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## **2013 Lough Erne G8 Summit Interim Compliance Report**

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## 15. Finance: Asset Recovery [162]

### Commitment:

“We reiterate our high level of commitment to return stolen assets to countries in transition, including through participation in the Arab Forum on Asset Recovery.”

*2013 G8 Lough Erne Leaders Communiqué*

### Assessment:

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada		0	
France		0	
Germany		0	
Italy		0	
Japan			+1
Russia		0	
United Kingdom		0	
United States		0	
European Union		0	
Average Score		+0.11	

### Background

The Deauville Partnership with Arab Countries in Transition is an international partnership launched by the G8 leaders during the Deauville Summit in 2011.<sup>933</sup> It was set up to support Middle East and North African (MENA) countries in transition towards stabilization, job creation, participation/governance, and integration.<sup>934</sup>

This partnership includes G8 leaders, the European Union, the International Monetary Fund, MENA countries, and financial organizations contributing to supporting reform in MENA countries.<sup>935</sup> The partnership was founded on the two pillars of governance and economic growth. Based on these pillars, initiatives to support democratic transition and an economic framework for sustainable and inclusive growth have been established.

During the 2012 Camp David Summit, the G8 countries approved an asset recovery action plan to promote the return of stolen assets by former regimes.<sup>936</sup> They committed to support the launch of the Arab Forum on Asset Recovery (AFAR) which was established by Arab countries. The first meeting of the Arab Forum was held in Doha, Qatar, in 2012.<sup>937</sup> At the meeting, the AFAR

<sup>933</sup>Declaration of the G8 on the Arab Springs, G8 Research Group (Toronto) 27 May 2011. Date of Access: 4 December 2013. <http://www.g8.utoronto.ca/summit/2011deauville/2011-arabsprings-en.html>

<sup>934</sup>Fact Sheet: G-8 Action on the Deauville Partnership with Arab Countries in Transition, The White House (Washington) 19 May 2012, Date of Access: 4 December 2013. <http://www.whitehouse.gov/the-press-office/2012/05/19/fact-sheet-g-8-action-deauville-partnership-arab-countries-transition>

<sup>935</sup>Declaration of the G8 on the Arab Springs, G8 Research Group (Toronto) 27 May 2011. Date of Access: 4 December 2013. <http://www.g8.utoronto.ca/summit/2011deauville/2011-arabsprings-en.html>

<sup>936</sup>Deauville Partnership with Arab Countries in Transition — Governance Pillar: Action Plan on Asset Recovery, U.S. Department of State (Washington) 21 May 2012. Date of Access: 24 December 2013. <http://www.state.gov/j/inl/rls/190483.htm>

<sup>937</sup>Arab Forum on Asset Recovery, Stolen Asset Recovery Initiative (Washington), 2012. Date of Access 4 December 2013. <http://star.worldbank.org/star/ArabForum/About>

emphasized the need to seek the return of stolen assets and provide MENA countries with training in those practices.<sup>938</sup>

During the 2013 Lough Erne Summit, the G8 members identified the “high level of [their] commitment to return stolen assets to countries in transition,” especially by participating in the AFAR. In order for the countries to continue to reinforce the asset recovery action plan, each G8 members plan to present a road-map for asset recovery.<sup>939</sup>

**Commitment Features**

At the 2013 Lough Erne Summit, the G8 committed to continue supporting the Arab Forum on Asset Recovery (AFAR), including by participating in the second meeting of the Forum (AFAR II) in Marrakesh in October 2013.<sup>940</sup> To fulfill this commitment, each member must participate in the AFAR II and present a road-map that sets out necessary steps to implement the 2012 Asset Recovery Action Plan.

**Scoring Guidelines:**

-1	Member does not participate in the second Arab Forum on Asset Recovery NOR prepares a road-map to implement the 2012 Asset Recovery Action Plan.
0	Member participates in the second Arab Forum on Asset Recovery BUT does not prepare road-map to implement the 2012 Asset Recovery Action Plan.
+1	Member participates in the second Arab Forum on Asset Recovery AND prepares a road-map to implement the 2012 Asset Recovery Action Plan.

