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Asset recovery state of play
Solutions to addressing persistent and emerging challenges

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About this report

This paper provides an overview of the state of play of global asset recovery. It explores the main challenges that hinder successful efforts to recover the proceeds of crime, both domestically and internationally, and discusses established and less-established solutions to mitigate the challenges. It also explores potential areas for innovation and presents actions states could potentially take to increase funding available to asset recovery-related law enforcement agencies and the judiciary, not only within their own jurisdictions but also globally.

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About the International Centre for Asset Recovery

The International Centre for Asset Recovery (ICAR) is a specialised centre of the Basel Institute on Governance. ICAR works globally to strengthen asset recovery capacity, practice and policy.

ICAR investigators, prosecutors, trainers and legal advisors work with government partners across four continents to:

- provide **direct support through case-based advice and mentoring on major corruption and asset recovery cases** involving complex money laundering schemes and high-profile suspects;
- **build long-term capacity** to investigate corruption, cooperate internationally and recover or return assets for the benefit of citizens through scenario-based training programmes, eLearning and train-the-trainer initiatives;
- help partners develop and apply **legislative frameworks** that can facilitate asset recovery efforts; and
- advance **innovation and policy dialogue** to strengthen international standards and practices.

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Abbreviations

AI	Artificial intelligence
AML	Anti-money laundering
FATF	Financial Action Task Force
FIU	Financial intelligence units
ICAR	International Centre for Asset Recovery
JIT	Joint investigation team
LEAs	Law enforcement authorities
MLA	Mutual legal assistance
OECD	Organisation for Economic Co-operation and Development
PPP	Public-private partnership
StAR	Stolen Asset Recovery Initiative of the World Bank and UNODC
UK	United Kingdom
UNCAC	United Nations Convention against Corruption
UNTOC	United Nations Convention against Transnational Organized Crime
UNODC	United Nations Office on Drugs and Crime
US	United States
VASPs	Virtual asset service providers

Executive summary

Asset recovery refers to the process of identifying, tracing, restraining, managing, confiscating and returning the proceeds of crime. Stripping criminals of the benefits of their crimes through this process is critical to deterring, disrupting and preventing acquisitive crimes such as fraud, trafficking and corruption.

States around the world are struggling to recover the proceeds of crime. While reliable statistics surrounding asset recovery are difficult to obtain, it is often estimated that less than 1 percent of proceeds of crime are frozen and confiscated.

This inability to effectively target and recover assets both domestically and internationally stems from the clear, and arguably widening, gap between:

1) the low level of difficulties faced by criminals looking to move and conceal the origin of illicit funds, i.e. successfully engage in money laundering; and

2) the high level of difficulties faced by state authorities tasked with detecting, tracing and recovering these funds.

On the one hand, criminals have an increasingly broad range of tools through which to conceal funds. Global financial centres have not adequately negated the traditional facilitators of money laundering, such as the abuse of complex ownership structures. And emerging technologies such as virtual assets are providing criminals with new avenues through which to move funds quickly and cheaply across borders, with a high degree of anonymity.

On the other hand, law enforcement authorities are persistently hampered in their asset recovery efforts. Many states still have inadequate legislative frameworks in this context, while those that have adequate frameworks in place struggle to implement them effectively due to a lack of monetary resources, technical capacities, unfit policies and procedures or, simply, a lack of political will. Moreover, outdated international standards and practices relating to several phases of the asset recovery process – including those governing the conduct of cross-border cooperation in international cases (i.e. mutual legal assistance) – are also inhibiting efforts globally.

There is no silver bullet solution that can be used to address this widening gap. Nonetheless, there are a number of established, less-established and innovative solutions that states can (and do) utilise to enhance their ability to recover assets.

As a starting point, introducing and implementing a comprehensive anti-money laundering framework makes it both more difficult for criminals to abuse the financial system to conceal their proceeds and much easier for law enforcement authorities to detect such abuse.

Alongside this, policymakers can also significantly enhance their state's own abilities to target illicit proceeds through:

- establishing a robust asset recovery legislative framework that adequately empowers the relevant law enforcement bodies to identify, trace, restrain,

manage, confiscate and return the proceeds of crime (including both conviction-based and non-conviction based confiscation tools);

- allocating these bodies sufficient resources to enable them to obtain and develop the technical capacities required to implement their asset recovery responsibilities properly;
- establishing and supporting an independent, capable and adequately resourced judiciary; and
- setting asset recovery as a broad, state-level policy objective.

Beyond this, states can consider less-established mechanisms to mitigate challenges to asset recovery efforts, including:

- introducing innovative legislative mechanisms that facilitate recoveries (such as "failure to prevent" offences, whistleblower reward schemes and presumption of money laundering mechanisms);
- leveraging underutilised international cooperation methodologies (such as joint investigation teams);
- strengthening collaboration between the public and private sectors (for example through public-private-partnership mechanisms);
- promoting civil society participation in asset recovery; and
- creating thematic multi-jurisdictional task forces and communities of practice (for example relating to the financial investigation of illicit virtual assets).

