assistance and paving the way for successful international cooperation.

8. The Working Group has 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 has recognized the urgent and constant need to provide training.

9. The Working Group has repeatedly emphasized its role in contributing knowledge and expertise for the outcomes of the reviews relating to the asset recovery chapter in the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption.

10. In addition, the Working Group has repeatedly noted the need to strengthen coordination between various initiatives in asset recovery. In that 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 has been noted.

A. Developing cumulative knowledge

1. Information and knowledge products relevant to the implementation of chapter V of the Convention

11. The Working Group has consistently given high priority to the availability, creation and management of knowledge on asset recovery. The Group has highlighted that tools and knowledge products need to be widely disseminated, and that follow-up on their effectiveness and usefulness should be considered by the Conference or the Group. It has stressed the usefulness of the existing knowledge products, including those of the StAR Initiative, in building national capacity, and has requested UNODC to prepare a list of those products and to ensure their widest possible dissemination.

12. In this regard, since the previous meeting of the Working Group, UNODC, including through the StAR initiative, has published several knowledge products aimed at advancing States parties' efforts to implement chapter V of the Convention and has continued working on other products.

13. UNODC has continued to prepare thematic implementation reports on chapter V of the Convention, in accordance with paragraphs 35 and 44 of the terms of reference of the Implementation Review Mechanism. Issued annually, the report contains a compilation of the most relevant information on successes, good practices, challenges and observations contained in the executive summaries and country review reports under the second cycle of the Mechanism (for the latest report, see

CAC/COSP/2021/6). In addition, UNODC presented to the Conference at its ninth session a regional addendum to the thematic report, which included further analyses of the implementation on a regional basis of the provisions on asset declarations and financial disclosure systems (art. 7, para. 4; art. 8, para. 5; and art. 52, paras. 5 and 6 of the Convention) and on the identification of beneficial owners (art. 14, para. 1 (a); and art. 52, para. 1, of the Convention).¹

14. In addition, UNODC is currently working on the following knowledge products on the topic:

(a) A paper in which the last phase of the asset recovery process, namely the asset return phase, is examined. The paper is aimed at identifying the main questions and considerations that practitioners face in asset return situations. On the basis of an analysis of cases, lessons learned will be highlighted in order to enable practitioners to take advantage of past experience and apply such lessons to ongoing cases. In addition, the paper will address article 57 of the Convention in detail and highlight the requirements for its application. As part of the development of the knowledge product, UNODC convened an informal online focus group discussion. The objective of the discussion was to share information with experts in asset return, to present and discuss the objective and the methodology for the paper and to consider the aspects of asset return that it should cover. It is expected that the paper will be launched in the third quarter of 2022;

(b) In response to Conference resolution 9/7, UNODC is preparing an in-depth study of the existing and emerging systems of beneficial ownership information transparency in several countries. Mainly through case analysis, the study will contain an examination of the different beneficial ownership systems that exist in selected jurisdictions across several regions. It is aimed at stimulating further dialogue among countries in pursuing stronger laws and policies in order to ensure beneficial ownership information transparency by, inter alia, identifying challenges and good practices and providing recommendations.

15. Taking into account regional needs, UNODC has also published region-specific knowledge products. For instance, in the context of South-Eastern Europe, the Office developed the following: (a) five country guides on mutual legal assistance aimed at supporting practitioners in their asset recovery efforts; (b) six “modus operandi guides” for States parties seeking assistance from Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia, as well as from Kosovo,² in international cooperation and asset recovery; and (c) six “fast action response guides” in which practical aspects of asset recovery and financial investigation are summarized. UNODC also produced a report on non-conviction-based confiscation in Viet Nam and a report on asset recovery and international cooperation in Indonesia.

16. Since the previous meeting of the Working Group, the StAR Initiative has launched the following knowledge products:³

(a) In December 2021, during the ninth session of the Conference, the StAR Initiative launched the study entitled *Orders without Borders: Direct Enforcement of Foreign Restraint and Confiscation Decisions*. The study offers an in-depth analysis of the concept of direct enforcement of foreign restraint and confiscation orders, including existing legal approaches and related challenges to this crucial step in the process of asset recovery. It contains analyses of 31 jurisdictions with different legal systems and provides suggestions on a series of practical steps and good practices to either introduce a direct enforcement mechanism or improve it if such a system is already in place;

(b) In April 2022, the StAR Initiative released the report entitled “Signatures for sale: how nominee services for shell companies are abused to conceal beneficial

¹ CAC/COSP/2021/7.

