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Asset and interest disclosure systems (article 8, paragraph 5, of the United Nations Convention against Corruption)

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intergovernmental Working Group on Prevention

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Background paper prepared by the Secretariat

- Document number CAC/COSP/WG.4/2018/3
- Purpose: collect information to support the deliberations of the Working group and facilitate exchange of information and good practices on introduction and operation of asset and interest disclosure systems .

45 States parties submitted relevant information

Until June 18, relevant information was received from 39 States parties: **Algeria, Argentina, Armenia, Austria, Belgium, Bosnia and Herzegovina, Bolivia (Plurinational State of), Chile, China, Cuba, Czechia, Egypt, El Salvador, Georgia, Germany, Guatemala, Hungary, Indonesia, Italy, Japan, Kiribati, Kuwait, Lithuania, Montenegro, Norway, Oman, Panama, Peru, Poland, Portugal, Romania, the Russian Federation, Sierra Leone, Singapore, Slovakia, Slovenia, Switzerland, Turkey and the United States of America**

6 more countries submitted information before the meeting of the Working Group: **Brazil, Greece, France, Israel, Nepal and Saudi Arabia**



Asset and Interest Disclosure: the UNCAC perspective

- Assets and interests disclosure is a relatively modern trend.
- Most of the modern asset and interest disclosure systems were developed following the adoption of the United Nations Convention against Corruption, in response to the requirements of article 8 of the Convention.
- The need to introduce asset disclosure systems has been underlined in resolutions 7/5, 6/3, 7/2, of the Conference of the States Parties to the UNCAC



Goal of the AID system

- Conflict of interest related
- Illicit enrichment related
- Mixed systems
- General transparency approach

Categories of individuals needing to make asset and interest declarations

- Defined by the purpose of the system, availability of resources and factors such as whether the system was paper-based or electronic, and the approach to be taken to verifications
- Three groups of systems
 - focused entirely on the high-level public officials
 - systems which also required lower-level civil servants to declare
 - systems which, in addition to these two groups, also provided for the disclosure of the assets and interests of managers of State-owned companies, customs, law enforcement or the judiciary
 - Family members



Reporting scope of the asset and interest disclosure systems

- In systems focused on conflicts of interest - information on interests, businesses, together with details of outside activities of the public official.
- In systems focused on illicit enrichment, - information on assets of value, sources of income and, in some cases, expenditures.



Submission of the asset and interest declarations - Frequency

- Officials required to submit declarations at the time they enter office, annually, and after the termination of their employment.
- The other approach: report when certain significant events occurred, such as a significant increase or decrease in assets



Submission of the asset and interest declarations - method of submission

- Electronic submissions only
- Paper-based submissions only
- Both paper-based and electronic submissions.



Submission of the asset and interest declarations - measures to support the submission of declarations

- guidance on the completion of the declaration in either paper format or on a website
- help desk facilities to provide advice to officials
- video tutorials



Verification

- Three approaches:
 - Verification of all declarations
 - Verification of a random sample of declarations
 - Verification based on risk assessment (sometimes following a corruption-related complaint or a red flag).
 - Verification involved electronic checks against other databases of relevant information or examination of the declarations by a person.



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Enforcement and Sanctions

The trend : fines, reductions in salary and dismissal from service

In some cases criminal sanctions

May lead to opening of an investigation on illicit enrichment or corruption.



Transparency

- All information in the declarations was made public,
- Some information was made public, while other was deleted (for privacy concerns)
- No information was made public
- Many states parties using information and communications technology to provide transparency.



Conclusions

The Working Group may wish to consider how States parties can further strengthen their efforts to promote effective, transparent and reliable asset and interest disclosure systems, including sharing information about good practices and common challenges among States parties.

The Working Group may also wish to recommend that States parties strengthen the exchange of information on the approaches and measures taken to ensure effective verification of the asset and interest declarations and to strengthen accountability of public officials.

The Working Group may wish to request the Secretariat to continue its efforts to gather information on good practices related to the introduction and functioning of asset and interest disclosure systems, particularly in the context of the second implementation review cycle.



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Thank you

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