Of course, the ability of a state to enhance its asset recovery capabilities through these avenues will always depend on the resources available to it. Consequently, when considering how to improve the collective global ability to target the proceeds of crime, it is also important to consider innovative solutions that will maximise the number of resources that can be committed to asset recovery efforts.

From a domestic perspective, for instance, states can look to increase their own resources to target illicit proceeds through mechanisms that permit the reinvestment of previously recovered proceeds into asset recovery-related bodies. Given the international nature of illicit financial flows, however, states should also consider funding solutions that would ensure that foreign states facing extreme resource shortages are given adequate support to develop their own asset recovery abilities. This will not only enable them to independently recover illicit proceeds present in their own jurisdictions, but also enhance their ability to contribute to and support international asset recovery efforts.

It is an indisputable fact that the vast majority of proceeds of crime are never recovered. Unless states take significant action to enhance their asset recovery abilities, criminality will continue to be both an incredibly lucrative and damaging industry.

1 Introduction

This paper aims to provide an overview of the state of play of global **asset recovery** efforts, challenges and innovations to inform dialogue at the United Kingdom's planned Illicit Finance Summit.

1.1 What is asset recovery?

In the context of this paper, asset recovery refers to the process of identifying, tracing, restraining, managing, confiscating and returning the proceeds of crime. The exact process to achieve asset recovery differs in all cases. It also varies according to the legal tradition of a particular jurisdiction. In most situations, however, asset recovery will generally include four phases:

- a **pre-investigation phase**, where information is obtained and verified that a proceeds-generating crime has taken place;
- an **investigation phase**, where the proceeds are identified, traced and potentially restrained, and evidence linking them to criminal activity is gathered;
- a **judicial phase**, where a court assesses whether assets can be confiscated (e.g. if the state has proven the proceeds are linked to a crime or are "unexplained wealth") and makes a final decision;
- an **enforcement and return phase**, where assets are confiscated by the state and transferred to their rightful owner (which could include a foreign state).[1]

Throughout several phases above, the process also includes the **management** of assets that have been seized or confiscated, where actions are taken to ensure that their value is preserved.

Asset recovery can be a purely domestic process, i.e. when the funds have been hidden or invested in the jurisdiction where they were illegally obtained, or an international process, i.e. when the funds have been moved across borders or when some or all of the related criminality occurred in foreign jurisdictions.

1.2 Why should asset recovery be prioritised?

The creation and implementation of a strong asset recovery framework should be considered a major criminal justice priority for all states, as it can:

- deter acquisitive crime by eliminating the main incentive to engage in this activity in first place: profit;

1 International Centre for Asset Recovery, *Tracing Assets: A Practitioner's Guide*, 2015, Basel Institute on Governance, p. 19, https://baselgovernance.org/resources/publications/tracing-illegal-assets-practitioners-guide.

- disrupt and prevent additional crime by ensuring the proceeds of one crime cannot be used to fund further offending;
- achieve a more holistic justice by ensuring that proceeds of criminality are returned to, or used to benefit, the individuals and populations most harmed by this activity; and
- conclusively demonstrate to the public that the state has the will and ability to use the full range of tools available to it to pursue criminality and ensure that offenders are stripped of the benefits of their crimes.[2]

1.3 The structure of this paper

In light of this, this paper provides a succinct overview of:

- the key challenges hindering asset recovery efforts globally (section 2);
- the established avenues through which these challenges could be addressed (section 3);
- the less-established or underutilised avenues through which these challenges could be further mitigated (section 4);
- the potential areas for innovation (section 5); and
- the avenues through which increased financing could be made available for asset recovery efforts, both domestically and internationally (section 6).

2 UNODC, *Legislative guide for the implementation of the United Nations Convention against Corruption – Second revised edition* 2012, 2012, p. 195, https://track.unodc.org/track/uploads/res/track/resourcehub/unodc-2012-legislative-guide-for-the-implementation-of-the-UNCAC-second-revised-edition_html/UNODC_2012_Legislative_guide_for_the_implementation_of_the_United_Nations_Convention_against_Corruption.pdf; FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 21–23, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

2 Key challenges to asset recovery

Reliable statistics surrounding the amount of proceeds of crime in circulation are difficult to obtain. This is unsurprising given that criminals will go to great lengths to ensure that their crimes and the resulting proceeds remain undetected. Nonetheless, there is little doubt that the vast majority of proceeds of crime are never recovered.

