



European Union

**EU Statement on
Working Group on Asset Recovery**

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United Nations Convention against Corruption
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Mr Chair, distinguished delegates, dear colleagues,

I have the honour to speak on behalf of the European Union.

The identification, tracing, freezing, confiscation, recovery and return of assets is an effective way to tackle corruption and prevent proceeds from being laundered through or re-invested in the licit economy and possibly be used for further acts of corruption. These are the key issues dealt with by **Chapter V** of the Convention, which is at the heart of the second cycle of the implementation review mechanism.

We appreciate that the **UNGASS political declaration** has underlined the importance of strong and trusting partnership between requesting and requested States, with proactive measures taken by both. We welcome the fact that the UNGASS political declaration has expressed the necessity to consolidate and expand the global knowledge and data collection on asset recovery and return through gathering and sharing information on challenges and good practices.

The European Union is making substantial efforts in this area. The European Commission is currently in the process of reviewing its **Directive** on the **freezing** and **confiscation** of illicit assets, as well as the Council Decision on the establishment of Asset Recovery Offices in view of a potential modernisation of both legal acts. The review of the asset recovery framework aims at strengthening current provisions to ensure that “crime does not pay”.

The EU is also working to improve the **mutual recognition of freezing and confiscation orders** between Member States. A Regulation enabling a swift execution of freezing and confiscation orders in other Member States without cumbersome formalities applies since December 2020 and enables Member States

to cooperate better and faster to freeze and confiscate criminal assets. The regulation also provides the rights of victims to restitution and compensation in cross-border cases.

Asset confiscation depends directly on the ability to identify and trace them, to "**follow the money**". The EU continues to support the establishment of national Asset Recovery Offices and the provision of the necessary powers and resources to these agencies. Today, all Member States have functional Asset Recovery Offices in place. The steady increase in exchange of information between these offices across borders has facilitated the fastest possible identification and tracing of assets within the Member States and has strengthened international cooperation at global level.

In 2019, The Union adopted a **Directive** facilitating the access and exchange of financial and other information between law enforcement authorities and Financial Intelligence Units (**FIUs**). This Directive is an important milestone which will speed up financial investigations on serious and organised crime. By virtue of this Directive, since this year the Asset Recovery Offices and other competent authorities have **direct access to the national centralised bank account registries** and will be able to expediently exchange information on bank accounts. Europol will also have indirect access to these registries, which will enable Europol to support Member States' investigations more effectively.

The Union is also committed to preventing and combatting **money laundering** and terrorist financing to reduce criminals' access to financial resources to perpetrate their activities, strengthen their networks and jeopardise the stability of the Union's financial system and economy, as well as citizens' security. A set of legislative proposals is currently under discussion which will ensure better checks on financial transactions and activities, consistent supervision across the Union and improved cooperation among FIUs, as well as introducing an **EU-level authority** with dedicated supervisory functions and the responsibility to support and coordinate the work of national FIUs.

Another important development at the institutional level of the EU is the establishment of the European Public Prosecutor's Office (**EPPO**). This office has jurisdiction to prosecute cases affecting the financial interest of the Union. This includes corruption offences. The European Public Prosecutor's Office has started its operations at the beginning of this year.

As almost 60% of the known organised criminal groups take advantage of weak institutional structures and engage in corruption, anti-corruption measures need to be reinforced in a holistic manner. The **2021 Rule of Law Report** shows corruption risks have increased during the pandemic, in particular with the increased use of accelerated and simplified procurement procedures. Robust safeguards are needed to prevent the infiltration of organised crime in state structures, the abuse of

emergency procurement processes for private benefit, and the misuse of financial supports during the pandemic. The fight against corruption also requires a wide exchange of best practices between EU, Member States and law enforcement agencies. The EU Asset Recovery Offices' Platform enables the exchange of best practices on the identification and tracing of criminal assets in order to facilitate operational cooperation between the Offices.

The European Union also supports efforts aimed at strengthening the effectiveness of international cooperation in asset recovery, in particular by supporting the activities of the **CARIN network** of asset recovery practitioners and its affiliated networks (ARINs).

In the context of the Addis Ababa Action Agenda, the EU supports all the Targets included under **Sustainable Development Goal 16**, and in particular point 16.4 which requests to “significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.”

Finally, we consider that the **assets returned** must be used and **managed** according to the principles of transparency, integrity and accountability and in a manner conducive to their contributing to sustainable development, if appropriate.

Thank you Mr Chair.