

Report of the Third Session of the Arab Forum on Asset Recovery



Geneva, 1-3 November 2014

Opening Session and Ministerial Segment

This session was chaired by H.E. Mr. Didier Burkhalter (Switzerland) and featured remarks by H.E. Mr. Hafedh Ben Salah (Tunisia), H.E. Mr. Mahfous Saber Abdelkader (Egypt), H.E. Mr. Abdulrahman Alnemash (Kuwait), H.E. Dr. Ali Bin Fetais Al Marri (Qatar), H. E. Ms. Karen Bradley (UK), H. E. Mr. Veysi Kaynak (Turkey), as well as video messages by H.E. Ms. Sri Mulyani Indrawati (World Bank) and H.E. Barak Obama (USA).

1. High level participants expressed their appreciation to Switzerland for hosting the Third Meeting of the Arab Forum and reiterated their strong support for the Arab Forum process on asset recovery. Speakers welcomed the shared chairmanship of the Forum by Switzerland, Egypt and Tunisia.
2. Speakers recognized that the recovery of stolen assets is a major problem for many countries around the world and noted that AFAR is an expression of increased engagement by the international community to facilitate asset recovery, and reaffirmed their shared commitment to the AFAR process. Speakers expressed their concern that further delays or even failure to recover stolen assets to the Arab countries in transition, eroded public trust and confidence in government and the rule of law, encouraged further illicit financial flows, and ultimately undermined development. They noted that criminals should be made to understand that there is no impunity and no safe haven for corruption.
3. Speakers emphasized the need for robust partnerships to advance asset recovery. They noted that both requested and requesting countries need to work better with their partners in a truly collaborative approach for asset recovery to be successful. Speakers noted that it is imperative for countries to understand each other's legal frameworks including those of the financial centers. They noted the importance of countries identifying their technical assistance needs so that capacity building may be better targeted to country specific needs to tackle the barriers to recover assets. Speakers noted with appreciation the support of the Stolen Asset Recovery (StAR) Initiative as well as bilateral training efforts provided by countries in facilitating the technical capacity of their staff; and other speakers noted that further training is needed to ensure that all countries understand value of utilizing a inclusive

asset recovery team and national strategy to the maximum coordination and impact of asset recovery efforts.

4. The importance of the United Nations Convention against Corruption (UNCAC) was highlighted with emphasis on the need for countries to criminalize all offences established under the Convention with a view to facilitating international cooperation in recovering the proceeds of such offences. Several speakers noted that improved domestic implementation of the UNCAC by states parties would greatly enhance the legal and institutional capacities of countries to respond effectively and in a timely fashion to international cooperation requests.
5. Several speakers noted that a great deal of effort has been made to trace and recover assets from the Arab Spring regimes. They noted that the asset recovery process is lengthy and results achieved so far for the countries in transition have been noteworthy, but slow. Some speakers felt that not all countries were cooperating sufficiently in asset recovery efforts, or delayed doing so, thereby disregarding their moral, political and legal responsibility. Speakers also expressed their hope is that the meeting would distinguish itself by finding practical solutions to problems encountered. They underscored that this event is an opportunity to take stock of the proceeds of assets, and as such provide ways and means that will remove the barriers to asset recovery.
6. Speakers pointed out that more needed to be done in terms of uncovering the anonymous shell companies and the beneficial owners who use these entities as an escape route for assets. They further stressed that each country has a role to play to ensure that their domestic anti-money laundering system prevents the stealing of assets and expressed appreciation for the country specific beneficial ownership guides released at the AFAR to facilitate the investigations of shell companies and make it easier to follow the money.
7. Speakers from both requesting and requested countries noted that civil society has played an important role in the fight for asset recovery in the MENA region, and looked forward to the recommendations forthcoming from the civil society conference on asset recovery held concurrently with AFAR III. Speakers also recognized the support provided by G20 and G7 countries and the Deauville Partnership with Arab Countries in Transition.
8. The opening session was open to the press and included the following speakers with the public release of some remarks as indicated below:
 - Switzerland- Statement by H.E. Mr. Didier Burkhalter, President of the Swiss Confederation and Minister of Foreign Affairs
<https://www.news.admin.ch/message/index.html?lang=en&msg-id=55048>
 - Tunisia- H.E. Mr. Hafedh Ben Salah, Minister of Justice

- Egypt- H.E. Mr. Mahfous Saber Abdelkader, Minister of Justice
- Kuwait- H.E. Mr. Abdulrahman Alnemash, President of the Kuwait Anti-Corruption Authority
- Qatar- H.E. Dr. Ali Bin Fetais Al Marri, UNODC Special Regional Advocate for the Prevention of Corruption & Attorney General of Qatar
- UK- Karen Bradley, Minister for Modern Slavery and Organised Crime, Home Office
<https://www.gov.uk/government/speeches/karen-bradley-on-asset-recovery>
- Turkey- H.E. Veysi Kaynak, Deputy Minister of Justice
- Video Message by Ms. Sri Mulyani Indrawati, Managing Director and Chief Operating Officer, World Bank Group <https://star.worldbank.org/star/content/video-message-afar-iii-sri-mulyani-managing-director-world-bank-group>
- Video Message by H.E. Barack Obama, President of the United States of America
<https://www.youtube.com/watch?v=AaSv9qohuys&feature=youtu.be>

SESSION I: Overview on Progress, Challenges, and Collective Action

This session was chaired by Mr. Jean Pesme, Coordinator- Stolen Asset Recovery (StAR) Initiative and featured country specific presentations by representatives of Tunisia, Egypt, Jordan, Yemen, UK, U.S., and Switzerland.

9. The Coordinator of the StAR Initiative reported on the activities conducted under the framework of the Arab Forum since the last meeting in 2013. He noted that four priority issues were identified at the AFAR meeting in Marrakesh: (1) how to obtain beneficial ownership information, (2) engaging private lawyers in the pursuit of civil remedies for the purpose of recovering stolen assets, (3) networking among asset recovery practitioners as a means of building trust; and (4) the importance of domestic coordination in support of national and international asset recovery efforts. While acknowledging the progress which had been made in advancing casework, he noted a growing frustration with the slow progress made by countries collectively in achieving concrete results in terms of assets returned.
10. The StAR coordinator noted that a lot of the lessons learned from AFAR process, including the benefit of developing asset recovery guides, had informed further decisions adopted by

Conference of the States Parties to the UNCAC (CoSP) at its last session held in Panama in November 2013. Another important lesson learned from that process was the need to focus on country activities and country support. He further highlighted other international processes and fora that created opportunities to advance specific policy matters relevant to the recovery of stolen assets, such as e.g. the G20 work on beneficial ownership within the framework of its Anti-Corruption Action Plan, as well as meetings bringing together asset recovery practitioners, providing platforms for bilateral meetings and case consultations, such as the Lausanne Process and the meeting of the Global Focal Point Network on asset recovery.