An often cited 2011 estimate from the United Nations Office on Drugs and Crime (UNODC) is that "much less than 1% (probably around 0.2%) of the proceeds of crime laundered via the financial system are seized and frozen".[3] Another commonly referenced report from Europol claims that between 2010 and 2014, the EU only managed to confiscate 1.1 percent of criminal profits.[4]

While the accuracy of such numbers is impossible to confirm at a global level, these particular estimates have been somewhat reinforced by statistics at a domestic level. For example, while the UK National Crime Agency's National Assessment Centre asserts that it is a "realistic possibility" that GBP 100 billion is laundered in the UK or through its corporate structures each year, statistics from the Home Office indicate that UK authorities recovered GBP 243.3 million worth of illicit assets in the 2023/2024 financial year (i.e. 0.24 percent of the amount laundered).[5]

In any case, it is uncontroversial to claim that jurisdictions all over the world are struggling to recover the profits of lucrative crimes such as fraud, trafficking and corruption.[6]

This general ineffectiveness of asset recovery efforts, both domestically and internationally, stems from the clear, and arguably widening, gap between:

1) the low level of difficulties faced by criminals looking to move and conceal the origin of illicit funds, i.e. successfully engage in money laundering; and

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3 UNODC, *Estimating Illicit Financial Flows Resulting from Drug Trafficking and other Transnational Organized Crimes*, 2011, https://www.unodc.org/documents/data-and-analysis/Studies/Illicit_financial_flows_2011_web.pdf.

4 Europol, *Does Crime still Pay? Criminal Asset Recovery in the EU: Survey of Statistical Information 2010–2014*, 2016, https://www.europol.europa.eu/sites/default/files/documents/criminal_asset_recovery_in_the_eu_web_version_0.pdf.

5 Home Office (UK), *Research and Analysis – Economic Crime Plan 2: outcomes and progress report*, accessed 7 April 2026, https://www.gov.uk/government/publications/economic-crime-plan-2-outcomes-progress-report/economic-crime-plan-2-outcomes-progress-report; *Home Office (UK), Official Statistics – Asset recovery statistical bulletin: financial years ending 2019 to 2024*, accessed 7 April 2026, https://www.gov.uk/government/statistics/asset-recovery-statistics-financial-years-ending-2019-to-2024/asset-recovery-statistical-bulletin-financial-years-ending-2019-to-2024.

6 It should be noted though that reliable and comparable data on asset recovery globally remain scarce, with fragmented, inconsistent and opaque reporting across jurisdictions. This makes it difficult to assess performance, compare cases or identify best practices: Transparency International, *Uneven recovery: What global data reveal and conceal about stolen asset return*, 2025, p. 6, https://transparency-france.org/wp-content/uploads/2025/12/RAPPORT_objectif_restitution_ENG_VF_compressed.pdf; Civil Forum for Asset Recovery and UNCAC Coalition Asset Recovery Working Group, *Information and Data Availability in Asset Recovery*, 2025, https://uncaccoalition.org/wp-content/uploads/Information-and-data-availability-in-asset-recovery-FINAL.pdf.

2) the high level of difficulties faced by state authorities tasked with detecting, tracing and recovering these funds.

The factors contributing to this widening gap are examined below.

2.1 Factors increasing the ease with which funds can be laundered

It is getting easier for criminals to conceal their illicit proceeds. Not only are traditional laundering methods still readily available to criminals, but emerging technologies are offering new and cheaper methods through which to disguise the origin of funds.

2.1.1 Traditional money laundering facilitators have not yet been negated

Traditional money laundering facilitators can still very much be used by criminals to launder the proceeds of crime.[7] Cash continues to pose a major money laundering threat.[8] Moreover, while there have been significant and commendable efforts to enhance the global anti-money laundering (AML) standards and their implementation (for instance through bodies such as the Financial Action Task Force (FATF)), these efforts are undermined by a continued tolerance for, and enabling of, financial secrecy tools by major financial centres. Complex ownership structures (e.g. those including shell companies, nominee shareholdings, trusts), often crossing multiple jurisdictions, remain widely acceptable and are easily abused by criminals to launder illicit profits and hamper investigation efforts.[9] Non-financial gatekeeper professionals – such as lawyers, real estate agents, trust and company service providers, and accountants – are still inadequately supervised for anti-money laundering purposes.[10] Banking secrecy, while curtailed in many jurisdictions, still poses a significant problem.

Highlighting these issues, the Tax Justice Network's *Financial Secrecy Index* consistently ranks many of the world's financial centres as the biggest enablers

7 FATF, *Concealment of Beneficial Ownership*, 2018, https://www.fatf-gafi.org/en/publications/Methodsandtrends/Concealment-beneficial-ownership.html; Francisca Fernando and Richard Berkhout, Unmasking Control: A Guide to Beneficial Ownership Transparency, 2022, International Monetary Fund, https://www.elibrary.imf.org/display/book/9798400208041/9798400208041.xml.

