



Opening Statement by Mr. Dominic Grieve, Attorney General of the United Kingdom

26th October, 2013. Marrakesh, Morocco.

Ministers, Excellencies, ladies and gentlemen

Let me begin by thanking our hosts, the Government of Morocco, for their wonderful hospitality here in Marrakesh. I must also thank the World Bank StAR team, who have put months of work into preparing this event and who have shown such strong leadership on asset recovery for several years now.

The first meeting of this Forum in Doha last year was a wake-up call for the international community. It drew our attention to a problem of critical importance to many countries represented here today. Since that first meeting, we have all been working hard to tackle the challenges associated with asset recovery. I believe that we have made good progress, as today's presentations will demonstrate. But I also know that we have far to go.

Today I want to talk to you about the work that the UK has been doing to support asset recovery. I will set out how we have used our G8 Presidency to put financial transparency at the heart of the G8 agenda. And I will talk about the work that we have done through our UK Asset Recovery Task Force to ensure that we return stolen assets to Arab countries in transition.

Corruption - a global problem

Corruption is unquestionably bad. It is bad for development, bad for citizens and bad for business.

It is bad for development as it diverts precious resources.

It is bad for citizens as it corrodes the fabric of society and public institutions.

And it is bad for business as the uncertainties of bribery stifle business development and inward investment.

We are here today because a number of the Arab countries in transition lived through decades of endemic corruption and exploitation of their wealth and resources. Former regimes stole billions of dollars and hid them in financial centres and property markets across the world.

Some of this money left these countries just as their former regimes were falling. But the bulk of the looted assets had already been siphoned overseas over much longer periods of time: in many cases welcomed by financial centres that either didn't know, or didn't care, that much of the money represented the fruits of corrupt activity.

As we will discuss over the next three days, it is not easy to identify and return the proceeds of corruption. But if we do nothing, then we simply encourage corrupt politicians and officials – today and in the future – to believe that they too can enrich themselves at the expense of their citizens.

And we must not deceive ourselves that large-scale corruption only occurs in the region. It happens on every continent in the world. This is one of the reasons that the UK put financial transparency at the heart of our G8 activities this year. As my Prime Minister said in the video message you have just seen: we have to put our own houses in order.

The G8

At the meeting of G8 Leaders in Northern Ireland in June we agreed three actions to tackle financial transparency:

First, to bring transparency to company ownership. G8 Leaders agreed that companies should be required to obtain and hold information on their beneficial owners, and to make this information available to law enforcement and other relevant authorities. This basic information will ensure that whoever benefits from a company and its assets is not hidden behind a chain of opaque ownership arrangements.

Second, to fight tax evasion internationally. We agreed that tax authorities across the world should automatically share information to fight tax evasion. The OECD now has a mandate to develop a new standard for tax exchange of information. We hope this standard will be adopted globally and are working closely with developing countries and emerging economies to ensure that their views are fully incorporated.

Third, to publish key government data. The G8 agreed a new Open Data Charter. In future, data held by governments will be made open to the public as a rule, rather than as an exception. Greater government transparency of this nature allows citizens to hold governments to account. It is a crucial tool in the fight against corruption. Our hope is that other governments around the world will adopt the Charter.

Asset Recovery Task Force

In addition to the G8 work, we have also been taking steps to improve the UK's domestic response to the challenges of asset recovery. International asset recovery, using government-to-government mutual legal assistance arrangements, is a complex and highly legalistic process. There are good reasons for this. Governments cannot act in ways which may seem to the courts as arbitrary or capricious. A firm legal basis is necessary before governments can take any action with respect to the assets of individuals – however compelling the anecdotal linkages between those individuals and alleged corrupt activities.

In the aftermath of the Arab Spring, it was clear that the scale of the asset recovery challenge was greater than anything we had seen before. In September last year, therefore, the UK Prime Minister set up a new Asset Recovery Task Force with a mandate to proactively pursue asset recovery for the Arab countries in transition. The task force brings together officials from eight government departments and agencies in an effort to speed up our efforts to trace assets, gather evidence and bring cases before the courts.

At the heart of this effort is an operational team led by the Metropolitan Police, working closely with the National Crime Agency, UK Central Authority and Crown

Prosecution Service (CPS). UK investigators now work alongside their counterparts in Egypt on individual cases. They have opened eight domestic money-laundering investigations into individuals with significant assets in the UK. We also have a full time prosecutor stationed in Cairo, whose job is to provide advice to countries across the region and to help them ensure that their mutual legal assistance requests meet the standards required by UK courts.

We have learned some important lessons from our experiences. For example, we are looking at possible changes to UK law to reduce the standard of evidence that is required to support an application for an asset-freezing order, from belief to suspicion. We are also considering following the examples of Switzerland and Canada, whose legislation allows administrative freezing of the proceeds of corruption in circumstances such as have been experienced by the Arab countries in transition.

To give an idea of the scale of the UK Task Force effort we have obtained thirty-one production orders from UK Crown Courts. This has generated hundreds of thousands of pages of financial transactions relating to those we suspect of laundering the proceeds of corruption.

Providing the value of collaboration we have shared over twenty-eight detailed intelligence reports containing valuable sensitive financial information to support Egyptian asset recovery efforts.

Proof of our progress is the level of daily contact between UK Task Force members and Egyptian officials.

UK financial investigators have traced webs of complex shell company structures across the globe, and established the beneficial owners are linked to those members of former President Mubarak regime. They have also traced high value goods such as yachts, exclusive high-value properties and have identified some of the professional enablers that we suspect are facilitating the money laundering.

The path ahead will not be fast or smooth. The people whose assets we are seeking are rich, and will hire the best lawyers to oppose us at every step. It will require years, not months, of dedication and painstaking effort from all who have a stake. There will be frustrations along the way. Some will be tempted to lay the blame on a lack of political will. I can assure you that in the case of the UK, there is no shortage whatsoever of the political will necessary to achieve results.

Working together

We have also learnt that successful approaches to asset recovery require close collaboration between the requesting countries and those that receive the requests. This applies particularly when it comes to building up the cases which we will need to present to our courts. Only when we have compelling evidence of an individual's involvement in corrupt acts will we be able to move beyond the stage of asset freezing to restraint and, ultimately, repatriation. This can only happen if our financial investigators work as a single team.

Before I conclude, I should point out that we have been joined here today by representatives from a number of financial centres who did not attend the first Forum, including the British Virgin Islands, Gibraltar, Malta, Bermuda, the Cayman Islands, Hong Kong and Singapore. I hope that delegations will take the opportunity to meet bilaterally with these countries to discuss casework and future cooperation.

As my Prime Minister stated this morning, we are determined that no country should suffer for the corruption of their former governments. By assembling here today, we are demonstrating that every country has a part to play in the fight against corruption and the recovery of stolen assets. Together, we can hold to account those who believe they can get away with stealing what rightfully belongs to the people of their countries.

I look forward to meeting with many of your delegations and advancing this important work.