11. Several speakers from the Arab countries in transition gave an overview of their asset recovery frameworks and emphasized the steps they had taken towards enhancing their legal, institutional and operational capacities to recover stolen assets. Among others, efforts included legislative amendments, the establishment of anti-corruption dedicated offices and asset recovery committees, in addition to the provision of training tailored to the needs of specialized judges and other practitioners, at the national level and abroad.
12. It was reiterated that asset recovery was a lengthy and complex legal process. The importance of networking and trust building were indicated as essential elements of successful asset recovery cases particularly with respect to international cooperation. Speakers also agreed on the importance of opening channels of communication with requested countries as early as possible. They recognized the value of partnerships with international entities such as the World Bank/UNODC StAR initiative and Interpol.
13. Furthermore, speakers concurred on the important role that civil society and other non-state actors could play through the establishment of civil society coalition dealing with asset recovery issues, identifying leads for investigations, and the cooperation with civil society in organizing asset recovery related conferences to expand upon mutual understanding of the relevant issues.
14. Speakers reaffirmed commitments to the UN Convention Against Corruption (UNCAC) as the cornerstone of asset recovery efforts and underscored the importance of effectively implementing the relevant UNCAC provisions on international cooperation and asset recovery to achieve tangible results.
15. Some of the main challenges identified by speakers related to the tracing of assets, swift exchange of financial intelligence, drafting and obtaining timely response of MLA requests, identifying beneficial owners and connecting the assets with specific criminal activity (even for acts committed numerous years prior to the investigation), and cooperating across jurisdictions of different legal traditions. Other challenge identified by speakers included the

lack of a central registry for bank accounts in some of the requested countries, the banking secrecy, immunities, the opacity of shell companies, the non-recognition of judgments in absentia, the lengthy appeals and the lengthy process of MLA through traditional channels, in addition to the high costs of civil remedies. Other identified challenges included the lack of human and financial resources for effective central authorities to execute MLA requests, the lack of effective implementation of AML preventive measures by banks and financial institutions and the lack of political will in some countries. Speakers also pointed out that particular challenges relating to Arab Spring countries are that the criminal conduct in question spans much longer than usual, and that they have particular difficulty linking assets to specific offences and criminal behaviors.

16. Political instability and poor security situations in addition to competing political priorities, were identified as main impediments to asset recovery efforts in some Arab countries in transition. All speakers agreed that significant amount of work still has to be done and called upon all countries to overcome identified obstacles.

Overview of the AFAR III Work Stream Discussions

17. Two years on since the launch of the Forum, AFAR III examined if the expectations of key stakeholders are being met, and what further needs to happen to enable asset recovery. As part of this, AFAR III was arranged around themed work streams on:

- ‘Using innovative asset recovery tools.’
- ‘Lifting the corporate veil.’

In parallel, the International Center on Asset Recovery (ICAR) and Transparency International organized, in close coordination with AFAR III organizers, a side event to benefit international and regional MENA civil society, focused on the role of CSO’s in the asset recovery process and built upon the 2013 [Special Session III training session](#) for civil society.

WORK STREAM I- USING INNOVATIVE ASSET RECOVERY TOOLS

Session II- Developing an Asset Recovery Strategy, Coordinated National Action and Institutional Set-Up

This session was chaired by Mr. Creon Butler (UK) and featured presentations by Judge Mohamed Askri (Tunisia); Mr. Kendall Day (U.S.); Mr. Willie Hofmeyr (South Africa) and Mr. Shane Nainappan, (UK)

18. This session provided an opportunity for various countries to share lessons learned from their specific country experiences with an emphasis on what has worked to facilitate successful asset recovery efforts. The different approaches necessary for national strategies and national coordination in federal states were explored as well as the fundamental importance of international coordination and effort to understanding each other’s legal systems, along with the need for capacity building efforts to facilitate cooperation.

19. Regarding the Tunisian experience, the speaker emphasized the importance of coordinated efforts by of policy makers, law enforcement agencies, prosecutors, and FIUs working hand-in-hand on asset recovery. Tunisia enacted Law 25 of 2011 which created a National Committee to coordinate activity focused on corruption and asset recovery. The National Committee has two principal functions: to pursue criminal cases, and to lead on civil litigation to which Tunisia is party. The National Committee also addressed capacity issues by creating a pool of lawyers from multiple government departments to build expertise.

20. Additionally, the Tunisian authorities created a coordinating body in the Ministry of Justice, which reports to the National Committee, bringing in the views of civil society organizations such as the bar association, trade unions, and the institute of chartered accountants. The National Committee was given a lifespan of four years to allow for continuity and the proper

handling of long and complex cases. Discussions are now taking place in Tunisia regarding the extension of the National Committee.

21. In 2008 the United States instituted a national strategy for tackling corruption and asset recovery. A 'whole of government' approach was necessary given the scale of the challenge in these cases. In 2010 a dedicated Kleptocracy Unit was established, and in 2013, two dedicated FBI squads joined the unit alongside prosecutors, embedded accountants and analysts. The speaker noted particular challenges which the U.S. has encountered in asset recovery cases such as evidence is commonly lost or destroyed; witnesses are reluctant to testify in international cases; and MLA channels are slow.
22. The speaker pointed to the U.S.'s successful use of non-conviction based confiscation techniques as particularly useful in these cases, especially when assisting countries who lack asset recovery legislation of their own or when for other reasons they are unable to obtain a conviction domestically. Asset Disclosure statements are another important tool in identifying corruption. Finally, the speaker discussed the importance of providing training for judges, as the U.S. has found that judges do a better job when they fully understand how prosecutors and investigators work.
23. For the South African experience, the speaker emphasized that creating specialist and dedicated capacity was necessary in countries facing resource constraints and lacking large numbers of appropriately skilled practitioners. He also said that countries should learn from the experience of others and noted that South Africa had learnt a lot from the UK legal system, for example. He went on to set out the importance of proper resourcing to enable litigation; the careful use of test cases to establish the fundamental elements of new asset recovery legislation; and echoed the point about the importance of training for judges as well as investigators and prosecutors.
24. The UK speaker drew out the importance of four key issues: 1) financial investigation and evidence gathering at the earliest possible stage of an investigation; 2) effective MLA cooperation in order to convert information into evidence that can go before a court – the UK has found liaison prosecutors a particularly effective way of overcoming barriers to MLA; and 3) the enforcement of confiscation orders which are challenging but possible, and 4) liaison prosecutors offer a solution as they are able to bridge the gaps in different legal systems, languages and cultures.
25. The discussion stated the need for domestic and international coordination, for improved training, and for national strategies to be aligned effectively with legal structures. It also focused on the following key points: 1) the need for the learning from AFAR to be shared and understood with others involved in country specific work. The AFAR website was seen

as a key resource. 2) the need for countries to align their domestic strategies with international standards – principally UNCAC – and international organizations that can assist – StAR, Egmont, Interpol. In this context, Interpol’s pilot on making its database of lost and stolen travel documents available to banks for Customer Due Diligence processes was noted. 3) the need to coordinate civil and criminal law approaches, in order to make them work in a complimentary manner.

26. The discussion also touched on the need for mechanisms to deal with funds frozen under sanctions regimes, but which are not the subject of criminal or civil litigation for asset recovery. Finally, there was a proposal for further work to identify international mechanisms to foster more effective practical cooperation, and cut through some of the many difficulties all countries face in dealing with highly complex international cases.

