



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

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## Open-ended Intergovernmental Working Group on Asset Recovery

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Item 2 of the provisional agenda\*

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

## 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 sixteenth meetings annually in Vienna from 2007 to 2022.
4. The present document has been prepared to inform the Working Group, at its seventeenth 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.

#### 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

\* [CAC/COSP/WG.2/2023/1](#).



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 gap analyses, assistance in drafting new legislation and the facilitation of the mutual legal assistance process, and has recognized the urgent and constant need for capacity-building and 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. In addition, the Working Group has repeatedly noted the need to strengthen coordination between various initiatives in asset recovery.

10. In this regard, in the previous meeting of the Working Group, speakers recognized the importance of the work of the Stolen Asset Recovery (StAR) Initiative, of the United Nations Office on Drugs and Crime (UNODC) and the World Bank and the Global Operational Network of Anti-Corruption Law Enforcement Authorities (GlobE Network).

## **A. Developing cumulative knowledge**

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.

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

12. 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 to work on other knowledge 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 reports contain 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 reports, see [CAC/COSP/IRG/2022/7](#) and [CAC/COSP/IRG/2022/9](#)). In addition, based on the aforementioned executive summaries and country review reports, UNODC presented to the second resumed thirteenth session of the Implementation Review Group a report on the implementation of provisions of a cross-cutting nature in chapters II and V of the UNCAC. The report analysed asset declarations, financial disclosure systems and prevention of conflicts of interest (art. 7, para. 4; art. 8, para. 5; and art. 52,

paras. 5 and 6); beneficial ownership identification (art. 12, para. 2 (c); art. 14, para. 1 (a); and art. 52, para. 1); and measures to prevent money-laundering, the prevention and detection of transfers of proceeds of crime, and financial intelligence units (arts. 14, 52 and 58).<sup>1</sup> An analysis of the implementation at the regional level of chapter V of the Convention will also be prepared for the first time.<sup>2</sup>

14. In addition, UNODC has developed the following knowledge products on the topic, which will be launched ahead of the Conference, at its tenth session:

(a) A paper in which the last phase of the asset recovery process, namely asset return, 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 are highlighted in order to enable practitioners to take advantage of past experience and apply such lessons to ongoing cases. In addition, the paper addressed article 57 of the Convention in detail and highlights the requirements for its application. The paper was presented as a background document for discussion to the International Expert Meeting on Asset Return and the Agenda 2030, which took place in Nairobi from 28 to 29 November 2022 (please see below for more information on the meeting). Experts welcomed the insights included in the background document and provided further suggestions for the finalization of the knowledge product, which is expected to be launched in mid-2023;

(b) In response to Conference resolution 9/7, UNODC continued to work on an in-depth study of the existing and emerging systems of beneficial ownership information transparency in several countries. Mainly through case analysis, the study contains 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;

(c) A study entitled Civil and administrative liability for corruption that examines domestic practices and ways to enhance international cooperation under the United Nations Convention against Corruption.

15. Since the previous meeting of the Working Group, the StAR Initiative led the development of a new module to assess money-laundering risks related to legal entities and beneficial ownership-related risks, as part of the World Bank's National Money Laundering/Terrorist Financing Risk Assessment (NRA) Toolkit. Shell companies and other legal structures (such as limited liability partnerships) have emerged as a primary mechanism for moving illicit funds around the world. The module provides a comprehensive methodology for authorities to map out key features of their country's beneficial ownership framework and assess related money-laundering threats and vulnerabilities. Version 1.0 of the tool was published in June 2022 alongside four other new modules on specific risks: terrorist financing, virtual assets, non-profit organizations, and environmental and natural resources.<sup>3</sup>

16. In addition, in collaboration with the Vienna University WU Global Tax Policy Center at the Institute of Austrian and International Tax Law, StAR published the study *Taxing Crime: A Whole-of-Government Approach to Fighting Corruption, Money Laundering and Tax Crimes*. This publication focuses on the benefits of inter-agency cooperation between tax authorities and law enforcement agencies working on preventing, detecting, and recovering the illicit financial flows (IFFs) derived from tax evasion, corruption, and money-laundering. The publication was formally launched by StAR and the WU Global Tax Policy Center during a virtual event in November 2022. The panel discussion included contributions from practitioners from

<sup>1</sup> CAC/COSP/2022/8 and CAC/COSP/IRG/2023/10.