² All references to Kosovo in the present report shall be understood to be in the context of Security Council resolution 1244 (1999).

³ Further details are available on the website of the Stolen Asset Recovery (StAR) Initiative.

owners”. The report contains analyses of a family of related corporate arrangements in which nominees act as agents of principals in control of shell companies. It focuses on how nominee arrangements can be abused to facilitate financial crime by obscuring the identity of those in control of shell companies and on policies designed to counter such abuses. Nominee arrangements are currently both a threat and a missed opportunity for policymakers. Strengthening the regulation of nominee arrangements can enhance the transparency of shell companies and help to reduce financial crime;

(c) In June 2022, in collaboration with the Vienna University of Economics and Business Global Tax Policy Center at the Institute for Austrian and International Tax Law, the Initiative launched the publication *Taxing Crime: A Whole-of-Government Approach to Fighting Corruption, Money Laundering and Tax Crimes*. The publication focuses on the benefits of inter-agency cooperation between tax authorities and law enforcement agencies working on preventing, detecting and recovering illicit financial flows derived from tax evasion, corruption and money-laundering.

17. Furthermore, the StAR Initiative will soon release the following studies:

(a) In collaboration with the Vienna University of Economics and Business Global Tax Policy Center, a report on unexplained wealth orders;

(b) In partnership with the Asset Recovery Subcommittee of the International Bar Association, a publication on the identification of victims of corruption and compensation for damage as a result of acts of corruption, which will complement the document prepared by the Secretariat on the matter (CAC/COSP/WG.2/2019/5).⁴

18. The StAR Initiative continued to publish its quarterly newsletter, which provides detailed updates on StAR Initiative activities and knowledge products and highlights thematic areas of interest and upcoming events.⁵ Eighteen issues of the newsletter have been released since its inception. A subscription form and all past issues are available on the StAR Initiative website.

19. To ensure the widest dissemination of its knowledge products related to the implementation of the Convention, the legal library, part of the UNODC Tools and Resources for Anti-Corruption Knowledge (TRACK) web-based platform, was redesigned. The online portal was relaunched during the ninth session of the Conference, in December 2021, as a unique gateway for accessing information on preventing and combating corruption and economic crime. Legislation collected through the Implementation Review Mechanism will also be made available in the legislation database of the knowledge management portal known as Sharing Electronic Resources and Laws on Crime (SHERLOC).⁶ Connecting TRACK and SHERLOC will allow the sharing of information collected by UNODC with a wider audience in a more inclusive manner.

20. In addition, the publications of the StAR Initiative highlighted above are accessible through the Resource Library on the new StAR website.⁷ The Resource Library contains a fast-growing repository of resources, including both StAR

⁴ In its resolution 8/9, the Conference called the attention of States parties to the work undertaken following resolution 6/2, in which the Working Group had been directed to initiate the process of identifying best practices for identifying victims of corruption and the parameters for compensation, and encouraged States parties to provide information on existing laws and practices on identification and compensation of victims of corruption. In December 2020, the United Nations Office on Drugs and Crime (UNODC) circulated a note verbale inviting States parties to provide information on best practices for the identification and compensation of all different types of victims in accordance with the Convention. The information received in response to the note verbale served as a basis for the forthcoming publication.

⁵ Available at <https://star.worldbank.org>.

⁶ The SHERLOC portal is an initiative to facilitate the dissemination of information regarding the implementation of the United Nations Convention against Transnational Organized Crime, the three Protocols thereto and the international legal framework against terrorism.

⁷ In January 2021, the StAR Initiative launched its new website (<https://star.worldbank.org>), an online portal providing access to information on the StAR Initiative, its work and achievements, as well as new sections mapping out the different steps in the asset recovery process.

Initiative publications and relevant external material from partners and multilateral workstreams, such as the Group of 20. The platform is designed to host resources and publications related to asset recovery, providing other agencies, organizations and Governments the opportunity to submit relevant knowledge products, thus allowing asset recovery practitioners from around the globe access to information in one place.