Session III - Administrative Freezes

This session was chaired by Mr. Stephen Turner (Canada) and featured presentations by Ms. Rola Jadayel (Lebanon), Mr. Oren Wolf (EU) and Mr. Valentin Zellweger (Switzerland).

27. Panelists focused on the availability in certain countries of administrative (non-judicial) freezing of assets of public officials in cases where governments are in turmoil or countries are facing difficult transitions. The purpose of these mechanisms is to preserve assets to allow for investigations to be completed and formal mutual legal assistance requests for return of the assets to be made based on evidence of corruption linked to property. No evidence of misconduct is required nor is a request from the foreign country necessary.
28. For example, panelists noted that the Canadian government recently enacted a law which provides authority to impose an administrative freeze against money and property on its own initiative involving a country in transition or unrest. The Canadian government has ordered asset freezes of approximately 300 persons involving the seizure of approximately \$1.62 million relating to officials and former officials in Egypt, Tunisia and Ukraine.
29. Panelists also noted that the Swiss government has freezing authority to prevent money from leaving Swiss banks rooted in its constitutional provisions protecting national security. Using this power, the Swiss government has frozen approximately \$1 billion in assets, mostly liquid assets, involving 108 persons. The Swiss first used these powers in 1986 involving assets of Philippine President Marcos. This power has also been used to deal expeditiously with assets of the President and administration of the Congo, Haiti, Tunisia, Egypt, Libya and Ukraine. Coordination with other countries to impose freezes simultaneously can be especially important to prevent money from moving and disappearing.

30. All of these administrative freezes are limited in time and can be challenged by the person whose assets are frozen. Under Canadian law, administrative freezes can be imposed for five years and can be renewed. The Swiss freezing orders remain in force until their expiration unless they have been renewed. In both cases, however, renewal requires evidence that there is a need for continued freezes. This requires information that investigations are progressing, which would provide a basis for return of property under Mutual Legal Assistance (MLA) requests. For this reason, these tools cannot easily be used to restrain property of officials who have been out of office for a long period of time if the new government has not initiated or conducted an investigation into corruption linked to the frozen assets.
31. Panelists noted that as of July 2011, the European Union has the ability to issue sanctions which are in effect freezing and blocking orders for listed persons, and which are effective throughout the territory of the European Union. Sanctions limiting travel to or outside of a specific EU country is also possible. Implementation of this authority began effectively in July 2014. This sanction authority is directed to states where governments are in transition and can also be appealed. Sanctions can be imposed for one year, and can be extended. They can also be challenged in a European court. The challenger is entitled to review the EU's evidentiary basis for the sanctions or the extension. Unlike the administrative freezes possible in Canada and Switzerland which only require a finding that a country is in turmoil or transition, EU sanctions must be based on a belief that state funds have been embezzled or misappropriated or were acquired in furtherance of corruption schemes related to official position. Human rights violations could also provide a basis. To be extended or to defeat challenges usually requires evidence from the affected state that criminal investigations are being pursued.
32. Participants were interested to know that all of these tools can be used to freeze assets held in the name of another person or a legal entity if there is evidence that the assets are in fact owned or controlled by a person who is the subject of the freezing order. For this type of freezing order to be executed, the nominee owner or legal entity will have to be listed in the freezing or sanctions order for banks or other entities.
33. All panelists noted that while these measures are very powerful tools to prevent the dissipation of assets, they do not provide authority to terminate ownership and return property. To order the return of the money or property frozen requires MLA requests which normally must include final orders of forfeiture issued by the courts of the requesting country or sufficient evidence for the country in which the assets are located to initiate its own confiscation proceeding.
34. In 2013, some European countries also adopted new legislation that allows some states to freeze assets of PEPS (Politically Exposed People) in certain circumstances. However,

panelists noted that there are not many countries outside of the European Union which have such broad powers. For example, panelists noted that in Lebanon, there is an expedited procedure for restraining assets without a court order, but the basis must be suspicion of a criminal action linked to the assets and the time periods in which restraints can be issued in this manner are a few days subject to renewal for an additional brief period. Thereafter, court orders may be required. In Lebanon several million dollars linked to corruption in Tunisia have been frozen.

35. Additionally panelists noted that they may have limited administrative powers to maintain physical property during the period of the freeze. Planes, for example, while very valuable, can deteriorate very quickly if not properly maintained. Panelists recommended that participants consult the StAR website for more materials regarding these administrative freezing mechanisms.

Session IV- Civil remedies (Including Effectively Engaging Lawyers)

This session was chaired by Mr. Jean Pierre Brun (StAR), with presentations by Mr. Olaf Meyer, (University of Bremen in Germany), Mr. James Maton, (Edwards Wildman Law Firm in United Kingdom), Ms. Mary Butler, (USA), Ms. Habiba Ben Salem (Tunisia), and Mr. Pierre-Yves Morier (Switzerland)

36. Speakers pointed out that there exist at least four different legal avenues available in terms of asset recovery. The first and probably most frequently used is the criminal confiscation. A second, perhaps less frequently used one consists of civil remedies. Non-conviction based confiscation proceedings constitute a third legal route and may actually be seen as a mixed system, since it includes civil elements. Finally, mention should be made of a fourth and much less common legal option for administrative confiscation.
37. The purpose of this session was to stress the sometimes underestimated potential of each of these legal avenues, and especially that of civil and administrative remedies. This was made in the light of presentations made by five panelists, who highlighted the main features of these legal avenues in different national and thematic contexts. Drawing on the figures contained in the recent study published by the [World Bank \(Few and Far The Hard Facts on Asset Recovery\)](#), it was emphasized that in terms of stolen assets, civil actions have made it possible to recover almost as much as had been achieved through criminal forfeiture in the years 2010-2012. Hence the need to promote civil remedies more actively among the countries and stakeholder concerned, while recognizing some of the related challenges including the financing of civil litigation and the restrictions in some jurisdictions regarding investigative powers.

38. A number of advantages inherent to civil remedies as opposed to criminal confiscation proceedings have emerged from the presentations and the ensuing discussions. A clear added value seems for example to lie with the standard of proof required: it is usually much higher in criminal proceedings than in civil actions. Also, there are less restrictions in terms of admissibility of evidences in civil actions, where information can be accepted more easily by a judge, for instance from non-governmental sources. Other potentially attractive features of civil remedies include the possibility to initiate suits even once the person concerned is dead or once he or she has fled the country, or even to target specific property instead of the person itself. More generally, experience to date has been that civil claims more easily target "second class" PEPs and their properties while criminal procedures usually are directed – at least initially - against top figures such as former presidents and their close associates. Civil remedies usually do not require to establish a link with a predicate offences and may offer an interesting solution in cases where mutual assistance proceedings are not working properly with the countries concerned. Finally, settlements may be easier to achieve in the context of civil remedies due to the flexibility of these avenues.
39. Some jurisdictions provide for civil remedies also in the context of ongoing criminal proceedings (*partie civile*), allowing the country seeking recovery to seek civil compensation in the very same proceedings. This however requires the assistance of qualified and experienced lawyers within the recipient country.
40. The issue of the hiring of lawyers and legal counsel in the context of civil action is both critically important and challenging for countries with limited expertise and practice in these issues. In addition, experience to date confirms the importance of sound and transparent processes and clarity in the contractual arrangements. Against this background, international organizations may in some cases have a role to play to offer support for hiring these practicing lawyers to make sure their terms of reference are properly drafted to preserve the legitimate interests of the country claiming compensation.
41. Civil remedies however vary significantly from country to country and their potential advantages may not always be as salient as mentioned above. For example, once corruption of the public official concerned has been established, the fate of the procurement contract concluded through bribes between the State and a private company having acted as contractor can be very different according to the legal regime applicable and the courts which have to adjudicate the case: the contract can be void or only voidable. If the contract has already been executed, the contractor may sometimes reconstitute the whole price or only part of it, allowing at least for a payment of the service provided.