8 FATF, *Asset Recovery Guidance and Best Practices*, 2025, p. 84, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

9 In a 2024 study, Europol found that 86 percent of the EU's most threatening criminal networks exploit legal business structures – such as companies, trusts and partnerships – to facilitate illicit activity and launder funds. High-level infiltration, use of fronts and insider assistance enable these networks to operate across borders and serve multiple criminal purposes simultaneously: Europol, *Leveraging legitimacy: How the EU's most threatening criminal networks abuse legal business structures*, 2024, p. 4, https://www.europol.europa.eu/publications-events/publications/leveraging-legitimacy-how-eu%E2%80%99s-most-threatening-criminal-networks-abuse-legal-business-structures; Margot Mollat, *Opening Up Offshore Secrecy*, 2025, Transparency International UK, https://www.transparency.org.uk/publications/opening-offshore-secrecy; Kevin Stephenson et al., *Barriers to Asset Recovery: An Analysis of the Key Barriers and Recommendations for Action*, 2011, Stolen Asset Recovery Initiative of the World Bank and UNODC, pp. 33–36, https://star.worldbank.org/sites/star/files/Barriers%20to%20Asset%20Recovery.pdf.

10 FATF, *Horizontal Review of Gatekeepers' Technical Compliance Related to Corruption*, 2024, https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/HRGTC.pdf.coredownload.inline.pdf.

of financial secrecy. According to the 2026 index, for instance, the top five enablers were the United States, Switzerland, Singapore, Hong Kong and the United Arab Emirates. Furthermore, the top 30 financial secrecy enablers included several major EU states, i.e. Germany, Luxembourg, the Netherlands, Cyprus, Ireland, Italy and France, as well as G20 jurisdictions such as Japan, Canada, South Korea, China, the UK (and several of its Overseas Territories and Crown Dependencies), Saudi Arabia, Russia, India and Australia.[11]

2.1.2 New technologies are increasingly facilitating the laundering of funds

In addition to traditional facilitators, new technologies are making it cheaper and easier for criminals to disguise the source and ownership of funds. The increasing prevalence of virtual assets (cryptocurrencies etc.) and virtual asset service providers (VASPs) continue to provide criminals – or the professional money launderers they engage – with new avenues through which to move both small and large amounts of funds quickly, cheaply and often outside the regulatory frameworks governing traditional financial institutions.[12]

Moreover, these avenues will undoubtedly become more plentiful through the development of artificial intelligence (AI) facilitated laundering techniques.[13]

Consequently, this combination of traditional and emerging money laundering techniques offers criminals a plethora of tools with which to conceal funds. At the same time, it creates increasingly complex challenges for law enforcement authorities (LEAs)[14] seeking to identify, trace and recover them.

2.2 Factors hampering the ability of state authorities to recover illicit funds

While concealing the proceeds of crime has become easier, contrasting efforts to recover these funds are consistently impeded by several issues.

11 Tax Justice Network, *Financial Secrecy Index*, 2026, https://fsi.taxjustice.net/#scoring_id=317.

12 Europol, *The European Union Serious and Organised Crime Threat Assessment 2025 – The Changing DNA of Serious and Organised Crime*, 2025, Publications Office of the European Union, pp. 24–26, https://www.europol.europa.eu/publication-events/main-reports/changing-dna-of-serious-and-organised-crime; FATF, *Targeted Update on Implementation of the FATF Standards on Virtual Assets and Virtual Asset Service Providers*, 2025, pp. 19–25, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/targeted-update-virtual-assets-vasps-2025.html; FATF, *Understanding and Mitigating the Risks of Offshore Virtual Asset Service Providers (oVASPs)*, 2026, https://www.fatf-gafi.org/en/publications/Virtualassets/Understanding-Mitigating-Risks-Offshore-VASPs.html; Europol, *Cryptocurrencies – Tracing the evolution of criminal finances*, 2021, Publications Office of the European Union, https://www.europol.europa.eu/publications-events/publications/cryptocurrencies-tracing-evolution-of-criminal-finances; US Department of the Treasury, *Illicit Finance Risk Assessment of Decentralized Finance*, 2023, https://home.treasury.gov/system/files/136/DeFi-Risk-Full-Review.pdf.

13 FATF, *Horizon Scan: Artificial Intelligence and Deepfakes – Impacts on Money Laundering, Terrorist Financing and Proliferation Financing*, 2025, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/horizon-scan-ai-deepfake.html.

14 In this paper, the term "law enforcement authorities" refers to all state bodies empowered to investigate and/or prosecute offences and pursue proceeds of crime.

2.2.1 Inadequate legislative frameworks

As a starting point, many states have incomplete legislative frameworks that do not sufficiently include the comprehensive asset recovery powers and procedures required throughout the entire asset recovery process.[15]

Specifically, many states have not instituted legislative powers that enable relevant LEAs to effectively detect, investigate, restrain, seize and confiscate proceeds of crime or engage in international cooperation in pursuit of such funds.