2. Gathering 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 and confiscated assets

21. In its resolution 8/1, the Conference decided that the Working Group should continue to collect information on best practices from States parties, with a view to completing the draft non-binding guidelines on the management of frozen, seized and confiscated assets and updating the study entitled *Effective Management and Disposal of Seized and Confiscated Assets*.⁸

22. In response, UNODC initiated the update of the study by, among others, including relevant experiences and good practices from a wider range of jurisdictions. To that end, in April 2021, UNODC circulated a note verbale inviting States parties to provide information on their legislation, policies, practices and institutions on the management of frozen, seized and confiscated assets, including challenges, good practices and lessons learned and comments on the revised draft non-binding guidelines on the management of frozen, seized and confiscated assets.

23. At the ninth session of the Conference, UNODC presented an update on the work related to the management of frozen, seized and confiscated assets and a summary of the information collected from States parties in response to the note verbale circulated in April 2021.

24. UNODC, including through the StAR Initiative, will continue to work on updating the study and on the revision of the draft non-binding guidelines with more comments collected from States parties.

3. Gathering of information on international asset recovery and return cases, including on volumes of assets frozen, seized, confiscated and returned in relation to corruption offences, and the number and types of cases

25. In its resolution 9/2, the Conference requested UNODC, in coordination with the StAR Initiative, to expand the global knowledge and data collection on asset recovery and return through gathering and sharing information on challenges and good practices, as well as on volumes of assets frozen, seized, confiscated and returned in relation to corruption offences, and the number and types of cases, as appropriate, while ensuring the protection of personal data and privacy rights, drawing upon existing efforts, within existing resources.

26. Further to that resolution and resolutions 8/1 and 8/9,⁹ in 2020 and 2021 UNODC and the StAR Initiative collected information through a questionnaire sent

⁸ In its resolution 7/1, the Conference encouraged States parties and UNODC to continue sharing experiences on the management of frozen, seized and confiscated assets, identifying best practices as necessary and building on existing resources, and to consider developing non-binding guidelines on the issue.

⁹ In its resolution 8/1, the Conference decided that the Working Group should continue its work by, inter alia, continuing its efforts to collect information on challenges and barriers that States parties face, as well as best practices in recovery and return of proceeds of crime, with a view to proposing possible recommendations for the full and effective implementation of chapter V of the Convention.

In its resolution 8/9, the Conference requested the Secretariat, and invited the StAR Initiative, subject to the availability of extrabudgetary resources, to collect information from States parties on international asset recovery cases in relation to offences established in accordance with the Convention, including on volumes of assets frozen, seized, confiscated and returned, to report on the findings to the Working Group at its next meeting and the Conference at its next session, and to update the Asset Recovery Watch database. In the same resolution, the Conference requested the Secretariat, and invited the StAR Initiative, subject to the availability of extrabudgetary resources, to continue, in consultation with States parties, and taking into account, inter alia, the

to all States parties to the Convention on their involvement in international asset recovery efforts. In the questionnaire, authorities were asked to provide information on proceeds of foreign corruption that they had restrained or confiscated in their own jurisdictions and returned to another country, as well as information on any proceeds of corruption that their respective countries had received from another country where those assets had been held. Information was also collected from countries that had facilitated the asset recovery process in other ways, for example by initiating legal action to recover proceeds of corruption in a third country or by acting as a mediator in facilitating a return between two other States.

27. The Working Group was informed about the findings at its fourteenth meeting, in November 2020 (CAC/COSP/WG.2/2020/4), and at its fifteenth meeting, in September 2021. Additional findings were made available to the Conference in a conference room paper produced by the StAR Initiative entitled “Mapping international recoveries and returns of stolen assets under UNCAC: an insight into the practice of cross-border repatriation of proceeds of corruption over the past 10 years” (CAC/COSP/2021/CRP.12), which included an analysis of returns of proceeds of corruption that had been carried out between 2010 and 2019.

28. In April 2022, UNODC sent an additional note verbale inviting States parties to provide information on their involvement in international asset returns in 2020 and 2021, including the number of asset return cases, the amounts returned and the parties and assets involved.

29. On the basis of the responses received from States parties as of July 2022, UNODC prepared a note (CAC/COSP/WG.2/2022/3) containing an updated and condensed form of the analysis presented in the conference room paper mentioned above (CAC/COSP/2021/CRP.12) for the attention of the Working Group and to support the thematic discussion. The note provides an overview of international recoveries and returns of proceeds of crime and insights into the current state of cross-border repatriation practices.