42. Administrative confiscation may also offer advantages in relation to criminal, conviction-based remedies. This seems to be the case also when mutual legal assistance have failed to produce results. Given that it touches on a fundamental right, administrative confiscation requires a solid legal basis and clear due process, which sets out the conditions in which this remedy may be available. Tensions with the presumption of innocence and the rights of the accused person may arise especially when lower thresholds for confiscation apply, including in some cases a reversal of the burden of proof concerning the illicit origin of the assets to be confiscated. The administrative character of the procedure, which has no punitive character and does not entail recognition of guilt, should however be able to defuse such tensions. Panelists noted that the Swiss government enacted in 2011 an innovative law fulfilling these criteria (Restitution of Illicit Assets Act).
43. As a matter of conclusion and although civil remedies clearly offer a real added value, there was agreement on the fact that a combination of different legal avenues is often the more promising way to tackle asset recovery cases. In fact, the most appropriate avenue always depends on the facts and the specific circumstances of the case. At any rate, countries should be encouraged to conduct a strategic analysis at an early stage in order to determine the best legal avenue to pursue.

Session V- Action Proposals for CSOs and Governments to Make Asset Recovery More Effective:

This session was moderated by Ms. Gretta Fenner (ICAR) and Dr. Muhyieddeen Touq, Jordan

44. The moderator reported on the CSO event which took place concurrently to AFAR III. The event was attended by civil society organizations from 13 countries from the MENA region and concerned requested jurisdictions, who met to analyze the asset recovery process and discuss ways for constructive partnership between CSOs and governments to help advance the recovery of stolen assets to the MENA region.
45. The workshop built on the dialogue between CSOs and governments that was established during AFAR II which took place in 2013. There, a number of priorities were identified, including:
- Need for more practical guidance for CSOs to constructively engage in the asset recovery process. In response to this identified need, during last year a practical guide on the role of CSOs in asset recovery was developed and is now available in English at https://star.worldbank.org/star/sites/star/files/afar_guide_to_the_role_of_csos_in_asset_recovery_english.pdf and Arabic at https://star.worldbank.org/star/sites/star/files/afar_guide_to_the_role_of_csos_in_asset_recovery_arabic.pdf
 - Need for regular dialogue between CSOs and governments on asset recovery;

- Discussion about progress in relation to specific asset recovery cases as long as such discussion does not jeopardize on-going legal procedures, and finally
- A dialogue on potential avenues for cooperation between CSOs and government to strengthen to recovery of stolen assets.

46. The moderator mentioned that the workshop provided unique opportunity for CSOs from the concerned jurisdictions to gain a more in-depth understanding of the asset recovery process in its legal and technical intricacies. She stated that countries need to lead the process of recovering stolen assets but CSOs can play an important supporting role at different stages of the asset recovery process. She also mentioned that the workshop has concluded with a number of action proposals that will be presented during this session. The speaker reiterated that for CSOs to play an active role in promoting the recovery of stolen asset, mutual trust between CSOs and governments needed to be strengthened and an understanding of each other's roles and how they can complement each other in the shared goal of recovering stolen assets. She referred to the UN Convention against Corruption which almost all states have ratified, and its Article 13 that provides for state parties to promote active participation of non-state actors in the fight against corruption. To honor this commitment under UNCAC, countries should thus ensure that CSOs can operate in an environment and within a legal framework that is conducive to civil society playing an active role.

47. Another speaker reported on the recommendations that had been elaborated at the CSO meeting. He suggested that countries and CSOs should work together to:

- identify gaps in asset declarations systems, illicit enrichment and conflict of interest provisions, and develop solutions to enhance their implementation. This could be achieved by joint groups and assignment of legislators to be contact points for CSOs in this matter.
- create a mechanism for CSOs and governments to share information on the latest status of asset recovery process;
- establish an accountable and transparent return mechanism to manage and dispose of returned assets, through a broad consultation with the concerned stakeholders.

48. One speaker stressed that countries should collect and make available information about who owns, controls and benefits from companies and other legal entities and trusts, so that CSOs can better contribute to unraveling corporate structures that serve to mask illicit financial flows. He also stated that CSOs urge their governments to develop and publish the asset recovery guides as recommended by AFAR II and the Deauville Partnership to Forum members, as this will enable interested CSOs and other governments to gain an in-depth understanding of the respective processes and interact with these processes constructively.

49. One Speaker reminded participants that gaps and problems are not only in legislation but also in their implementation that is why during the two days of the meeting implementation was

intensely discussed. While he recognized that government entities are to deal with assets to be returned, he stressed that governments should undertake very broad stakeholder consultation in order to reach best possible ways to manage the funds to the welfare of the population who have suffered from the effects of crimes. Many successful investigations came to light through the help of CSOs giving the first pieces of evidence which then were followed by in-depth investigations.

50. A transition country participant underlined the importance of CSOs in facilitating matters of asset recovery and the important role that it plays in a democracy, pointing out that CSOs are included within the framework of UNCAC. He proposed that CSOs should participate at all stages of asset recovery. He suggested that there should be legal tools adopted in order to narrow the gap between anti-corruption and asset recovery. He explained that a systematic exchanging of information has not been done in many cases with CSOs and that efforts should be made to include CSOs in asset recovery actions.
51. Another speaker explained that efforts against corruption and asset recovery are much more likely to be effective when a close collaboration with civil society is envisaged. He said that government officials have to be receptive to interaction, including criticism. There is also an urge for government to foster an environment in which civil society can have a beneficial role: create strategies for dialogue, enhance transparency in governments, including information on asset recovery and of civil society in return mechanisms. However, there are certain stages where confidentiality needs to be preserved and no interaction is allowed. On the other hand, he also stated the responsibilities of CSOs:
 - ➔ Need to be ambitious but also realistic about what can be expected.
 - ➔ Build broad coalition including outreach to private sector.
 - ➔ Seek transparency, but also be transparent
 - ➔ Manage expectations given that asset recovery is a long process.
52. During the discussion participants expressed their appreciation and explained mechanisms on how CSOs are systematically involved, e.g. in Jordan there are joint teams on prevention of corruption or specific working groups on national level on specific topics. The representative from one CSO wanted to know how specifically to acquire a seat in the domestic committee on asset recovery. It was proposed that a formal request to the head of the committees working on asset recovery in the transition countries should be made since there is no law excluding CSOs from participating.
53. A representative from a donor government underlined that civil society plays an important role in asset recovery, and that there are institutionalized meetings with CSOs in asset recovery. He also advocated for the monitoring function of the CSO in the actual cases when monies have been repatriated. Participants also mentioned the importance of protecting

activists and whistleblowers. The collaboration and cooperation of CSOs on an international level was also mentioned as a good practice.