Even where states have technically introduced such powers, the relevant laws governing them are often not comprehensive,[16] or require amendments to ensure that they adequately cover issues relating to the increasing use of emerging technologies in crime.[17] For instance, many states lack clear legislative frameworks on how LEAs can engage with private sector entities such as VASPs in financial investigations involving the tracing, seizure and confiscation of virtual assets.

Additionally, many states lack clear statutory mechanisms governing other key elements of the asset recovery process such as the management of seized assets or the final disposal of confiscated assets.[18]

2.2.2 Ineffective implementation

Even where adequate legislative frameworks are in place, the relevant authorities – financial intelligence agencies, investigation agencies, prosecution services, central authorities, asset management agencies and the judiciary – are often unable to effectively implement these frameworks. For example, the FATF's 4th round of assessments revealed that more than 80 percent of

15 For instance, in the 4th round of evaluations, only 36.2 percent of countries assessed were given a fully "compliant" rating for Recommendation 4 (on confiscation and provisional measures) of the FATF's *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation* (54.3 percent were "largely compliant", 9.5 percent were "partially compliant" and 0 percent were "non-compliant"). Moreover, only 19.5 percent of jurisdictions assessed were given a fully "compliant" rating for FATF Recommendation 38 (on mutual legal assistance) (61 percent were "largely compliant", 19 percent were "partially compliant" and 0.5 percent were "non-compliant"): FATF, *4th Round Ratings*, accessed 28 April 2026, https://www.fatf-gafi.org/content/dam/fatf-gafi/Global-Network/4th-Round-Ratings.pdf. These calculations were performed by the Basel AML Index Expert Edition, https://baselgovernance.org/basel-aml-index. Note, these were completed using the previous FATF Methodology for assessing technical compliance (2013), which have since been substantially expanded on matters of asset recovery and related international cooperation. Countries will be assessed against these new requirements in the 5th round of global assessments: https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfrecommendations/amendment-FATF-standards-global-asset-recovery.html.

16 For example, many such laws do not include provisions covering situations relating to third-party rights, the use of restrained assets to pay for a criminal defence, or situations where illicit assets have been intermingled with licit assets.

17 Noémi També, Allison Owen and Maria Nizzero, *Crypto-Asset Recovery: Challenges, Observed Practices and Strategies, Royal United Services Institute*, 2024, pp. 11–12, https://static.rusi.org/special-resource-crypto-asset-recovery-challenges-final.pdf.

18 Maria Nizzero and Arzu Abbasova, *Policy Brief – Boosting the FATF's Global Asset Recovery Responses*, Royal United Services Institute, 2024, accessed 14 April 2026, https://www.rusi.org/explore-our-research/publications/policy-briefs/boosting-fatfs-global-asset-recovery-responses.

jurisdictions were operating at low or moderate levels of effectiveness in regards to asset recovery-related assessment criteria.[19]

This inability to implement legislative frameworks is often due to:

- **a lack of monetary resources** to properly fund the development and operations of authorities tasked with pursuing and confiscating the proceeds of crime;
- **a lack of technical capacity**, including the skills, knowledge and tools required to effectively advance asset recovery cases;[20] and
- **inadequate institutional policies and procedures**, including high-level policies such as asset recovery strategies, or LEA-level policies that prioritise asset recovery in all relevant cases involving financial gains.[21]

The inability to properly implement even one aspect of the asset recovery chain can have a significant impact on the overall likelihood that assets will be effectively recovered. For example, even if states can advance cases to the point where the proceeds of crime can be seized and confiscated, these assets can depreciate significantly in value before they are finally realised, unless the state is also able to manage them properly.[22] Or, even if a state's LEAs are adept at investigating assets domestically, an inability to conduct effective international cooperation will significantly limit their ability to pursue proceeds laundered across borders.

2.2.3 Outdated international standards and practices

Outdated international standards and practices relating to several phases of the asset recovery process are also inhibiting efforts globally. For example, the procedures by which many jurisdictions send and receive mutual legal assistance (MLA) requests in cross-border asset recovery cases have long been considered antiquated.[23]

Similarly, the accepted standards relating to the retention of financial data by the private sector (i.e. time limits, scope of information retained, formats for

19 For example, a 2022 report from the FATF stated that just "…19% of the 120 assessed jurisdictions are demonstrating high or substantial levels of effectiveness in investigating, prosecuting and convicting money laundering offences and confiscating proceeds of crimes": FATF, *Report on the State of Effectiveness and Compliance with the FATF Standards*, 2022, p. 38, https://www.fatf-gafi.org/en/publications/Fatfgeneral/Effectiveness-compliance-standards.html.

20 Kevin Stephenson et al., *Barriers to Asset Recovery: An Analysis of the Key Barriers and Recommendations for Action*, 2011, Stolen Asset Recovery Initiative of the World Bank and UNODC, pp. 31–32, https://star.worldbank.org/sites/star/files/Barriers%20to%20Asset%20Recovery.pdf.