<sup>2</sup> CAC/COSP/IRG/2023/11.

<sup>3</sup> Further details are available on the website of the Stolen Asset Recovery (StAR) Initiative (<https://star.worldbank.org>).

East Africa where the publication was already being used in the context of the technical assistance project against IFFs conducted by the World Bank.

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 study that provides an overview of unexplained wealth order regimes as an investigative or legal process, in which persons with suspicious wealth in excess of their known lawfully obtained income and assets need to explain how they obtained such assets;

(b) A paper on issues linked to legal professional privilege and how it affects investigators' ability to ascertain beneficial ownership, including a discussion on measures to prevent the abuse of legal privilege;

(c) A report to guide policy makers and practitioners on the alignment of asset recovery with due process and international standards;

(d) A publication on equivalent value-based confiscation and the merits and challenges associated with the use of this mechanism in corruption cases;

(e) A how-to-guide on asset management, which will provide in-depth information to practitioners on how to navigate the process of managing seized or confiscated assets in a transparent and accountable manner. The guide will complement the UNODC study on the matter entitled *Effective Management and Disposal of Seized and Confiscated Assets*<sup>4</sup> and the revised draft non-binding guidelines on the management of frozen, seized and confiscated assets;<sup>5</sup>

(f) A guide for policymakers and asset recovery practitioners on asset and income disclosure forms and how to make them more robust.

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.<sup>6</sup> Twenty-one 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) continued to be updated. The online platform serves as a unique gateway for accessing information on preventing and combating corruption and economic crime. Legislation collected through the Implementation Review Mechanism is also made available in the legislation database of the knowledge management portal known as Sharing Electronic Resources and Laws on Crime (SHERLOC).<sup>7</sup>

20. In addition, all StAR Initiative publications are accessible through the Publications Library on the StAR website.<sup>8</sup> The Publications Library contains a fast-growing repository of resources, including both StAR Initiative publications and

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<sup>4</sup> 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.

<sup>5</sup> CAC/COSP/2019/16.

<sup>6</sup> Available at <https://star.worldbank.org>.

<sup>7</sup> The SHERLOC portal (<https://sherloc.unodc.org/cld/en/st/home.html>) 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. For more information on TRACK and SHERLOC please refer to the note on the progress in implementing the mandates of the open-ended intergovernmental expert meeting to enhance international cooperation under the United Nations Convention against Corruption (CAC/COSP/EG.1/2023/2).

<sup>8</sup> 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.

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 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**

21. 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.

22. Further to that resolution and resolutions 8/1 and 8/9,<sup>9</sup> from 2020 to 2022, UNODC and the StAR Initiative collected information through two questionnaires sent to States parties to the Convention on their involvement in international asset recovery efforts.<sup>10</sup> In the questionnaires, 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.

23. The Working Group was informed about the findings at (a) its fourteenth meeting, in November 2020 (CAC/COSP/WG.2/2020/4), (b) its fifteenth meeting, in September 2021, through an oral update, and (c) its sixteenth meeting, in November 2022 (CAC/COSP/WG.2/2022/3). Additional findings were also made available to the Conference, at its ninth session, 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.

<sup>9</sup> 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 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.

<sup>10</sup> The first questionnaire was circulated in April 2020 in Note Verbale CU 2020/141/DTA/CEB/CSS and the second in April 2022 in Note Verbale CU 2022/115/DTA/CEB/CSS.

24. In April 2023, UNODC sent an additional note verbale inviting States parties to provide information on their involvement in international asset returns for the period of 2022 to 2023, including the number of asset return cases, the amounts returned and the parties and assets involved. On the basis of the responses received UNODC will provide an oral update to the Working Group and update the notes on the matter, presenting an up-to-date overview of international recoveries and returns of proceeds of crime and insights into the current state of cross-border return practices. The note will be presented to the Conference, at its tenth session, for its consideration.