54. The official summary of CSO recommendations as released by ICAR and Transparency International is found at:

http://www.transparency.org/files/content/pressrelease/Final_civil_society_recommendations_from_AFAR_III_Geneva.pdf

Work Stream II- Lifting the Corporate Veil

Session II- Facilitating Investigations of Shell Companies, Trusts & Beneficial Owners

This session was chaired by Mr. Jean Pesme (StAR) and featured presentations by Mr. Emile Van der Does (StAR), Mr. Fred Raffray (Guernsey), Mr. Abdul Hafiz Mansour (Lebanon), and Mr. Thomas Iverson (US).

55. This session highlighted the publication of country specific guides by the Stolen Asset Recovery (StAR) Initiative to provide practical assistance to investigators for asset recovery in the Arab Spring countries. The guides facilitate knowledge on how different jurisdictions define beneficial ownership and apply it to the various forms of legal entities and legal arrangements that exist in their respective jurisdictions. Participants emphasized the need for accurate terminology when discussing issues related to corporate entities and stressed that beneficial ownership is not legal ownership. Perpetrators of grand corruption cases are unlikely to leave paper trails in their names.
56. The panelists discussed the rationale behind the beneficial ownership guides, their usefulness and expressed their gratitude to the countries that prepared the guides- the U.S., the UK, Jersey and Liechtenstein published guides at AFAR III with pledges to soon publish a guide from France and the Cayman Islands. Speakers recognized the guides as a useful step to demystify legal structures and encouraged other jurisdictions to prepare their own guides, bearing in mind that the process of compiling guides is not an evaluation of their country's systems, but a means to help other countries, in particular those seeking to trace stolen assets held in anonymous shell companies. StAR invited all countries participating in AFAR III to consider producing a country specific beneficial ownership guide and noted that StAR has developed a questionnaire to help coordinate the process.
57. Speakers applauded the beneficial ownership guides as they show the different legal entities that can be created in each country, how they are formed, their characteristics, what basic information is obtainable by investigators, where it is recorded and where it can be accessed. Participants noted that obtaining beneficial ownership information is a huge challenge to practitioners all over the world and that guides to outline the other channels that investigators can use to obtain beneficial ownership information in other countries are needed.

58. Speakers talked about how information about the beneficial ownership of a trust can be accessed. In some of the countries, particularly some civil law countries, trusts are not used or recognized as part of their legal system. Speakers suggested that apart from mutual legal assistance, intelligence channels such as FIUs, may be used to obtain information about the underlying company or to establish the ownership of a trust. In addition, FIUs can be useful in determining who exercises control over the trust, and in some countries FIUs have wide powers to freeze assets held in trusts. Others noted that sometimes the property held under trusts is still being paid off through a mortgage, practical solutions such as finding out who is making payments can be helpful in determining who ultimately benefits from it.
59. Speakers also discussed whether there are affirmative reporting obligations for corporate service providers like financial institutions to report suspicious activities and some jurisdictions said that SARS are a core obligation that applies to any banking or regulatory system in their domestic system. Some jurisdictions reported that depending upon the structure of the economy, corporate service providers are either the highest or second highest reporting entities in terms of reporting STRs and SARs, while some reported a lower level of reporting.
60. In terms of obtaining international cooperation, participants discussed their experiences as practitioners in trying to obtain beneficial ownership information for different corporate structures and legal entities. Speakers from transition countries indicated that they have had limited success in obtaining beneficial ownership information due to various procedural rules (such as the causal connection requirement or rules against fishing expeditions). It was agreed that countries should be more proactive in assisting requesting states to find solutions to such problems.

Session III- How to Get Cooperation with Financial Centers on Beneficial Ownership

This session was moderated by Ms. Mary Beth Goodman (StAR) and featured presentations by Ms. Deborah LePrevotte (U.S.), Ms. Linda Lam (Hong Kong), Mr. Jon Benton (U.K.) and Ms. Elena Panayiotou (Cyprus).

61. This session provided an overview of how investigators can use practical techniques to facilitate investigative work outside of mutual legal assistance and formal channels. The speakers shared lessons learned on techniques for investigators to obtain information on the beneficial owners of corporate entities. Speakers provided information in relation to law enforcement efforts as well as FIUs and legal channels with an emphasis on utilizing a combination of multiple channels to get information on beneficial ownership.

62. The U.S. panelist presented an overview of the different legal entities and structures that can be used by criminals to hide the beneficial ownership including shell companies, shelf companies and trusts and highlighted how easy it was to set up such entities in some jurisdictions. The panelist then elaborated on the various investigative techniques that can be used for “piercing the veil” including contacting service providers to determine who hired them to set up the companies, obtaining and analyzing information received from various jurisdictions through formal and informal channels in addition to the use of informants, subpoenas and search warrants.
63. The panelist underscored that there is no single formula and that competent authorities needed to think out of the box and be as creative as the criminals. They must also explore both criminal and civil proceedings and understand what information could be obtained from foreign jurisdictions through MLA or other channels. The panelist underlined the important role that FIUs can play in obtaining initial information before sending MLA requests and concluded by elaborating on a practical case example illustrating different ways to get information on beneficial ownership.
64. The panelist from Hong Kong presented on the ways in which her country can provide assistance to identify beneficial ownership. She explained that Hong Kong can assist either through informal enquiries made with Hong Kong law enforcement agencies or through formal requests for assistance made under the mutual legal assistance framework. The panelist confirmed that Hong Kong can provide MLA to requesting countries on the basis of bilateral agreements or multilateral conventions, including UNCAC and UNTOC, and that in the absence of an agreement, MLA could be provided on the basis of reciprocity.
65. She explained that information through informal channels was provided on the strict understanding that the information is confidential and for intelligence purposes only and that it should not be adduced as evidence in any judicial proceedings or supplied to a third party without prior consent from the requested agency. Requests in that case should be made in writing through official channels such as the Interpol network or the secure web of the Egmont Group of Financial Intelligence Units.
66. Regarding the scope of assistance, the panelist explained that her country can provide four types of assistance for identifying beneficial ownership of assets, namely: 1) obtaining of material, especially bank records, under production orders, 2) hearing a witness or producing evidence before a magistrate, 3) search and seizure of material under search warrants, and 4) arranging in respect of a person held in custody in Hong Kong or other persons to travel to another country place to assist in a criminal matter. The panelist concluded by inviting the participants who wish to request assistance from Hong Kong, to refer to the Asset Recovery guide available online on the following link <http://www.doj.gov.hk/eng/about/ild.html>.