4. Gathering of information on good practices in promoting beneficial ownership information transparency to facilitate the recovery and return of proceeds of crime

30. In its resolution 9/7, entitled “Enhancing the use of beneficial ownership information to facilitate the identification, recovery and return of proceeds of crime”, the Conference encouraged States parties, with the assistance of the secretariat, to share, on a voluntary basis, examples of good practices on promoting beneficial ownership information transparency to facilitate the recovery and return of proceeds of crime and financial disclosure requirements for public officials while avoiding the duplication of work undertaken by other international forums.¹⁰

31. In that same resolution, the Conference called upon UNODC, in cooperation with the StAR Initiative, to make available, within existing resources, in the TRACK portal, information on States parties that maintain a registry or alternate mechanism on beneficial ownership information, together with information on how to make requests for such information.

information gathered during the first and second review cycles of the Implementation Review Mechanism, and by panels and studies, to collect information on the legal frameworks, legal procedures and judicial actions taken by States to recover proceeds of crime derived from offences established in accordance with the Convention, and to collect information from States parties on the most common challenges in the judicial process with regard to asset recovery and provide an analytical report to guide technical assistance.

¹⁰ On this matter, in paragraph 16 of the political declaration entitled “Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthen international cooperation”, adopted by the General Assembly at its special session against corruption, Member States, inter alia, committed to developing and implementing the measures necessary to collect and share such information on the beneficial ownership of companies, legal structures and other complex legal mechanisms, and to enhancing the ability of competent authorities in that regard.

32. The Working Group has repeatedly highlighted the importance of studying and overcoming challenges associated with access to beneficial ownership information for enhancing the recovery of stolen assets and requested the secretariat to continue updating the Group on future activities in that regard.

33. In response, UNODC, in a note verbale circulated in May 2022, invited States parties to provide information on their legislation, policies, practices and institutions on promoting beneficial ownership information transparency, including existing registries and mechanisms for requesting such information.

34. On the basis of the information received from States parties and additional research, the secretariat prepared a conference room paper (CAC/COSP/WG.2/2022/CRP.1) on good practices in promoting beneficial ownership information transparency to facilitate the recovery and return of proceeds of crime, in order to support the Working Group's thematic discussion on the matter.¹¹ In addition, the responses will feed into the in-depth study mentioned above on existing and emerging systems of beneficial ownership information transparency.

35. In addition, UNODC, through the StAR Initiative, as part of its efforts to develop and update tools to assist asset recovery practitioners in tracing illicit funds located abroad, is updating and expanding country-specific beneficial ownership guides,¹² which are intended for public authorities or other relevant stakeholders searching for information on legal entities created under the laws of another country. The guides will be created or updated, as applicable, on the basis of information supplied by national authorities and will be made available on the StAR website and on the UNODC TRACK portal.

5. Other information-gathering activities

36. As reported to the Working Group at its previous meeting, in response to Conference resolution 8/9,¹³ UNODC prepared an analytical paper on alternative legal mechanisms and non-trial resolutions, including settlements, that have proceeds of crime for confiscation and return (CAC/COSP/WG.2/2021/CRP.1), which also took into account responses received in response to a note verbale circulated in February 2021. In addition, an analytical note on that topic, which, inter alia, took into account the relevant thematic discussion of the Working Group, was prepared and made available to the Conference (CAC/COSP/2021/14). UNODC also updated the database on alternative legal mechanisms and non-trial resolutions, including settlements, that have proceeds of crime for confiscation and return.¹⁴

37. Furthermore, as reported to the Working Group, in response to resolution 8/9,¹⁵ UNODC circulated a note verbale inviting States parties that had implemented measures in accordance with article 54, paragraph 1 (c), of the Convention to provide information in relation to procedures allowing for the confiscation of proceeds of corruption without a criminal conviction. On the basis of the responses received and

¹¹ In paragraph 23 of its resolution 9/7, the Conference also decided that the Working Group should include in its workplan for the period 2022–2023 the topic of good practices and challenges with respect to beneficial ownership and how it can foster and enhance the effective recovery and return of proceeds of crime, taking into consideration article 63 of the Convention.

