"Progress and challenges of asset recovery: a shared effort and responsibility"

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Ministers,
Attorneys General,
Excellencies,
Ladies and gentlemen,

Nearly four years ago we witnessed unprecedented upheavals in the Arab world. Thousands of people took to the streets to demand more participation in public affairs and to protest against the pervasive corruption and nepotism in their governments. The courage, energy and determination of these peoples must continue to be an inspiration to us today.

Their movement has advanced the debate on the subject that we are here to address: for a long time, only very few states showed concern about the issues of dictators' assets and the recovery of funds of illicit origin. Now, however, thanks to the transitions that have taken place in some Arab countries the importance of this problem has become recognised worldwide. The question of the restitution of the assets amassed by corrupt former leaders at the expense of their people now takes centre stage in relations between states.

The launch of the Arab Forum on Asset Recovery (AFAR) in 2012 by the American chair of the G8 marked a decisive step. AFAR was organised for the first time in September 2012 in Doha. The second meeting took place in October 2013 in Marrakesh.

Today, I would like to express my thanks to the initiators of AFAR and its previous hosts. Their vision made it possible to create a platform that is unique in its kind. Of course, my thanks also go to the current steering committee – composed of the United States, the United Kingdom, Germany, the Rule of Law and Anti-corruption Centre, in Qatar, as well as the Stolen Asset Recovery Initiative (StAR) – with which we have had the privilege to organise this third AFAR meeting. The Arab states and the G7 called for a new meeting to be organised in 2014, and it is because of this that Switzerland has the honour to continue this tradition.

Among the most important lessons of the earlier AFAR meetings, I would cite the need for solid partnerships between those countries that submit requests for legal assistance and those to which these requests are addressed. Indeed, without partnerships such as this to clarify the legal aspects of each case, the restitution of potentates' assets would hardly be possible. In this spirit, it is a privilege for me to open this forum today with my two co-presidents, the Egyptian and Tunisian Ministers of Justice. I am convinced that this shared presidency will strengthen our cooperation in the field of asset recovery.

AFAR is a unique platform that brings together specialists, both from the countries of origin of these funds and from the financial centres, to shed light on the origin of assets suspected to have been obtained by illegal means. This cooperation is an indispensable precondition for the recovery of assets.

AFAR is an expression of the growing sensitivity of the international community to the issue of assets of illicit origin. It urges states to give account together of the efforts that they have undertaken and brings on board those players who until now have not given enough attention to this issue.

AFAR is therefore a symbol of the confidence that drives the cooperation between the
states concerned – a confidence that is essential for the settlement of cases of potentates' assets and the fight against corruption. This is why Switzerland is proud to be able to host today the third meeting of the Arab Forum on Asset Recovery.

Ladies and gentlemen,

For almost 30 years, Switzerland has implemented and developed a clear policy on this issue with a twin purpose: on the one hand, to take action to prevent potentates' assets finding their way to a financial centre, and on the other, when such assets are detected, to ensure their effective restitution to the people of the countries concerned.

Switzerland’s strategy is based on the following three aspects:

- First, it is necessary to strengthen the rule of law and to fight corruption and impunity. Strengthening the rule of law is a priority of Swiss foreign policy.
- Second, Switzerland wants a clean financial centre. Integrity and a good reputation are essential competitive advantages. The restitution of illicit funds strengthens the credibility and the reputation of the Swiss financial centre.
- Third, the restitution of illicit funds strengthens the impact of Swiss development cooperation policy because the flight of potentates’ assets to foreign financial centres causes losses to developing and emerging countries in the order of USD 20 to 40 billion each year.

As a result of its strategy Switzerland has returned approximately CHF 1.8 billion to the countries of origin. This amount represents more than one third of all returned assets in the world. Specifically, CHF 648 million was returned to the Philippines (in the context of the Marcos affair), CHF 700 million to Nigeria (Abacha) and CHF 92 million to Peru (Montesinos). These examples show that Switzerland is not a safe haven for assets of illicit origin and is determined to return them to their legitimate owners.

Two things are indispensable for achieving such results: First, strong political will to cooperate and second, a legal framework conducive to resolute action. Since its first major case of potentates' assets – that of Ferdinand and Imelda Marcos in the 1980s – Switzerland has constantly developed its set of legal instruments.

The most recent development is the draft federal act on the freezing and restitution of the illicitly acquired assets of foreign politically exposed persons. This law is currently being debated in Parliament. It aims to regulate all aspects of the freezing, confiscation and restitution of potentates’ assets and to reflect Swiss practice in this field. Moreover, it will facilitate cooperation with requesting states and encourage a coordinated approach at the international level.

The political will of the Swiss government is unshakeable. Whether it be with Egypt, Tunisia, Libya or with Ukraine or Haiti, Switzerland will continue to work tirelessly and in close cooperation with the countries of origin of the funds in question to find satisfactory solutions to pending cases. Our aim is therefore to verify the origin of the USD 650 million frozen in the Egyptian context and the USD 60 million of Tunisian origin in order to be able to return them should their illicit origin be established. This is not only a legal obligation but also a political one.

Financial crime does not stop at borders, however. Cooperation at all levels is necessary because only common international standards will be able build an effective barrier against potentates' assets. The United Nations General Assembly has therefore asked states to develop guidelines for all states confronted with suspicions of corruption by their leaders, be it in the country of origin or in a financial centre.

Switzerland, together with experts from 30 countries, our partners from the Basel Institute on Governance and the World Bank/STaR, have developed guidelines to improve international standards on the fight against potentates’ assets within the framework of the Lausanne process. These guidelines will be presented at the Conference of States Parties to the Convention Against Corruption to be held in Saint Petersburg in 2015. In strengthening international standards, Switzerland accepts its responsibilities at the multilateral level.

Ladies and gentlemen,

In the cases of potentates’ assets, the legal procedures are complex and demand a great deal of time for all those who are committed to conduct them to good effect. I think that we can qualify as remarkable the progress already achieved in the framework of AFAR. Major preparatory work has been carried out and procedures now at the most advanced stages have resulted in restitutions. I am thinking in particular about Lebanon which has been able to return around USD 27 million to Tunisia. In Switzerland, the efforts undertaken have begun to bear fruit: the attorney general of the Swiss Confederation has ordered the restitution to Tunisia of approximately two thirds of the assets frozen by the government.
A final decision by our courts is still pending before we will be able to carry out the restitution of these funds. Moreover, the Swiss prosecution authorities also work to ensure that money launderers linked to corruption are prosecuted and convicted, so the Federal Criminal Court has recently reached a decision in a case concerning acts of corruption involving a member of the Gaddafi family.

For Switzerland, civil society has played an important role in the implementation of the policy on the recovery of illicit assets, and it continues to support us with its expertise, dynamism and constructive criticism. Switzerland is pleased that representatives of non-governmental organisations are now holding their own seminar in parallel with this AFAR meeting, before joining us on Monday to discuss together the best strategies for cooperation.

Ladies and Gentlemen,

Our conference has the title: “Are we meeting expectations?” The answer is "yes" and must be "yes" in the future. We must pursue the path adopted by the AFAR process; we must embrace best practices and draw the lessons from our experiences to date. In this way, we will continue to meet the legitimate expectations and face our responsibilities in favor of a more just world.

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