*Lead Analyst: Eric Na*

**Canada: 0**

Canada has partially complied with its commitment to participate in the second Arab Forum on Asset Recovery.

According to Canada’s Asset Recovery Action Plan Roadmap for 2013, Canada attended and moderated a session at the second Arab Forum on Asset Recovery.<sup>941</sup> Canada has yet to implement further steps in its roadmap.

Thus, Canada has partially complied with its commitment towards asset recovery in Arab countries.

*Analyst: Volodymyr Sukhodolskiy*

<sup>938</sup> Arab Forum on Asset Recovery, Stolen Asset Recovery Initiative (Washington), 2012. Date of Access 4 December 2013. <http://star.worldbank.org/star/ArabForum/About>

<sup>939</sup> G8 Lough Erne Leaders Communiqué, G8 Research Group (Toronto) 18 June 2013. Date of Access: 4 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>

<sup>940</sup> Joint Press Release: Opening of the Second Arab Forum on Asset Recovery in Marrakesh, Morocco, Stolen Asset Recovery Initiative (Washington), 25 October 2013. Date of Access 4 December 2013. <https://star.worldbank.org/star/news/joint-press-release-opening-second-arab-forum-asset-recovery-marrakesh-morocco>

<sup>941</sup> Arab Forum 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 31 December 2013. <http://star.worldbank.org/star/ArabForum/arab-forum-2013>.

### **France: 0**

France has partially complied with its commitment to help return stolen assets to countries in transition. In October 2013, it participated in the Second Arab Forum on Asset Recovery in Marrakech, Morocco.<sup>942</sup>

On 26 October 2013, the United Kingdom released a news report which indicated that France had attended the Second Arab Forum on Asset Recovery.<sup>943</sup>

Overall, because France attended the Asset Recovery forum from October 2013 but not produced a relevant guide of asset recovery for countries in transition, it has partially complied with the G8 commitment, earning a score of 0.

*Analyst: Vipasha Shaikh*

### **Germany: 0**

Germany has partially complied with its commitment to assist Arab countries recover the assets of individuals associated with deposed regimes.

Representatives from the German government did not attend the Second Arab Forum on Asset Recovery (AFAR II), although there is apparent interest from Germany to be more intimately involved with the process.

German legal practitioners held bilateral meetings with officials from Tunisia and Egypt to discuss assistance requests and best practices regarding asset recovery. Non-treaty bilateral cooperation between Germany and Arab countries has also been approved under German law.<sup>944</sup>

The Government of Germany complied with EU and UN sanctions to freeze assets belonging to persons associated with deposed regimes that have fled from Egypt, Libya, and Tunisia. It has not ratified the U.N. Convention against corruption but will do so once modification for German criminal code have been made. German law allows for confiscation of assets for the purpose of recovery without conviction in the case of flight or absence of the accused.<sup>945</sup>

While Germany did not attend AFAR II, they did release a road map on their implementation of the Asset Recovery Action Plan.<sup>946</sup>

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<sup>942</sup> Second Arab Forum on Asset Recovery, Marrakesh (Chair's Statement), Foreign and Commonwealth Office, Prime Minister's Office (London) 26 October 2013. Date of Access: 15 December 2013. <https://www.gov.uk/government/news/second-arab-forum-on-asset-recovery-marrakesh-26-28-october>.

<sup>943</sup> Second Arab Forum on Asset Recovery, Marrakesh (Chair's Statement), Foreign and Commonwealth Office, Prime Minister's Office (London) 26 October 2013. Date of Access: 15 December 2013. <https://www.gov.uk/government/news/second-arab-forum-on-asset-recovery-marrakesh-26-28-october>.

<sup>944</sup> Germany Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013. [http://star.worldbank.org/star/sites/star/files/germany\\_asset\\_recovery\\_action\\_plan\\_road\\_map-final\\_0.pdf](http://star.worldbank.org/star/sites/star/files/germany_asset_recovery_action_plan_road_map-final_0.pdf).

<sup>945</sup> Germany Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013. [http://star.worldbank.org/star/sites/star/files/germany\\_asset\\_recovery\\_action\\_plan\\_road\\_map-final\\_0.pdf](http://star.worldbank.org/star/sites/star/files/germany_asset_recovery_action_plan_road_map-final_0.pdf).

