The UK’s approach to transparency in asset recovery & returns

Mapping international asset recovery in practice: publishing data, the UK’s policy on asset returns, and the importance of transparency

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Publication of the UK’s 1st Framework for Transparent Asset Returns

The purpose of this Framework – published in January 2022 - is to drive transparency, and accountability in the UK’s process of returning funds to other countries. It sets out HMG’s process for asset return, the deduction of reasonable expenses, the stakeholders to be engaged throughout the return process and the mechanisms for return.
1. The Proceeds of Crime Act 2002

The Proceeds of Crime Act (POCA) 2002 provides the statutory framework used to enable the investigation and prosecution of crimes relating to benefit from criminal conduct; or crimes relating to property obtained through unlawful conduct or which is intended to be used in unlawful conduct. It is also used to deprive criminals of their money or other property connected to criminal activity. POCA can be applied through the following powers: Criminal Confiscation, Civil Forfeiture, Civil Recovery and Taxation. Links to further information on POCA can be found in the Background Information Note.

2. About this release
Since 2021, we have started including annual stats on the proceeds of crime recovered through International Asset Recovery.

Overview of the asset recovery system and the corresponding statistics for each stage of the process, 2021-2022

Main Additions and Changes to the Bulletin

There have been some changes in the methodology for this statistical release which concern the values and volumes of proceeds of crime. It means there will be differences in figures reported in this release to those previously released. Further details of these changes can be found in the Methodology and Quality Report.

Experimental statistics on Civil Recovery Order receipts covering the financial years from 2016 to 2017 until 2020 to 2021 have also been included in this release for the first time. There has also been the inclusion of Experimental Statistics on the proceeds of crime recovered through International Asset Recovery.

Further information on Experimental Statistics can be found in the Methodology and Quality Report.

Main Headlines

Figure 1: The value of proceeds of crime recovered from Confiscation Orders, Forfeiture Orders and Civil Recovery Orders receipts from financial year 2015 to 2016 until financial year 2020 to 2021 in England and Wales, Northern Ireland
This section sets out, for the financial year 2021 to 2022, the value of (a) assets due to be returned and (b) assets returned based on nominal values. This section also includes the value of assets restrained, seized or frozen up until the financial year ending 2022, based on nominal values.

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Total value of proceeds of crime recovered but not returned</th>
<th>Total value of proceeds of crime returned to foreign government</th>
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</thead>
<tbody>
<tr>
<td>2021 to 2022</td>
<td>£18,000,000</td>
<td>£456,068</td>
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At the time of publication, the returns above were not reflected in the total value of assets returned. Since this publication, £456,068 has been returned to Moldova.
The UK will generally seek to agree transparency measures through the use of a Memorandum of Understanding with countries to which we return assets.

A section of the MoU will include an agreement between civil society organisations and government on the monitoring arrangements for the use of funds, in line with principle 10 of the GFAR principles.
Case Study: Return of funds to Moldova
Publication of Memorandum of Understanding (MoU)

Published on gov.uk, public domain

Contents section breaks down the MoU and allows viewer to navigate the document

Policy paper
MOU between UK and Moldova on the return of funds forfeited by the National Crime Agency in relation to Luca Filat
Published 22 September 2021

This Memorandum of Understanding relates to the return of funds ("the Returned Funds") forfeited by order of the magistrates court dated 14 November 2019 from Luca Filat.

1. This Memorandum of Understanding does not constitute an international treaty under the international public law and Vienna Convention on the Law of the Treaties (1969) and does not produce legally-binding commitments for the parties.

2. The Returned Funds total £456,068.38, the full amount which will be returned to the Republic of Moldova to fund social assistance that will benefit vulnerable people in
Transparency and accountability

7. The Government of the Republic of Moldova has appointed Keystone Moldova, a civil society organisation, which will monitor and evaluate the expenditure of the Returned Funds and will ensure that the Returned Funds are fully put towards the intended use of the Service.

8. Keystone Moldova will monitor and evaluate the use of the Returned Funds and the process of delivering the Service, including the applications for personal assistants to ensure that the most urgent needs are met, and that assistants are allocated in a transparent way.

9. Keystone Moldova will provide three intermediate monitoring reports (“Monitoring Reports”) during the period of the Service (from the MOU being signed until 31 May 2022). These Monitoring Reports will be provided to the Governments of Moldova and the United Kingdom within one month of completion.

10. The costs of monitoring the project will not be provided by the Moldovan National Agency for Social Assistance.

11. Within one month of the conclusion of the project (31 March 2022), a final report (“the Final Report”) will be provided by the Government of the Republic of Moldova to
Examples of projects underway from returned funds