25. UNODC, to the extent possible, will continue to collect information on asset return cases in relation to corruption offences and make the information collected publicly available, including through the “Asset Recovery Watch” database on the website of the StAR Initiative. The comprehensiveness of the data collected and the accuracy of the corresponding analysis depend mainly on the information shared by States parties. The Working Group may wish to discuss different avenues to encourage States parties to continuously share information on new cases on the matter.

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

26. 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 for 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.<sup>11</sup>

27. 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.

28. 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.

29. 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, which supported the Working Group’s thematic discussion on the matter that took place during its sixteenth meeting.<sup>12</sup> Furthermore, the responses received from 40 States parties and a catalogue with the online links to commercial and beneficial ownership registers, competent authorities and their contact information was made available at the web page of the sixteenth meeting of the Working Group.<sup>13</sup>

<sup>11</sup> 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.

<sup>12</sup> 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.

<sup>13</sup> See [www.unodc.org/unodc/en/corruption/WG-AssetRecovery/session16.html](http://www.unodc.org/unodc/en/corruption/WG-AssetRecovery/session16.html).

30. In addition, an updated note on that topic, which, inter alia, will take into account the relevant thematic discussion of the Working Group and information received in response to a note verbal circulated in 2023 will be prepared and made available to the Conference at its tenth session.

31. Moreover, 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, continued to update and expand country-specific beneficial ownership guides,<sup>14</sup> 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 had been created or updated, as applicable, on the basis of information supplied by national authorities, including in the responses to the above-mentioned notes verbales, and have been made available on the StAR website.

#### **4. Gathering of information on good practices and challenges with respect to the establishment of effective financial disclosure systems for appropriate public officials**

32. In paragraph 10 of resolution 9/7, the Conference urged States parties to effectively implement paragraph 5 of article 52 of the Convention, which, inter alia, provides that States parties shall consider establishing, in accordance with their domestic law, effective financial disclosure systems for appropriate public officials and shall provide for appropriate sanctions for non-compliance. It further provides that States parties shall also consider taking such measures as may be necessary to permit their competent authorities to share that information with the competent authorities in other States parties when necessary to investigate, claim and recover proceeds of offences established in accordance with the Convention.<sup>15</sup>

33. In paragraph 7 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 held in 2021, Member States, inter alia, committed to strengthening their efforts to prevent, identify and manage conflicts of interest, including by assessing and mitigating corruption risks and through effective and transparent financial disclosure systems, with information disclosed by appropriate public officials made available as widely as possible, and to use innovative and digital technology with due regard for data protection and privacy rights.

34. Accordingly, and in line with the guidance contained in the approved workplan for the subsidiary bodies of the Conference, UNODC invited States parties to provide information on good practices and challenges with respect to the establishment of effective financial disclosure systems for appropriate public officials.

35. On the basis of the information received from 40 States parties and additional research, in order to support the Working Group’s thematic discussion on the matter, the secretariat prepared a note on good practices and challenges with respect to the establishment of financial disclosure systems for appropriate public officials and how such systems can facilitate the recovery and return of proceeds of crime (CAC/COSP/WG.2/2023/3).

<sup>14</sup> Available at <https://star.worldbank.org>.

<sup>15</sup> In addition, as highlighted above, in paragraph 21 of resolution 9/7, 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.

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

### **1. Central authorities and networks**

36. 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.

37. 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.

38. 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.

#### *Central authorities*

39. 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.

40. 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.

41. 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.jspx>. Further details on the information available in the directory can be found in the note prepared by the secretariat for the twelfth session of the 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 (CAC/COSP/EG.1/2023/2).

#### *Networks*

42. 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.

43. 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 of 23 June 2023, it included 153 authorities from 87 parties to the Convention. The GlobE 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 CARIN Network and regional networks engaged in asset recovery. During the third plenary meeting of the Network, which was held in Madrid from 15 to 17 November 2022, the StAR Initiative coordinated bilateral meetings between attending requesting and requested States and organized a side-event where participants discussed the merits and challenges of equivalent-value-based confiscation in the recovery of proceeds of corruption. The StAR Initiative will continue facilitating bilateral meetings on asset recovery at forthcoming GlobE Plenary sessions.<sup>16</sup>

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

44. 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 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.