<sup>946</sup> Germany USD Recovery Action Plan Implementation Road Map 2013, Stolen USD Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013. [http://star.worldbank.org/star/sites/star/files/germany\\_USD\\_recovery\\_action\\_plan\\_road\\_map-final\\_0.pdf](http://star.worldbank.org/star/sites/star/files/germany_USD_recovery_action_plan_road_map-final_0.pdf)

Thus, Germany has received a score of 0 for partial compliance.

*Analyst: Reid Dobell*

### **Italy: 0**

Italy has partially complied with its commitment to assist Arab countries recover the assets of individuals associated with deposed regimes.

The Italian government participated in the second Arab Forum on Asset Recovery (AFAR II) from 26 October 2013 to 29 October 2013 as part of the Deauville Partnership with Arab Countries in Transition during which methods for the continued recovery of stolen assets were discussed.<sup>947</sup> It sent a high-level delegation to the event supported by legal practitioners and senior officials.<sup>948</sup>

The Government of Italy participated in the three Asset Recovery sectoral seminars organized by the UK from 2 April 2013 to 4 April 2014, 11 June 2013 to 13 June 2013, and 3 September 2013 to 4 September 2013 respectively.<sup>949</sup>

Between 25 September 2013 and 27 September 2013, the Banca d'Italia provided a training course on financial asset recovery to Central Banks and Financial Intelligence Units from Egypt, Libya, Tunisia, Yemen, Morocco, and Jordan. The Banca d'Italia also organized regular technical seminars on the subject of asset recovery.<sup>950</sup>

Italy receives a score of 0 for only participating in the second Arab Forum on Asset Recovery.

*Analyst: Reid Dobell*

### **Japan: +1**

Japan has complied with its commitment to participate in the second Arab Forum on Asset Recovery to present a guide describing asset recovery steps and relevant cases.

In accordance to its commitment during the 2013 Lough Erne Summit, Japan submitted a road map for asset recovery for 2013 and presented it at the Arab Summit on Asset Recovery. Japan submitted a detailed plan stating objectives that were successfully or partially completed and expressing commitments that require further support and completion and its delegation included law enforcement practitioners.<sup>951</sup>

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<sup>947</sup> Arab Forum 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access 21 December 2013. <http://star.worldbank.org/star/ArabForum/arab-forum-2013>.

<sup>948</sup> Italy Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013. [http://star.worldbank.org/star/sites/star/files/italy\\_-\\_asset\\_recovery\\_action\\_plan\\_road\\_map\\_2013\\_final.pdf](http://star.worldbank.org/star/sites/star/files/italy_-_asset_recovery_action_plan_road_map_2013_final.pdf).

<sup>949</sup> Special Sessions, Stolen Asset Recovery Initiative (Washington) Date of Access: 21 December 2013. <http://star.worldbank.org/star/ArabForum/special-sessions>.

<sup>950</sup> Italy Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013. [http://star.worldbank.org/star/sites/star/files/italy\\_-\\_asset\\_recovery\\_action\\_plan\\_road\\_map\\_2013\\_final.pdf](http://star.worldbank.org/star/sites/star/files/italy_-_asset_recovery_action_plan_road_map_2013_final.pdf).

<sup>951</sup> Japan Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013. [http://star.worldbank.org/star/sites/star/files/japans\\_asset\\_recovery\\_roadmap\\_2013-final.pdf](http://star.worldbank.org/star/sites/star/files/japans_asset_recovery_roadmap_2013-final.pdf).