¹² Available at <https://star.worldbank.org>.

¹³ In its resolution 8/9, the Conference requested the Secretariat, and invited the StAR Initiative, subject to the availability of extrabudgetary resources, to, inter alia, continue to maintain and update the Asset Recovery Watch database, particularly in relation to alternative legal mechanisms and non-trial resolutions, including settlements, that have proceeds of crime for confiscation and return, in accordance with the Convention, and to provide regular updates to the Working Group, and to study how the use of alternative legal mechanisms and non-trial resolutions, including settlements, that have proceeds of crime for confiscation and return, in accordance with the Convention, taking into account relevant existing information provided, could further promote the effective application of chapter V of the Convention.

¹⁴ Available on the website of the Working Group.

¹⁵ In its resolution 8/9, the Conference directed the Working Group to collect information on challenges, good practices and lessons learned, and procedures allowing the confiscation of proceeds of corruption without a criminal conviction from States parties that have implemented such measures in accordance with article 54, paragraph 1 (c), of the Convention.

additional research, the secretariat prepared an analytical note on the topic (CAC/COSP/WG.2/2021/4). Moreover, an analytical note on that topic which also took into account the relevant thematic discussion of the Working Group was prepared and made available to the Conference (CAC/COSP/2021/15).

B. Building confidence and trust between requesting and requested States

1. Central authorities and networks

Central authorities

38. In its resolution 7/1, the Conference urged States parties to ensure that the information provided regarding their central and competent authorities, in line with article 46, paragraph 13, of the Convention, was up to date, in order to enhance dialogue on mutual legal assistance.

39. The Working Group has requested the secretariat to invite those States parties that have not yet done so to designate a central authority for mutual legal assistance. The Conference made a similar request to all States parties.

40. The online directory of designated competent national authorities, including central authorities for mutual legal assistance and asset recovery focal points, is available at <https://sherloc.unodc.org/cld/v3/sherloc/cna/index.jsp>. Further details on the information available in the directory can be found in the note by the Secretariat prepared for the eleventh open-ended intergovernmental expert meeting to enhance international cooperation under the United Nations Convention against Corruption on progress in implementing the mandates of the expert meeting.¹⁶

Networks

41. UNODC and the StAR Initiative continued their support for the strengthening of regional networks engaged in asset recovery and confiscation, including the Camden Asset Recovery Inter-Agency Network and, following the same model, the Asset Recovery Inter-Agency Networks for Asia and the Pacific, for the Caribbean, for Eastern Africa, for Southern Africa, for West Africa and for West and Central Asia, and the Asset Recovery Network of the Financial Action Task Force of Latin America.

42. Since its official launch on 3 June 2021, the UNODC Global Operational Network of Anti-Corruption Law Enforcement Authorities (GlobE Network) has grown rapidly. As at 9 August 2022, it included 112 authorities from 63 States parties to the Convention and one observer. Following up on the decisions adopted during the first and second plenary meetings of the Network, a secure communication channel for confidential communication between members was put in place. The Network continued to provide opportunities for its members to meet and connect, and to ensure synergies with other organizations, networks and bodies, including the StAR Initiative, the International Centre for Asset Recovery of the Basel Institute on Governance, the International Criminal Police Organization (INTERPOL)/StAR Global Focal Point Network on Asset Recovery and regional networks engaged in asset recovery. During the second plenary meeting of the Network, which was held from 28 to 30 June 2022, a panel discussion was organized on lessons learned from other regional and international networks, organizations and bodies in the fight against corruption.¹⁷

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

43. In its resolution 8/9, the Conference 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

¹⁶ CAC/COSP/EG.1/2022/2.

¹⁷ More information about the GlobE Network is available at <https://globenetwork.unodc.org/>.

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.

44. 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 should be explored.

45. UNODC consulted representatives of the Camden Asset Recovery Inter-Agency Network and the Egmont Group in the process of establishing the GlobE Network. The Office continued to be involved in activities of the Egmont Group. In January 2022, the StAR Initiative participated in the meeting of the Egmont Working Group and provided a briefing on the work of the StAR Initiative.