21 FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 20–63, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

22 Ibid., p. 255.

23 Richard Messick, *Fixing the Mutual Legal Assistance Regime: Some Thoughts on Reform*, 2014, The Global Anticorruption Blog, accessed 28 April 2026, https://globalanticorruptionblog.com/2014/07/16/fixing-the-mutual-legal-assistance-regime-some-initial-reforms/; Gail Kent, *The Mutual Legal Assistance Problem Explained*, 2015, the Center for Internet and Society at Stanford Law School, accessed 28 April 2026, https://cyberlaw.stanford.edu/blog/2015/02/mutual-legal-assistance-problem-explained/; Andrew K. Woods, *Data Beyond Borders – Mutual Legal Assistance in the Internet Age*, 2015, Global Network Initiative, accessed 28 April 2026, https://globalnetworkinitiative.org/wp-content/uploads/GNI-MLAT-Report.pdf.

retention) and the methods for sharing this data with law enforcement are also arguably inadequate.[24]

2.2.4 Lack of political will

Finally, it should be noted that a major challenge in many jurisdictions – and an overarching factor relevant to each of the above issues – is a general absence of political will to support domestic and international asset recovery efforts.[25] Unless a state has a sufficient level of political will, demonstrated by a credible intent of political actors and civil servants at all levels to pursue proceeds of crime, any pre-existing legislative or implementation issues will be difficult to resolve.[26]

24 For instance, when requested, this data is often shared through hard copy formats that make it difficult to process and analyse. It should be noted that there are also concerns about the quality and usefulness of private sector reporting to FIUs, as a large proportion of suspicious transaction reports provide limited value for law enforcement, with estimates suggesting that 80–90 percent are not immediately useful, placing significant strain on under-resourced FIUs; see: Dolan, Carl, and Jamie Bergin. *Public-private partnerships for financial information sharing*. U4 Anti-Corruption Resource Centre, 2025, accessed 10 April 2026, https://www.u4.no/publications/public-private-partnerships-for-financial-information-sharing/fullversion.

25 Jean-Pierre Brun et al., *Asset Recovery Handbook: A Guide for Practitioners, Second Edition*, 2020, p. 47, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://openknowledge.worldbank.org/entities/publication/7bec70d0-0b95-578d-810d-92fd371fba28.

26 Kevin Stephenson et al., *Barriers to Asset Recovery: An Analysis of the Key Barriers and Recommendations for Action*, 2011, Stolen Asset Recovery Initiative of the World Bank and UNODC, pp. 24–30, https://star.worldbank.org/sites/star/files/Barriers%20to%20Asset%20Recovery.pdf.

3 Established solutions to mitigate challenges

There are several established solutions to mitigate the challenges raised in the previous section. These are outlined below:

3.1 Reducing the ease with which illicit funds can be laundered

3.1.1 Creation and implementation of a robust AML framework

A comprehensive AML framework will not only make it more difficult for criminals to abuse the financial system to conceal their proceeds, but will also make it much easier for LEAs to identify and establish when and how they do it. Consequently, states can reduce the ease with which criminals can launder illicit funds by creating and implementing such frameworks, ideally in line with the FATF's *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, as well as other relevant instruments such as the European Union's anti-money laundering and terrorist financing directives and regulations.[27]

From an asset recovery perspective, AML frameworks should include the maintenance of comprehensive, up-to-date asset ownership registries (e.g. covering land and vehicles) as well as accurate registries outlining the beneficial ownership of legal persons (e.g. corporations) and legal arrangements (e.g. trusts).[28]

Moreover, the framework should be updated and modernised regularly to adequately cover the emerging risks for money laundering posed by new technologies (e.g. virtual assets) and related services (e.g. VASPs).[29]

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27 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html; Kevin Stephenson et al., *Barriers to Asset Recovery: An Analysis of the Key Barriers and Recommendations for Action*, 2011, Stolen Asset Recovery Initiative of the World Bank and UNODC, pp. 36–37, https://star.worldbank.org/sites/star/files/Barriers%20to%20Asset%20Recovery.pdf. The European Commission's latest AML package includes Regulation (EU) 2024/1620, establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism; Regulation (EU) 2024/1624, addressing the prevention of using the financial system for money laundering or terrorist financing; Directive (EU) 2024/1640 (the 6th AML Directive), outlining mechanisms to prevent money laundering and terrorist financing; and Regulation (EU) 2023/1113, on information accompanying transfers of funds and certain crypto-assets.

28 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025, Recommendations 24–25, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html; FATF, *Beneficial Ownership of Legal Persons*, 2023, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html; FATF, *Beneficial Ownership and Transparency of Legal Arrangements*, 2024, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Transparency-Legal-Arrangements.html.

29 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025, Recommendation 15 and Interpretive Note to Recommendation 15 at pp. 78–79, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html; FATF, *Understanding and Mitigating the Risks of Offshore Virtual Asset Service Providers (oVASPs)*, 2026, https://www.fatf-gafi.org/en/publications/Virtualassets/Understanding-Mitigating-Risks-Offshore-VASPs.html.