67. The panelist from the U.K. referred to the G8 2013 summit when members agreed to core principles on transparency of ownership and control of companies and legal arrangements. He elaborated on his country's policy regarding beneficial ownership, noting that there was little value in having good cross jurisdictional gateways if no information on beneficial ownership can be obtained.
68. The panelist recognised that criminals will unlikely to declare true information and that the implementation of beneficial ownership registers may be costly, however he stressed the importance of having a commitment from all International Financial Centres to establish such registers and noted that the UK was utilising its diplomatic and international relations to encourage the implementation of beneficial ownership registers in several jurisdictions.
69. One panelist presented on the Cypriot FIU and AML legal framework. She further explained that the FIU has the power to request and obtain information or documents regarding the beneficial owners of legal persons and entities, including trusts, in addition to the beneficiaries of bank accounts when these are deemed necessary for the purposes of analysis of suspicious transactions, which may be related to predicate offences, money laundering offences and terrorist financing or the identification of illegal proceeds, without the necessity to obtain a court disclosure order. She further explained that this power was exercised also in case of requests submitted to the Unit by foreign competent authorities.
70. Speakers agreed on the importance of information provided by the panelists and on the importance of communication with foreign counterparts before sending MLA requests. Most speakers highlighted the need to fine-tune the regulations in some countries to better tackle the beneficial ownership issue.

Session IV- Role of Private Sector in Accessing Beneficial Ownership Information

This session was chaired by Mr. Emile Van der Does (StAR) and featured presentations by Mr. Yves Aeschlimann (Edmond de Rothschild, Switzerland), Mr. Ian Comins (EFG Bank, Cayman Islands), Dr. Stephan Ochsner (Ochsner Consulting, Liechtenstein), and Michael Betley (Guernsey Association of Trustees).

71. Speakers stressed the importance of discussing the role played by the private sector in broader anti-money laundering and anti-corruption efforts in addition to discussions on the role of public sector. Furthermore, the panel discussion highlighted the demonstrable progress made by many jurisdictions, bringing about cultural changes in certain jurisdictions with respect to designing and implementing AML frameworks, including requirements to identify beneficial owners. The session highlighted the importance of ongoing monitoring in

effectively combatting illicit financial flows, including corruption. The session also stressed the importance of practitioners being aware of the tension between business and compliance and the practical difficulties that can result as well as the importance of regulating TCSPs, and the challenges faced by some larger jurisdictions in this regard.

72. In describing expectations with respect to beneficial ownership, speakers also discussed the relevant international standards, including those promulgated by the Financial Action Task Force, as well as other international commitments. Speakers generally described who is considered to be a beneficial owner in their jurisdiction and how they are identified, which generally involved obtaining a written declaration from the customer identifying the beneficial owner. Speakers also discussed expectations that institutions would pierce through layers of entities or structures, including requiring maintenance of structure charts identifying parties, as well as identification documentation (e.g. passport) and verification documentation (e.g. utility bill). Speakers described the expectation that documentary evidence will be obtained to demonstrate source of funds as well as source of wealth. Additionally, panelists described obligations to understand the structure and counterparties to a customer, as well as “why” it operates as it does. Speakers described situations in which enhanced information might be required and what might trigger a repeat of the verification of the identity, including in cases where doubt arises.
73. Speakers generally described the banking industry as the first line defense, responsible for due diligence and charged with understanding the context of the customer, relationships, including those that might cause the customer to be considered a PEP. They described the means by which they obtained beneficial ownership information, which generally included declarative forms to be completed and signed by the customer under penalty of law. Speakers also discussed situations in which beneficial ownership information would not be obtained, including in cases of an attorney’s legal privilege.
74. With respect to challenges faced by institutions, speakers noted that institutions might be bound by secrecy, penal, or other legal hindrances such as data protection laws as well as cross border information sharing restrictions among and between international financial institutions. Participants also noted challenges related to determining the source of funds and wealth, as well as cross-jurisdictional challenges related to different documents, languages and formats, as well as different structures. Speakers also noted that some other service providers might refuse to provide information identifying the beneficial owner, including by citing bank confidentiality or secrecy as well as deliberate protection as part of a nominee arrangement. Participants noted challenges in identifying PEPs, noting that “good PEPs” might self-identify and cooperate, whereas “bad PEPs” are never named on the books.

Session V- Pulling Information Together for MLA Requests in the Context of Different Legal Traditions

This session was chaired by Mr. Ralf Riegel (Germany) and featured presentations by Ms. Mary Butler (USA), Mr. Riadh Ben Kadhi (Tunisia), Ms. Elisabeth Lees (Cayman Islands)

75. The objective of the session was to address questions related to the handling of both incoming and outgoing MLA requests and elaborate on the different types of assistance.
76. A speaker from a requested state gave i) an overview of the legislative framework in his country ii) detailed the difficulties/obstacles encountered with MLA requests, and iii) provided suggestions on possible solutions to overcome such obstacles. He explained that requested states, whenever they receive an MLA request can take evidence or statements, issue and execute searches and seizures, provide originals or certified copies of relevant documents and records (including bank, financial, corporate or business records, etc.), freeze criminally obtained assets, assist in proceedings of forfeiture and restitution, etc. For a requesting State to be provided with the requested information, certain requirements should be fulfilled (dual criminality, the request must be written in English and stating reasonable grounds to believe, etc.). The speaker highlighted that the difficulties encountered in MLA requests can range from the lack of the required basic information by the requesting state to its unwillingness to provide the information necessary to proceed to civil recovery/criminal proceedings. He advised that requesting countries should make preliminary inquiries about the assistance that could be provided by a particular country.
77. Another speaker from a requested state made recommendations on how to draft MLA requests and provided the following practical guidance: 1) draft concise statement of facts and specific proceedings (no lengthy descriptions); 2) make precise requests (state what is exactly requested from the requested state); 3) involve financial intelligence units of the requesting state in the drafting of the MLA request to render it very specific on which assets to recover and how; 4) contact the requested jurisdiction to exchange drafts before the final/official MLA request is dispatched; and 4) contact central authorities (typically housed in Ministries of Justice) directly rather than using diplomatic channels (slow process) to speed up the process, especially that many states are now party to the UNCAC, which provided for agency-to-agency assistance. In sum, requesting states should draft their MLA requests from the perspective of the requested state.
78. Requesting states from transition countries shared their experiences. One speaker outlined how the authorities in his country had little experience in drafting MLA requests but had been working on improving their MLA skills. The speaker highlighted two major issues for requesting states: a) the hardship in establishing the link between the stolen assets and criminal acts; b) the problem of limiting the investigation initiated by the requested countries to the beneficial owner and not a broader look at the family members (sons, daughters, wife/wives, etc.). The speaker emphasized the importance of investigating the relatives to allow the identification of the assets stolen by the beneficial owner.

79. Another speaker from a transition country noted that his country has sent 85 letters rogatory since the fall of the previous regime. In its original rogatory letters, the country requested that assets be frozen until the causal link is established between the assets and the crimes committed. In its additional/supplementary letters rogatory, the requesting state provided further information and details about its requests. That is how it managed to recover assets from foreign jurisdictions. Finally, the speaker emphasized the important role of the StAR Initiative in obtaining informal assistance, which has helped his country identify and trace stolen assets in foreign jurisdictions.