46. Both the StAR Initiative and the UNODC Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism continued to work with financial intelligence units to assist them in joining the Egmont Group and in implementing the Egmont standards for the exchange of information on countering money-laundering and the financing of terrorism. That work also included the promotion of inter-agency cooperation, highlighting the importance of such cooperation to the success of anti-corruption, anti-money-laundering and countering the financing of terrorism regimes. At the plenary meetings of the Egmont Group, the StAR Initiative has been awarding the StAR Best Case Award to financial intelligence units for their success in asset recovery in corruption cases.

47. UNODC worked closely with and supported the activities of the International Association of Anti-Corruption Authorities and participated in its Executive Committee.

3. Promoting dialogue and removing barriers to asset recovery

48. 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 Group of 20.

49. In its resolution 9/3, the Conference called upon States parties, in accordance with the fundamental principles of their legal systems, to strengthen the national, regional and international coordination and cooperation among the bodies involved in the prevention of and fight against corruption, to afford one another, without delay, effective mutual legal assistance, and to take meaningful steps to facilitate effective cooperation and remove barriers, consistent with article 46 of the Convention.

50. In its resolution 8/1, the Conference urged States parties to consider, in accordance with the fundamental principles of their domestic law and in accordance with the Convention, the establishment or further development of inter-agency or intergovernmental cooperation in identifying, tracing, freezing, seizing, confiscating and returning proceeds of crime, which would enable States parties to better detect, deter and prevent acts of corruption. In the same resolution, the Conference encouraged States parties to remove barriers to applying measures for the recovery of assets, in particular by simplifying their legal procedures, where appropriate and in accordance with their domestic law, and by preventing the abuse of such procedures.

51. In its resolution 8/9, the Conference urged all States parties, in accordance with the Convention, to cooperate to recover the proceeds of crime, at home and abroad, and to demonstrate strong commitment to ensuring the return of confiscated assets in accordance with article 57 of the Convention. It also encouraged States parties, in

accordance with their domestic laws and in line with domestic priorities, to consider the 2030 Agenda for Sustainable Development in the use of returned assets.¹⁸

52. In this regard, UNODC previously reported on two expert group meetings held in Addis Ababa in February 2017 and May 2019, which were convened by the Governments of Ethiopia and Switzerland and UNODC. The first meeting focused on the management and disposal of recovered and returned stolen assets, including in support of sustainable development, and brought together asset recovery practitioners and financing for development experts for the first time. The second expert meeting focused on the return of stolen assets, analysed successful asset return cases and identified trends and developments, thereby discerning common obstacles to international cooperation in the return of assets and innovative ways of overcoming those obstacles. The meeting also discussed ways to ensure transparency and accountability in the asset return process and good practices for States parties to consider when dealing with cases of asset return and disposal. Following those two expert meetings, discussions are being held on the organization of the next such expert meeting, which will be focused on asset return and the 2030 Agenda, in the third quarter of 2022.

53. UNODC continued to be actively engaged in a number of international forums to continue dialogue on asset recovery. For example, the Office continued to raise awareness of the need to ensure full implementation of the Convention, emphasizing the importance of its provisions on asset recovery, as an observer at the meetings of the Group of 20 Anti-Corruption Working Group. UNODC assisted in the development of and continues to support the implementation of the Group of 20 action plan for the period 2022–2024. Furthermore, together with the StAR Initiative, UNODC supported the work of the gatekeeper task force, a cross-sectoral task force of industry leaders convened by the World Economic Forum Partnering against Corruption Initiative and the Global Future Council on Transparency and Anti-Corruption. In 2021, the task force developed a unifying framework for self-regulation and collective action across all gatekeeping industries.

54. UNODC and the StAR Initiative provided expertise and shared knowledge on asset recovery in a vast range of meetings and conferences. For example, UNODC and StAR:

- (a) Co-organized the eleventh Lausanne Seminar on asset recovery, entitled “Boosting cooperation in asset recovery: exploring the potential of private sector engagement and public-private collaboration”;
- (b) Participated in the second UNODC-Ibero-American Association of Public Prosecutors virtual dialogue on the illicit financial flows behind corruption;
- (c) Acted as a panellist at the World Wildlife Fund Targeting Natural Resource Corruption event on the potential of beneficial ownership transparency and its implications for natural resources;
- (d) Participated as a discussant at the International Forum on Kleptocracy and Illicit Financial Flows, hosted by the National Anti-Corruption Bureau of Ukraine, on