45. 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.

46. 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.

47. 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. In July 2022, during the 28th Annual Egmont Group Plenary, the StAR Initiative presented the award to the Nigerian Financial Intelligence Unit.

48. Furthermore, 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**

49. 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.<sup>17</sup>

<sup>16</sup> More information about the GlobE Network and the latest membership information is available at <https://globenetwork.unodc.org/>.

<sup>17</sup> 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.

50. In this regard, UNODC previously reported on two expert 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. A third expert meeting was held in Nairobi from 28 to 29 November 2022, focusing on how asset recovery and asset return can contribute to the achievement of the Agenda 2030, support the Financing for Development Process and contribute to the Addis Ababa Action Agenda.<sup>18</sup>

51. In May 2023, UNODC organized an expert group meeting in Vienna on civil and administrative liability for corruption. The meeting was organized to examine trends, challenges, and good practices in the use of civil and administrative remedies against corruption, both in the context of domestic law and international cooperation and asset recovery. During the meeting, experts discussed and provided inputs to the draft knowledge product mentioned above entitled “Civil and Administrative Liability for Corruption: Domestic practices and ways to enhance international cooperation under the United Nations Convention against Corruption”.

52. UNODC continued to be actively engaged in a number of international forums to further the dialogue on asset recovery. For example, the Office provided substantive expertise to the Group of 20 on international cooperation and asset recovery and, inter alia, supported the development of the new draft G20 High-Level Principles on Strengthening Asset Recovery Mechanisms for Combating Corruption. 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. Currently the task force promotes the implementation of the framework across industries.

53. UNODC and the StAR Initiative provided expertise and shared knowledge on asset recovery in a vast range of meetings and conferences, also to promote coordination with regard to asset recovery. For instance:

(a) In May 2022, the StAR Initiative participated in the 6th Meeting of the Punta del Este Declaration (OECD Global Forum) where it contributed to the panel on Creation of Effective Legal Frameworks for Beneficial Ownership in Latin America to discuss recent developments in beneficial ownership and in particular, the move toward a multi-faceted approach for the availability of beneficial ownership information;

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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.

<sup>18</sup> For more information, please see [www.unodc.org/unodc/en/corruption/meetings/nairobi-egm-2022.html](http://www.unodc.org/unodc/en/corruption/meetings/nairobi-egm-2022.html).

(b) In December 2022, the StAR Initiative participated in the International Anti-Corruption Conference (IACC) hosted by Transparency International and the United States of America held in Washington, D.C. The StAR team organized and hosted one of the first sessions at the IACC focused on the corporate secrecy industry and the need for better regulations around beneficial ownership transparency;<sup>19</sup>

(c) In February 2023, the StAR Initiative participated in the plenary and relevant working group meetings of the Financial Action Task Force (FATF). FATF is currently exploring modifications of the standards related to confiscation and international cooperation (Recs. 4 and 38) to which StAR provided input by being part of the drafting team and drawing on its work and knowledge products;

(d) Throughout the period 2020–2022, experts from UNODC and 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 addition, they 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. 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;<sup>20</sup>

(e) In February 2023, the StAR Initiative participated virtually in a panel on asset recovery during the second High-Level Conference on Anti-Corruption in Africa, organized by Mali in the framework of the African Association of Anti-Corruption Authorities. Kicking off with an overview of the international legal framework and StAR activities in the area of country engagements, knowledge and policy, the panel discussion then turned to challenges in seizing and managing proceeds of crime.

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

54. 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.

55. 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.

56. In its resolution 9/7, the Conference requested UNODC to continue providing technical assistance, capacity-building and material support, upon request, to Member

<sup>19</sup> During the session, the StAR Initiative presented five draft policy recommendations that were prepared together with the speakers and discussed with the audience. After the IACC, the panel revised the recommendations and released them in a joint statement, developed by StAR Initiative, Finance Uncovered and Transparency International Canada. The statement can be found at <https://star.worldbank.org/signatures-sale-look-inside-corporate-secrecy-industry>.