Work Stream 3 - How to Use FIU Channels More Effectively

This session was moderated by Mr. Daniel Thelesklaf (Liechtenstein) and featured presentations by Ms. Habiba Ben Salem (Tunisia), Mr. Vitaliy Beregivskyi (Ukraine), Mr. Samir El-Shahed (Egypt) and Mr. Abdul Hafiz Mansour (Egmont Group of Financial Intelligence Units)

80. The discussion focused on the importance of the role of FIU's from the early stages of cases in identifying and tracing the assets and invited participants to highlight what works and what doesn't work. Each participant presented the functioning of the FIU of his country, explaining ways of collecting and transmitting information at the domestic and international level, the interactions with other administrative or legal state entities and the different contribution FIU's can offer in the asset recovery process. (collect, process, analyze information)

81. One speaker stressed a growing importance of multi-lateral cases. He said criminals work in more and more sophisticated and multilateral ways. Up until now, the reactions of FIU's are too often bilateral processes which prove to be inefficient and not rapid enough. In an ongoing case, after a first phase where a large number of bilateral requests were sent to 16 countries, it rapidly appeared way more effective to set up a group of concerned FIU's, to designate a focal point among them to collect and then share intelligence information on the common target with everyone in the group.

82. A speaker from Tunisia explained its experience and the place of its FIU within the state structure for asset recovery. In Tunisia, the FIU is placed in the Central Bank, which makes it easier to exchange information and more flexible. It is the center point where all information and/or documents on monies placed outside de country are transmitted. The FIU interacts with the 3 commissions concerned with asset recovery and the fight against corruption (National commission for the stolen asset recovery, Commission of confiscation and Commission for investigation on corruption and embezzlement). It also exchanges information with the judicial police and the financial judicial police. Thus, the Tunisian FIU

centralizes and coordinates the flow of information across domestic agencies. As an example, in the Ben Ali case, it collected information on more than 400 suspicious cases. Since February 2011, as a recipient of information from reporting entities, domestic state entities and foreign FIU's, the Tunisian FIU worked with all stakeholders concerned, which has resulted in some successes.

83. Ukraine and Egypt stressed the role of FIUs in asset recovery. They emphasized the key elements making FIUs a potential great support in the asset recovery process, such as the coordination between FIU's (in particular through the Egmont channel where no official letter is needed) and the cooperation with law enforcement agencies. New and very effective instruments given to certain FIU's were illustrated such as the suspension or postponement of a transaction, the power to freeze assets or the exercise of supervisory powers to test the compliance of financial institutions. These were considered to be new and very effective instruments. Speakers said that their adoption within the EU would be a major step forward. It will be interesting to follow-up on challenges and lessons learnt on this in the future.
84. During the discussion, participants agreed that FIU's can have a decisive role to play, especially at the early stages of asset recovery process, in particular in collecting intelligence information and securing assets. Such activity can build up the needed bases for effective MLA requests, in particular in establishing a link between specific assets and the predicate offence. Such activity opens the road for work either through FIU channels or more formal channels. Participants agreed that developing and coordinating the activity of FIUs can contribute in the future to a more decisive approach to the fight against corruption.

SPECIAL SESSION- Presentations by Interested Countries on Technical Assistance Needs

This session was moderated by Mr. Arkan El Seblani (UNDP), with interventions by Robert Leventhal (US) and Mr. Olver Stolpe (UNODC)

85. The moderator commented that technical expertise is critical to successful asset recovery and should be coupled with political will and diligent work. Technical assistance is one important element of enhancing expertise, and is an important form of cooperation among Arab countries and between Arab countries and partners from other regions. This session builds on the discussion at AFAR II of technical assistance needs and the proposal adopted there for requested countries to consult internally and develop further information on country specific technical assistance needs. Prior to the commencement of AFAR III in Geneva, several countries provided specific input on technical assistance needs to StAR to facilitate the discussion. (See footnotes for country specific content submitted). .

86. The Yemeni delegation welcomed the opportunity to share identified needs and highlighted that asset recovery is a new topic for many countries and requires specialized capacities and institutional arrangements. The Yemeni Cabinet has called for a new asset recovery law to be drafted, after an earlier version did not advance. The Yemeni government requested the following assistance: 1) advice on drafting asset recovery legislation; 2) training for the Anti- Corruption Commission, FIU, and other institutions on meeting international standards; 3) training for local CSOs to play a constructive role in asset recovery; and 4) training on accounting, asset tracing, and other asset recovery techniques.¹
87. Morocco noted that its reform agenda has recently included harmonizing its standards with UNCAC, including through a new mandate to its anticorruption body and creation of specialized anticorruption courts. It has established an FIU, become an Egmont member, and enacted a FATF-compliant AML-CFT law. In the area of international cooperation, it participates in a judicial cooperation network with Spain, France, and Belgium and is executing a large number of MLA requests from other countries. Technical assistance needs include: 1) training on how to implement of whistleblower and witness protection laws; 2) capacity building for police investigators and investigative magistrates; 3) training in special investigative techniques, 4) equipment to support implementation of new rules permitting surveillance and tracking and 5) equipment to facilitate nationwide reach of new rules permitting videoconferencing for court hearings would be helpful.
88. Tunisia welcomed the training provided to date but acknowledged that needs remain to acquire further specialize skills necessary for asset recovery investigations. Tunisia plans to create a pool of civil service experts from various ministries, with expertise in accounting, customs, banking, and other disciplines, to aid investigative magistrates. Additional training in these specialized areas, as well as computers and office equipment, would be welcomed.²

¹ YEMEN Technical Assistance Submission: Knowing that the concept of stolen asset recovery is relatively new, the Republic of Yemen needs training in the following three areas: **Raising awareness and dissemination of knowledge**-- A workshop for the Anti-corruption Unit with financial information Unit and the National Committee for Combating Money Laundering and Financing of Terrorism (together) in order to identify stolen asset recovery mechanisms as well as relevant applicable international standards, conventions and treaties. 2) **In the legislative field**- The Republic of Yemen is currently preparing a draft law on stolen asset recovery and the drafter need a workshop to help them prepare the draft law. Potential Yemeni participants in the workshop are: Anti-corruption and Integrity Unit, Unit for the collection Financial Information, National Commission for Combating Money Laundering and the Financing of Terrorism, Ministry of Justice, Ministry of Legal Affairs and members of the Yemeni Parliament. 3) **Technical level** - A workshop to learn about assets tracking mechanisms of and analysis of financial statements for specialists from the Anti-Corruption and Anti-Money Maundering and Financing of Terrorism and Unit for the collection Financial Information, law enforcement agencies, the public prosecutor and the judiciary.