¹⁸ In its resolution 7/1, the Conference encouraged States parties to make full use of the possibility of concluding agreements or mutually acceptable arrangements for the return and final disposal of confiscated property pursuant to article 57, paragraph 5, of the Convention and to consider the Sustainable Development Goals in the use and management of recovered assets, while fully respecting the principles of sovereign equality and the territorial integrity of States and of non-intervention in the domestic affairs of other States, in line with article 4 of the Convention. In addition, it called upon States parties to continue the exchange of best practices and precise information on successful cases of cooperation between different States parties regarding the implementation of asset recovery-related provisions of the Convention. It also requested the Secretariat, in consultation with States parties and taking into account, among other things, the information being gathered through the Implementation Review Mechanism and by panels and studies, to continue to collect information on the legal framework, legal procedures and judicial actions taken by States parties to recover proceeds of crime derived from corruption under the Convention, and encouraged States parties to make widely available information in that regard, in order to share good practices.

the increase in the use of cryptocurrency for corruption and the challenges and opportunities in the experience of Ukraine with asset tracing, freezing, recovery and management;

(e) Participated as a presenter on the use of financial disclosures to curb corruption at a hybrid forum organized by the Kuwait Anti-Corruption Authority on International Anti-Corruption Day;

(f) Presented the new publication of the StAR Initiative on automated risk analysis of asset declarations at a meeting convened by the Corruption Prevention Community of Practice of the Australian Commission for Law Enforcement Integrity;

(g) Gave a presentation on common typologies and risks of abuse of shell companies and findings from the new StAR Initiative report entitled *Signatures for Sale* at an international webinar on beneficial ownership organized by the financial intelligence unit of Ecuador, the Technical Assistance and Training Working Group of the Egmont Group, and the Financial Action Task Force of Latin America.

55. In addition, UNODC and the StAR Initiative participated in various meetings related to money-laundering in order to promote coordination with regard to asset recovery.

56. Throughout the period 2020–2022, the StAR Initiative supported and actively participated in the process of reviewing and revising Financial Action Task Force recommendation 24, on transparency and beneficial ownership of legal persons. In March 2022, the Financial Action Task Force plenary meeting adopted changes to its rules on beneficial ownership for the first time since 2012. The revisions are aimed at addressing weaknesses in implementation and lowering the risks of criminal abuse of legal persons. Experts from the StAR Initiative and UNODC were involved in a small drafting group comprising representatives of Task Force members and observers tasked with revising the guidance on beneficial ownership transparency of legal persons and contributed significantly to several sections, including those on thresholds, risk assessments, foreign legal persons, risks of nominee directors and shareholders, and international cooperation.

57. Furthermore, during the ninth session of the Conference, a one-day special event on asset recovery was organized by UNODC and the StAR Initiative and various partners. The event was organized in a hybrid format, which allowed for broad in-person and online participation, and featured six panel discussions on the following topics: (a) “The state of play for asset recovery”; (b) “Orders without borders: the direct enforcement of foreign restraint and confiscation decisions”; (c) “Data and transparency in asset recovery and returns”; (d) “Ending the shell game: why fighting corruption and going after dirty money relies on global beneficial ownership transparency”; (e) “Standing as victim of corruption and damages”; and (f) “Taxing corruption: how can anti-corruption and tax authorities work together?”.

4. Technical assistance, training and capacity-building

58. In its resolution 6/3, the Conference urged States parties to ensure that they had 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 were 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 were enforced, and encouraged technical assistance in that regard.

59. In its resolution 7/1, the Conference requested UNODC and invited the StAR Initiative to continue to provide and develop capacity-building initiatives on asset recovery, including knowledge products and technical tools, upon request and subject to extrabudgetary resources, in response to technical assistance needs identified during country reviews.

60. In its resolution 9/7, the Conference requested UNODC to continue providing technical assistance, capacity-building and material support, upon request, to Member States, on the basis of their needs and priorities, with regard to establishing and implementing a domestic beneficial ownership information regime in order to facilitate the recovery and return of proceeds of crime.

61. 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.

62. The Working Group has also highlighted the importance of the technical assistance provided by UNODC and the StAR Initiative to improve national capacities in asset recovery. In addition, it has 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 the importance of granting sufficient resources to UNODC and other relevant assistance providers. In addition to activities such as seminars and training courses, the Working Group has encouraged UNODC to organize training sessions using innovative technology, such as electronic learning programmes.