<sup>20</sup> The guidance can be found on the FATF web page at [www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html](http://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html).

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.

57. The Working Group has highlighted the high level of demand for technical assistance in the implementation of chapter V of the Convention 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.

58. In its last meeting, the Working Group underscored the importance of technical assistance and the need to continue to assist States parties in their efforts to implement the Convention. 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.

59. 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 States parties to request technical assistance through the StAR Initiative at both the national and regional levels.

60. 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.

61. 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 created two regional anti-corruption hubs in Kenya and Mexico (with additional Hubs forthcoming to cover South-East Asia and the Pacific, as well as South America). The Hubs will support existing regional platforms to fast-track effective implementation of the Convention and move technical assistance expertise closer to the point of delivery, resulting in contextualized, demand-driven capacity-building and feedback loops that strengthen trust in UNODC programming, build partnerships, and enhance synergies between and among UNODC and other technical assistance providers. As part of the programme to fast-track the implementation of the Convention, UNODC created a new regional platform in West Africa and the Sahel region. Countries included in the platform identified asset recovery among the four regional priorities. In this regard, States of the platform have commonly agreed on a set of recommendations and commitments in this thematic area as part of the regional platform roadmap.<sup>21</sup>

62. In 2022, UNODC, through the StAR Initiative, provided technical assistance to 17 countries, including 7 that were working on legislative reform. During that period, 4 States parties adopted new laws or amendments related to asset recovery, 5 received support in improving domestic coordination processes and 4 received assistance in improving international cooperation to aid asset recovery cases. In addition, over 700 professionals worldwide received asset recovery training. Further information on

<sup>21</sup> More information on the programme can be found at [www.unodc.org/unodc/en/ft-uncac/index.html](http://www.unodc.org/unodc/en/ft-uncac/index.html).

the country work of the StAR Initiative is included in its annual report for 2022 and its quarterly newsletters.<sup>22</sup>

63. Furthermore, where requested, UNODC and the StAR Initiative have continued to provide 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.

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

64. In follow-up to the special session of the General Assembly on challenges and measures to prevent and combat corruption and strengthen international cooperation, held in New York from 2 to 4 June 2021, and the political declaration entitled "Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthen international cooperation", as well as Conference resolution 9/2, the secretariat invited States parties and other stakeholders to provide information on measures taken to implement the Convention and to achieve the commitments contained in the political declaration. The responses submitted are collected under the TRACK portal.<sup>23</sup>

65. Following the deliberations made during the second resumed thirteenth session of the Implementation Review Group, held in November 2022, the secretariat proposed a multi-year workplan for the period 2024–2026 for the subsidiary bodies of the Conference to follow up on the achievements of the political declaration. The workplan, which was approved by silence procedure on 9 June 2023, assigns the follow-up to the section of the political declaration on asset recovery to the Working Group under its regular agenda item 4. In addition, under the agenda items dedicated to the follow-up to the special session, the Working Group was asked at its future sessions to deliberate on (a) measures to combat money-laundering (2023); and (b) illicit financial flows, challenges, obstacles, barriers in international cooperation; effective communication and cooperation; information-sharing, inter-agency approaches, law enforcement cooperation, use of networks (2024). Given the thematic overlap and the joint meetings with the Implementation Review Group and the Expert meeting on international cooperation, some of these items may be considered jointly by the subsidiary bodies.

### IV. Reporting and follow-up

66. 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) Different avenues to encourage States parties to continuously share information on new asset return cases;

(c) 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;

(d) The role that UNODC, including through the StAR Initiative and GlobE Network, could play in facilitating international cooperation in asset recovery, by creating forums for building confidence between requesting and requested States,

<sup>22</sup> Available at <https://star.worldbank.org>.

<sup>23</sup> Please see <https://track.unodc.org/track/en/follow-up-process-to-ungass-2021/contributions.html>.

establishing bilateral contacts and secure channels for communication and building capacity in that area;

(e) 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;

(f) 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.

67. 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.

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