Japan has also designating an office responsible for supporting asset recovery cases, employing the Ministry of Justice, Ministry of Foreign Affairs and National Police Agency to the task.<sup>952</sup>

Furthermore, Japan has actively participated in preparatory meetings held in Seoul focused on helping launch a broad asset recovery network in the Asia Pacific region.<sup>953</sup>

Moreover, Japan has committed to ensuring mutual legal assistance regarding asset recovery to be granted in the absence of a bilateral assistance agreement.<sup>954</sup> For ensuring proper mechanisms are in place for the enforcement of foreign orders of confiscation and the establishment of systems that allow for recovery through non-conviction-based confiscation, Japan can provide assistance under the Law for Punishment of Organized Crimes, Control of Proceeds and Other Matters.<sup>955</sup>

In the plan presented at the Arab Forum, Japan promised to work with the United Nations Office on Drugs and Crime (UNODC) to provide specialized training for prosecutors, judges and financial analysts in Tunisia and to support domestic coordination by providing training for members of the Asset Recovery Committee from Libya.<sup>956</sup> Japan will also explore the possibility of delivering further assistance to promote legal and institutional reforms and strengthen frameworks to manage recovered funds.<sup>957</sup>

Japan's report at the Arab Forum on Asset Recovery complied with its commitment to asset recovery at the previous summit. Thus, Japan receives a score of +1.

*Analyst: Rehaan Khan*

## **Russia: 0**

Russia has partially complied with the commitment on asset recovery.

Russia participated in the second Arab Forum on Asset Recovery on 26 – 28 October 2013 in Marrakesh.<sup>958</sup>

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<sup>952</sup> Japan Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013.

[http://star.worldbank.org/star/sites/star/files/japans\\_asset\\_recovery\\_roadmap\\_2013-final.pdf](http://star.worldbank.org/star/sites/star/files/japans_asset_recovery_roadmap_2013-final.pdf).

<sup>953</sup> Japan Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013.

[http://star.worldbank.org/star/sites/star/files/japans\\_asset\\_recovery\\_roadmap\\_2013-final.pdf](http://star.worldbank.org/star/sites/star/files/japans_asset_recovery_roadmap_2013-final.pdf).

<sup>954</sup> Japan Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013.

[http://star.worldbank.org/star/sites/star/files/japans\\_asset\\_recovery\\_roadmap\\_2013-final.pdf](http://star.worldbank.org/star/sites/star/files/japans_asset_recovery_roadmap_2013-final.pdf).

<sup>955</sup> Japan Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013.

[http://star.worldbank.org/star/sites/star/files/japans\\_asset\\_recovery\\_roadmap\\_2013-final.pdf](http://star.worldbank.org/star/sites/star/files/japans_asset_recovery_roadmap_2013-final.pdf).

<sup>956</sup> Japan Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013.

[http://star.worldbank.org/star/sites/star/files/japans\\_asset\\_recovery\\_roadmap\\_2013-final.pdf](http://star.worldbank.org/star/sites/star/files/japans_asset_recovery_roadmap_2013-final.pdf).

<sup>957</sup> Japan Asset Recovery Action Plan Implementation Road Map 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 21 December 2013.

[http://star.worldbank.org/star/sites/star/files/japans\\_asset\\_recovery\\_roadmap\\_2013-final.pdf](http://star.worldbank.org/star/sites/star/files/japans_asset_recovery_roadmap_2013-final.pdf).

<sup>958</sup> The Second Meeting of the Arab Forum on Asset Recovery. Agenda, Ministry of General Affairs and Governance of Morocco. [http://www.affaires-generales.gov.ma/jdownloads/Fonds%20Documentaire/Ministre%20%20travers%20la%20presse/Forums%20et%20colloques/forum%20assest%20recovry/afar\\_ii\\_agenda-english\\_v22\\_final\\_for\\_printing.pdf](http://www.affaires-generales.gov.ma/jdownloads/Fonds%20Documentaire/Ministre%20%20travers%20la%20presse/Forums%20et%20colloques/forum%20assest%20recovry/afar_ii_agenda-english_v22_final_for_printing.pdf).

Russia has not published its country guide on asset recovery.<sup>959</sup> No information that Russia presumed its road-map on implementation of 2012 Asset Recovery Action Plan has been found.

Russia has participated in the second Arab Forum on Asset Recovery but has not published its country guide on asset recovery nor prepared road-map to implement the 2012 USD Recovery Action Plan. Thus, it has been awarded a score of 0.