² TUNISIA Technical Assistance Submission: 1) **Training of local agents** :Training of local agents, judicial police officers and staff of the Tunisian Commission on Financial Analysis in the investigation techniques specific to

89. The Iraqi delegate identified the need for advice on the development of new, modern asset recovery legislation and continued training for investigators in financial crime and corruption investigations.³ He called for completion of a manual on asset recovery and increased cooperation among Arab countries.
90. The speaker from Lebanon welcomed partnerships with other countries to build skills. Among Lebanon's priorities are investigation, management of evidence, and tracing assets through financial analysis. Lebanon has completed a voluntary UNCAC self-assessment of Chapter V of the Convention and is drafting a new law on confiscation.
91. Building on its recent efforts to adopt new strategies on, inter alia, anti-money laundering and combating corruption, Jordan is interested in technical assistance on asset tracing and comparative models and training to create and build the skills of a new task force of specialized investigators. Comparative models and advice on implementing newly amended whistleblower and witness protection laws would be welcome. Jordan is interested in assistance for drafting and adopting modernized MLA frameworks as well as for the management and preservation of value of assets frozen or confiscated.
92. The Egyptian delegate noted the importance of training on conducting investigations, tracing assets and analyzing financial accounts, confiscation, how to pursue international legal cooperation including MLA, and how to draft requests that take into consideration the legal

corruption and AML cases (including the detection of the assets and the analysis of bank data) and the strategies that should be adopted in asset recovery cases in accordance with to international standards, good governance and efficient international cooperation. 2) **Training of law clerks in legal drafting:** Provide specific training to law clerks in order to enable them to assist the investigative judges in the discharge of their functions. 3)

Modernization of Equipment: The various State services involved in asset recovery cases need logistical support and materials. The finance department wishes to benefit from the support of start and the Arab Forum to modernize its means of functioning (hardware, logistics, and security of telecom network). The Tunisian commission on Financial Analysis needs better equipment, especially in telecom.

³ IRAQ Technical Assistance Submission: 1) Provide advice and technical assistance on adopting an effective national strategy to recover stolen assets that would be clear in its goals and views which aims to unify the efforts and measurements of the bodies involved in recovering stolen assets of Iraq represented by COI. 2) Training judges and investigators on best practices in the criminal investigations of tracing stolen assets preparing to seize, confiscate and recover it. 3) Training on best practices of monitoring and pursuing stolen assets and collecting financial data and analyzing it. 4) Training according to best international standards on communication and coordination amongst national bodies to follow up on extradition issues. 5) Training on managing and organizing extradition issues according to international standards along with training on how to present evidence abstracts, conclusions, provisions and verdicts. 6) Training on drafting mutual legal assistance requests including receiving and submitting those requests. 7) Training on drafting mutual and multilateral memoranda of understanding with foreign agencies and best practices and experiences in this prospect 8) Training on drafting MLA requests, proposing laws, and amendments on legislations 9) Training on drafting MoU and bilateral or multilateral agreements with foreign authorities and best experiences in this respect .

systems of other countries. Assistance is also needed to draft model laws on corruption and asset recovery.⁴

93. The representative from Saudi Arabia indicated that the recently created Anti-Corruption Commission was interested in partnering with centers of excellence around the world to learn from global best practices in prevention and enforcement. Saudi officials are currently enrolled in European academic courses on combating corruption to obtain master and PhDs to further the work on corruption in the national context.
94. The moderator mentioned the resource that the UNDP regional anticorruption project and its network of anticorruption officials presented for regional practitioners. The representative of the U.S. indicated that capacity building partnerships with his country, directly or through partnerships with UNDP, OECD, StAR, and others, are a priority and encouraged participants to make their needs known to U.S. counterparts through embassies in their country.
95. In response to a question about where TA could improve, the Jordanian participant called for capacity building providers to balance international experts, who may not be as well versed in local laws and institutions, with local expertise. He called for trainings to be tailored to local circumstances, coupled with careful preparation and the sharing of clear goals with workshop participants. The Saudi representative agreed, commending an International Organization of Supreme Audit Institutions that developed training experts specifically for the Arab world.

⁴ EGYPT Technical Assistance Submission: 1) **Investigations and financial intelligence in crimes of corruption** This includes experience/know-how to conduct investigations and to reach the stolen assets and how to identify/detect, track down stolen assets, obtain information on the movement of stolen assets, investigation strategy to seize the assets abroad and link them to the committed crimes. All that in different legal systems and, in particular, in Common Law countries, **provided that the training includes a practical application of how to conduct investigations using the actual cases.** (Egypt emphasis) 2) **International cooperation mechanisms to obtain evidence in crimes of corruption** This includes how experts conceive the drafting of requests for mutual legal assistance in various systems in the context of crimes of corruption in a way compatible with different legal systems. In the context of overcoming the procedural obstacles that impede the recovery of stolen asset, how to handle the difference in the legal systems between the Requesting and Requested States, provided that the training includes practical applications as much as possible through the presentation of actual cases and the explanation of the results of these cases. 3) **Legislative mechanisms to combat corruption and to overcome the obstacles that impede the recovery of stolen assets** This includes experience in the field of legislative reforms aimed at achieving an effective internal system that provides tracking of stolen assets at the domestic level as well as the most important legislation necessary to achieve effectiveness in stolen asset recovery at the external level (international).

Closing Session- The Future of the Arab Forum on Stolen Asset Recovery

This session was chaired by Mr. Michael Lauber (Switzerland), and featured closing remarks by Mr. Hisham Mohamed Zaki Barakat (Egypt), Mr. James Cole (United States) and Mr. Harald Range (Germany and on behalf of the G7 presidency).

96. Speakers expressed their gratitude that AFAR III was hosted by Switzerland and co-chaired by Tunisia and Egypt. It was also noted that AFAR III provided a platform to the exchange expertise through 70 plus bilateral meetings. A speaker noted that AFAR III demonstrated the effort to achieve results on asset recovery remains strong among the 250 delegates from 40 governments and jurisdictions and 6 regional and international organizations in attendance in Geneva. He noted that the work stream discussions and fruitful bilateral meetings had advanced opportunities for collaboration. Noting the need to maintain the political will and to accelerate the process of asset recovery where possible, AFAR III had contributed to the strengthening of mutual understanding and the creation of lasting contacts.
97. Participants further renewed their commitment to asset recovery and international cooperation and acknowledged the shared responsibility to recover assets and proceeds of corruption on behalf of the citizens in the transition period in the Arab region. In this context, it was recognized that the requesting countries should contact financial centers as soon as possible to trigger the asset recovery process and that the latter should prevent the dissipation of assets through effective instruments such as administrative freezes and proactive investigations.
98. Speakers recognized the difficulty of recovering assets especially when it comes to establishing the link between the stolen assets and the corrupt persons and their crimes/corrupt activities.
99. Germany, as chair of the G-8 in 2015, outlined plans to continue the AFAR process and announced plans to organize a spring meeting in 2015 for the exchange of technical and tactical information. Germany will also be hosting AFAR IV in the fall of 2015 to facilitate further progress in the process of stolen asset recovery.
100. The Chairs of AFAR III- Switzerland, Egypt and Tunisia, released chairs statement summarizing the outcomes of the meeting:
https://star.worldbank.org/star/sites/star/files/co_chairs_english.pdf

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