63. The Working Group has recommended that technical assistance be enhanced in relation to international cooperation in asset recovery and 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.

64. The Working Group has also 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.

65. UNODC has continued to regularly respond 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 Implementation Review Mechanism, in particular since the start of the second cycle of the Mechanism. To strengthen support at the regional level, UNODC is in the process of creating regional anti-corruption hubs to bring expertise closer to recipients.

66. In 2021, UNODC, including through the StAR Initiative, provided technical assistance to 18 countries, including 9 that were working on legislative reform. During that period, five States parties adopted new laws or amendments related to asset recovery, two received support in improving domestic coordination processes and five received assistance in improving international cooperation to aid asset recovery cases. In addition, over 1,800 professionals worldwide received asset recovery training. Further information on the country work of the StAR Initiative is included in its annual report for 2021 and its quarterly newsletters.¹⁹

67. Furthermore, where requested, UNODC and the StAR Initiative have started providing assistance to national authorities related to legislative and regulatory reforms of their countries' beneficial ownership frameworks. The objective of those activities is to address gaps and weaknesses in legislative frameworks for collecting, holding, storing and providing access to beneficial ownership information, and to address gaps in countries' understanding of related risks.

¹⁹ Available at <https://star.worldbank.org>.

III. Follow-up to the special session of the General Assembly against corruption

68. At its special session on challenges and measures to prevent and combat corruption and strengthen international cooperation, held in New York from 2 to 4 June 2021, the General Assembly adopted the political declaration entitled “Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthen international cooperation”. It covers all aspects of preventing and fighting corruption and advancing the anti-corruption agenda and contains a special section on asset recovery, which touches upon several areas covered by the mandate of the Working Group and themes of the present document.

69. In the political declaration, Member States emphasized that asset recovery was one of the main purposes of the Convention and a fundamental principle that contributed to fostering sustainable development. Member States recognized the need for effective, efficient and responsive international cooperation in asset recovery and return. In addition, they highlighted their commitment to strengthening information exchange and the capacities of central authorities and asset recovery experts and recognized the importance of direct recovery and international cooperation measures such as conviction-based and non-conviction-based confiscation mechanisms.

70. In its resolution 9/2, entitled “Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthening international cooperation: follow-up to the special session of the General Assembly against corruption”, the Conference requested UNODC to create and maintain a repository of all contributions submitted on a voluntary basis by States parties on the implementation of the Convention and the political declaration adopted at the special session of the General Assembly against corruption, such as contributions on good practices and progress made in the use of international cooperation mechanisms under the Convention.

71. In July 2022, UNODC circulated a note verbale inviting States parties to provide information on measures taken to implement the Convention and to achieve the commitments contained in the political declaration. UNODC will analyse the responses and provide the Working Group with an update on the findings.

IV. Reporting and follow-up

72. The Working Group may wish to consider providing further guidance on:

(a) Ways to address existing challenges in and obstacles to asset recovery and to enhance the implementation of chapter V of the Convention;

(b) Important topics deserving additional consideration and developing guidelines, good practices, knowledge products and other tools to improve the implementation of chapter V of the Convention;

(c) The role that UNODC, including through the StAR Initiative, could play in facilitating international cooperation in asset recovery, by creating forums for building confidence between requesting and requested States, establishing bilateral contacts and secure channels for communication and building capacity in that area;

(d) The role of UNODC in the delivery of technical assistance at the national and regional levels, including through the new regional anti-corruption hubs, and how best to address the needs that are identified, including in the reviews, in order to ensure that States parties in need of expertise and assistance can avail themselves of such expertise and assistance in a timely and effective manner;

(e) Concrete actions to support the implementation of the commitments contained in the political declaration adopted at the special session of the General Assembly against corruption.

(f) The role that the GlobE Network could play with respect to facilitating international cooperation in asset recovery, and to encourage States that have not yet done so to consider joining the Network.

73. The Working Group may also wish to continue to encourage States parties to make use of their reviews under the second review cycle to enhance their implementation of chapter V of the Convention, to continue to follow up on observations relevant to asset recovery emanating from the reviews and to request technical assistance in order to address any challenges identified.