*Analyst: Mark Rakhmangulov*

### **United Kingdom: 0**

The United Kingdom has partially complied with its commitment to return stolen assets to countries in transition. It co-hosted the second Arab Forum on Asset Recovery on 26-28 October 2013 in Marrakesh, Morocco.<sup>960</sup>

On 22 October 2013, the United Kingdom government released a statement and video stating it was committed to returning stolen assets to Arab countries in transition.<sup>961</sup>

On 3 October 2013, the Government of the United Kingdom released a public statement stating that it was attending the second Arab Forum on Asset Recovery in Marrakesh, Morocco and listed the actions it was taking to enhance asset recovery in the Arab and North African region.<sup>962</sup>

Thus, the United Kingdom has only partially complied with the G8 commitment by attending the second Arab Forum on Asset Recovery but not provided an accessible, detailed report on asset recovery.

*Analyst:*

### **United States: 0**

The U.S. has partially complied with its asset recovery commitment towards Arab countries.

On 28 October 2013, Attorney General Eric Holder delivered a speech at the second Arab Forum on Asset Recovery in Morocco.<sup>963</sup>

On 9 December 2013, Secretary of State John Kerry called on government and non-government agencies like the Arab Forum on Asset Recovery to continue their anti-corruption efforts. Kerry

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<sup>959</sup> Country Guides for USD Recovery, StAR. <http://star.worldbank.org/star/ArabForum/country-guides-asset-recovery-0>.

<sup>960</sup> Second Arab Forum on Asset Recovery, Marrakesh (Chair's Statement), Foreign and Commonwealth Office, Prime Minister's Office (London) 26 October 2013. Date of Access: 15 December 2013. <https://www.gov.uk/government/news/second-arab-forum-on-asset-recovery-marrakesh-26-28-october>.

<sup>961</sup> Second Arab Forum on Asset Recovery, Marrakesh (Chair's Statement), Foreign and Commonwealth Office, Prime Minister's Office (London) 26 October 2013. Date of Access: 15 December 2013. <https://www.gov.uk/government/news/second-arab-forum-on-asset-recovery-marrakesh-26-28-october>.

<sup>962</sup> Asset Recovery and the G8 Deauville Partnership with Arab Countries in Transition, Foreign and Commonwealth Office, Prime Minister's Office (London) 3 October 2013. Date of Access: 15 December 2013. <https://www.gov.uk/government/news/asset-recovery-and-the-g8-deauville-partnership-with-arab-countries-in-transition>.

<sup>963</sup> Attorney General Holder at Arab Forum on Asset Recovery, State Department's Bureau of International Information Programs (Washington) 28 October 2013. Date of Access: 31 December 2013. <http://iipdigital.usembassy.gov/st/english/texttrans/2013/10/20131028285308.html>.

also noted that U.S. efforts aimed at limiting corruption and money laundering helped return over USD 70 million to transitioning Middle East countries.<sup>964</sup>

Thus, for only attending the second Arab Forum on Asset Recovery without preparing a road map for implementing the 2012 Asset Recovery Action Plan, the U.S. has received a score of 0.

*Analyst: Volodymyr Sukhodolskiy*

### **European Union: 0**

The European Union has partially complied with its commitment to assist Arab states in asset recovery.

The European Union did not attend the second Arab Forum on Asset Recovery, and was not involved in preparing related guidelines for asset recovery.<sup>965</sup>

However, on 3 November 2013 the EU put confiscation as its main priority for fighting organized crime, which is executed through national Asset Recovery Offices (AROs). This office deprives offenders of criminal profits.<sup>966</sup> As a result, the EU earns a score of 0 for partial compliance.

*Analyst: Volodymyr Sukhodolskiy*

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<sup>964</sup> International Anticorruption Day, US Department of State (Washington) 9 December 2013. Date of Access: 26 December 2013. <http://www.state.gov/secretary/remarks/2013/12/218523.htm?goMobile=0>.

<sup>965</sup> Arab Forum 2013, Stolen Asset Recovery Initiative (Washington) October 2013. Date of Access: 31 December 2013. <http://star.worldbank.org/star/ArabForum/arab-forum-2013>.

<sup>966</sup> Confiscation & asset recovery, European Union Home Affairs (Brussels) 3 November 2013. Date of Access: 26 December 2013 [http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/confiscation-and-asset-recovery/index\\_en.htm](http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/confiscation-and-asset-recovery/index_en.htm)