Finally, to limit the risk of dissipation during the early stages of potential asset recovery cases, AML frameworks should ensure measures are in place to enable financial intelligence units (FIUs) to suspend or withhold consent to suspicious transactions for a sufficient period, allowing for a proper assessment of risk and enabling LEAs to apply for longer-term restraint measures if necessary.[30]

3.2 Increasing the ability of state authorities to recover illicit funds

There are several actions that states can take to alleviate the factors that hamper the ability of LEAs to pursue proceeds of crime discussed in section 2.2.

3.2.1 Adoption of a comprehensive legislative framework

As a starting point, the enactment of robust legislative frameworks covering all aspects of the asset recovery process can significantly enhance the ability of LEAs to recover illicit assets.[31]

Primarily, such legislative frameworks should contain numerous confiscation mechanisms that permit LEAs to recover assets under a wide set of circumstances. This includes a sufficiently robust **traditional conviction-based mechanism** that empowers LEAs to seek the permanent confiscation of any proceeds or instrumentalities connected to a specific offence, even in complex situations, for example where these proceeds have been commingled with licit assets.[32]

It also, however, includes the adoption of additional confiscation mechanisms with lower standards of proof, or even reversed burdens of proof, that can be applied in a broader range of cases. In many states, such mechanisms have significantly alleviated the challenges faced by LEAs in cases where it is not possible to demonstrate that certain assets were derived from specific crimes or to convict an individual for an offence. Specifically, these mechanisms include:

- **Extended confiscation mechanisms**, which can be used only after a conviction for an offence has been achieved, but which allow LEAs to seek the confiscation of any assets held by the convicted person in a

30 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025, Recommendations 4 and 40 and Interpretive Notes to Recommendations 4 and 40 at pp. 12, 29–30 and 120, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html; FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 142–144, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

31 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025, Recommendation 4 and Interpretive Note to Recommendation 4 at pp 40-42, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html; Andrew Dornbierer, *Comparative study: Good practices in asset recovery legislation in selected OSCE participating States*, 2024, Working Paper 51, Basel Institute on Governance and the OSCE, pp. 16–19, https://baselgovernance.org/resources/publications/wp-51.

32 Robust models of these laws should apply to a wide range of tangible and intangible assets, benefits or advantages (including those derived indirectly from an offence) and an extensive range of circumstances. They should also take into account the rights of bona fide third parties who may have subsequently received the assets, and allow for the confiscation of equivalent values where the originally targeted asset may no longer be available. See: Andrew Dornbierer, *Comparative study: Good practices in asset recovery legislation in selected OSCE participating States*, 2024, Working Paper 51, Basel Institute on Governance and the OSCE, https://baselgovernance.org/resources/publications/wp-51.

period leading up to their conviction unless they can demonstrate that the assets were derived from legal sources.[33]

- **Classic non-conviction based confiscation mechanisms**, which empower LEAs to pursue confiscation proceedings for assets in the event that criminal proceedings against a person have commenced but a trial cannot be concluded on the basis that the person died, absconded or is otherwise unable to participate (e.g. due to an immunity or a declaration that they are unfit for trial on age, health or mental illness grounds).[34]
- **Broader non-conviction based confiscation mechanisms (i.e. civil recovery laws, civil forfeiture laws or *extinción* de *dominio* laws)**, which empower LEAs to seek the confiscation of assets through an independent civil procedure on the grounds that they are linked to crime.[35]
- **Cash forfeiture mechanisms** and stand-alone **account freezing and forfeiture orders**, which enable the specific confiscation of hard currency or funds in a bank account through an independent procedure.
- Mechanisms authorising or facilitating the confiscation of **unexplained wealth** (criminal illicit enrichment laws, civil unexplained wealth laws or information-gathering unexplained wealth orders), which enable LEAs to pursue the confiscation of assets held by an individual that are not justified by reference to their lawful income.[36]
- Substitute **value-based provisions** as an element of each of the above mechanisms, which allow LEAs to pursue the confiscation of assets

33 These laws are recommended by such instruments as the European Union's Directive 2014/42/EU of the European Parliament and of the Council of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union (Article 21) (to be replaced by Directive (EU) 2024/1260 of the European Parliament and of the Council of 24 April 2024 on asset recovery and confiscation).

