



CHAIRS' STATEMENT BY SWITZERLAND, EGYPT AND TUNISIA ON THE THIRD MEETING OF THE ARAB FORUM ON ASSET RECOVERY Geneva, November 1-3, 2014

From 1 – 3 November 2014 over 250 delegates from 40 governments and jurisdictions and six regional and international organizations¹ convened for the Third Meeting of the Arab Forum on Asset Recovery (AFAR III) in Geneva. The meeting was co-chaired by Egypt, Switzerland and Tunisia in cooperation with the Stolen Asset Recovery Initiative (StAR) of the World Bank Group and UNODC as well as supported by a Steering Committee composed of the US, UK, StAR, the Rule of Law and Anti-Corruption Center in Qatar and Germany as G7 Presidency.

Objectives: Are We Meeting Expectations?

Under the title “Are We Meeting Expectations?” senior government officials, policy makers, judicial experts, law enforcement officers, prosecutors, financial intelligence analysts and civil society representatives analyzed progress made by the countries so far. They endeavored to identify how the factors of progress could be more widely implemented in order to improve asset recovery proceedings in countries facing difficulties. They observed disparities both among requesting and requested states. Therefore, building bridges between lessons learned and their application in other contexts was an important achievement of AFAR III.

AFAR III offered a platform for exchange built around **four axes**:

- On November 1, **political commitment** was strengthened in the High level Segment, which emphasized the importance of constructive partnership between requested and requesting states. The spirit of partnership was illustrated by the three Co-Chairs, the President of the Swiss Confederation and the Ministers of Justice from Egypt and Tunisia, who opened the meeting together.

¹ Participating governments include Austria, Belgium, British Virgin Islands, Canada, Cayman Islands, Cyprus, Egypt, France, Germany, Gibraltar, Guernsey, Hong Kong, Iraq, Italy, Japan, Jersey, Jordan, Kuwait, Lebanon, Libya, Liechtenstein, Luxembourg, Malta, Morocco, Qatar, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Tunisia, Turkey, the United Kingdom and the United States and Yemen, along with the European Union as well as the Egmont Group of Financial Intelligence Units, Interpol, OSCE, United Nations Development Program, as well as the invaluable partnership of the Stolen Asset Recovery Initiative (StAR) of the World Bank and UN Office on Drugs and Crime.

- On November 2 and 3 participants followed **two work streams** which analyzed key points of the practical steps leading to concrete improvement of asset recovery in all stages. Topics of discussion included the development of an asset recovery strategy, challenges of beneficial ownership, benefits of administrative freezes, potential of civil remedies, the role of the private sector, cooperation between civil society and governments, mutual legal assistance requests and the best way to use financial intelligence unit channels.
- With more than **70 bilateral meetings**, these discussions were a key feature of AFAR III. They helped identifying concrete actions necessary to advance asset recovery efforts in specific cases, with the aim of having stolen assets returned as soon as possible.
- In response to the country-specific requests on **technical assistance**, participants reiterated that it continues to be in particular available to assist Egypt, Jordan, Libya, Morocco, Tunisia and Yemen.

Conclusions

All participants reaffirmed commitments to the UN Convention against Corruption (UNCAC) as the cornerstone of their efforts to recover assets. They encouraged governments to effectively implement it. They recognized the G-8 Deauville Partnership with Arab Countries in Transition Asset Recovery Action Plan, which gave rise to AFAR, as a useful framework for collaboration, consistent with UNCAC.

Participants agreed that asset recovery has become a keen interest in bilateral and international relations. Success requires a strong and sustained political commitment translated into practical and proactive action. Participants agreed that they had a shared responsibility to recover assets on behalf of the citizens in the affected countries. They recognized that the recovery of the proceeds of corruption through international cooperation is essential in helping restore integrity and public trust in government, and in sending a strong message that there can be no impunity for those who abuse their official positions. Assets misappropriated by kleptocrats represent assets that belong to the people and should be used for the development of the countries. Participants reiterated strong support for continued efforts to reconstitute the stolen monies.

Participants agreed upon several key factors for a successful asset recovery case:

- Requesting countries should put in place a strategy on political and operational levels and an adequate institutional set-up for interagency coordination as well as a sustained criminal investigation, preferably prior to making mutual legal assistance requests.
- The respective legal systems should be understood, focal points defined and contacts between practitioners established at the earliest possible stage.
- Financial centers should prevent dissipation of assets through effective instruments, such as administrative blocking regimes and proactive investigations.
- Uncovering evidence of predicate criminal conduct, inside and outside the affected country, is a crucial starting point for the identification of assets and establishing the legal basis for their recovery.

- Assistance from international experts as much as the use of all available international and regional networks for information sharing is key.
- Jurisdictions should support one another's proceedings by spontaneously providing information, promptly processing and responding to valid requests for MLA and by participating in legal proceedings underway in one another's jurisdiction. They should determine whether to maintain parallel investigations and consider joint investigations.
- Finally, prompt follow-up should be ensured at all stages.

Several additional countries, including Austria, British Virgin Islands, Bailiwick of Jersey, Lebanon and Hong Kong, announced the publication of comprehensive asset recovery guides, in order to facilitate the above mentioned elements. Participants appreciated the efforts of the StAR initiative in developing a comprehensive website for all resources on asset recovery to serve as a central reference point on an ongoing basis.

AFAR III advanced the understanding of participants with regard to beneficial ownership. Participants noted that cooperation on beneficial ownership between financial centers and requesting countries is essential to further asset recovery investigations and acknowledged the critical role that financial intelligence units can play. They agreed to continue the dialogue on these complex financial investigations. Participants welcomed the practical guides on access to beneficial ownership information of legal entities and arrangements prepared by the Bailiwick of Jersey, Liechtenstein, United Kingdom, United States, and made public today. Countries recalled their commitments to effectively implement the FATF international standards on financial transparency, including beneficial ownership of legal entities, as the underpinning of asset recovery work.

Participants noted that sharing of good practices and capacity building is critical. Several countries identified technical assistance needs and participants welcomed the announcement of approx. 5 million dollars in new regional capacity building programs on asset recovery in 2015. Participants agreed that asset recovery cases are complex and take time, no matter how high the political will among nations. Proactive engagement is needed to overcome inherent challenges and manage high expectations with regard to the length of the proceedings. It requires a common effort of countries, supported by a substantive engagement of their civil societies.

...and the Way Forward

Participants of AFAR III share a common goal: the restitution of assets of illicit origin to their rightful owners. Progress made in this field is encouraging and AFAR continues to be an essential platform for the advancement of specific cases as much as for the exchange of information on asset recovery related issues between policy makers, and legal and financial experts from requesting and requested states. Further efforts to maintain a strong political determination and an ongoing consultation between all countries concerned will ensure that the

work done in AFAR produces further tangible results. The German G7 presidency will build on these successes when planning for the future of AFAR.

Participants expressed appreciation to Switzerland and its Co-Chairs Egypt and Tunisia for hosting the Third Meeting of the Arab Forum on Asset Recovery, as well as to the Steering Committee for the preparation and StAR initiative for the invaluable support. They pledged to continue this critical work as a sign of the partnership between all our countries and as a support for the on-going transitions in the region.

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