34 These laws are recommended by such instruments as the United Nations Convention against Corruption (Article 54(1)(c)), the European Union's Directive 2014/42/EU of the European Parliament and of the Council of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union (Article 4) (to be replaced by Directive (EU) 2024/1260 of the European Parliament and of the Council of 24 April 2024 on asset recovery and confiscation) and the FATF's *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation* (Recommendation 4). For common best practices relating to this type of law, see Andrew Dornbierer, *Comparative study: Good practices in asset recovery legislation in selected OSCE participating States*, 2024, Working Paper 51, Basel Institute on Governance and the OSCE, pp. 25–28; FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 223–225, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

35 It should be noted that these mechanisms are not as widespread as classic non-conviction based confiscation laws, but laws of this kind have led to significant recoveries in jurisdictions. The civil asset forfeiture law in the United States of America is consistently used to recover significant amounts (it was recently used to target USD 15 billion in assets in the US that were linked to forced-labour scam compounds across Cambodia, see https://www.justice.gov/opa/pr/chairman-prince-group-indicted-operating-cambodian-forced-labor-scam-compounds-engaged). As too is the civil recovery mechanism in the United Kingdom, as well as the *extinción de dominio* mechanisms in many Latin American jurisdictions, see: Andrew Dornbierer, *Comparative study: Good practices in asset recovery legislation in selected OSCE participating States*, 2024, Working Paper 51, Basel Institute on Governance and the OSCE, pp. 28–31; Oscar Solórzano, *Targeting illicit wealth through non-conviction based forfeiture: Identifying human rights and other standards for Latin America*, 2024, Working Paper 54, Basel Institute on Governance, https://baselgovernance.org/resources/publications/wp-54; U4, *The effectiveness of non-conviction based proceedings in asset recovery*, 2024, https://www.u4.no/publications/the-effectiveness-of-non-conviction-based-proceedings-in-asset-recovery/fullversion#success-factors-of-ncb-proceedings.

36 Andrew Dornbierer, *Illicit Enrichment: A Guide to Laws Targeting Unexplained Wealth*, 2021, Basel Institute on Governance, https://baselgovernance.org/publications/illicit-enrichment-guide-laws-targeting-unexplained-wealth; FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 247–255, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

of an equivalent value to relevant proceeds of crime where the actual proceeds have been spent, moved abroad or are otherwise non-recoverable.[37]

- **Stand-alone money laundering offences**, which permit a conviction for a laundering offence – and enable the subsequent confiscation of relevant proceeds – even if the predicate offence that generated the relevant illicit funds cannot be established to a criminal standard of proof.[38]

In a similar vein, robust legislative frameworks should also include mechanisms to achieve transparent **non-trial resolutions**, such as non-prosecution agreements, deferred prosecution agreements and plea bargains. These mechanisms offer different avenues to confiscation by empowering LEAs to enter into negotiated agreements with an alleged offender to settle proceedings before the commencement or completion of a trial.[39] For example in Switzerland, non-trial resolutions have been used since 2011 to recover, to date, CHF 727 million (GBP 685 million) in illicit profits acquired by companies that engaged in foreign bribery schemes.[40]

Beyond confiscation, legislative frameworks should also include mechanisms that adequately empower states to conduct **all other tasks critical to the asset recovery process**, including:

- The **detection** of suspected illicit funds (e.g. AML laws that obligate relevant entities to file suspicious transaction reports, whistleblower protection laws and laws imposing asset declaration obligations on public officials).[41]
- The **tracing and investigation** of illicit assets and related offences domestically (e.g. laws authorising basic and special investigatory powers such as compulsory measures to obtain evidence from

37 Stefano Betti and Yael Bitton, *From Loss to Gain: Unlocking the Potential of Equivalent Value-Based Measures in Asset Recovery*, 2025, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://track.unodc.org/track/en/track/resourcehub/2025/from_loss_to_gain_unlocking_the_potential_of_equivalent_value-based_measures_in_asset_recovery.html.

38 These laws are recommended by such instruments as the European Union's Directive 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law (Article 3(3)); FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025, Recommendation 3 and Interpretive Note to Recommendation 3 at pp 38–39, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html.

39 For a detailed overview of the different forms these agreements can take, see: OECD, *Resolving Foreign Bribery Cases with Non-Trial Resolutions: Settlements and Non-Trial Agreements by Parties to the Anti-Bribery Convention*, 2019, https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/fighting-foreign-bribery/Resolving-foreign-bribery-cases-with-non-trial-resolutions.pdf; Jacinta Anyango Oduor et al., *Left Out of the Bargain: Settlements in Foreign Bribery Cases and Implications for Asset Recovery*, 2014, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://openknowledge.worldbank.org/entities/publication/5ca48333-616c-5dd8-b70f-b0260d89e3d6.

40 Andrew Dornbierer, *Using corrupt proceeds to fight corruption: Rethinking how Switzerland uses illicit profits from foreign bribery*, 2025, Working Paper 59, Basel Institute on Governance, p. 12, https://baselgovernance.org/resources/publications/wp-59.

41 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025 (Recommendations 10, 20–23); FATF, Asset Recovery Guidance and Best Practices, 2025, pp. 21–23, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

individuals and businesses, the use of asset and financial databases, and the timely access to beneficial ownership information for legal persons and arrangements).[42]

- The **restraint** of suspected illicit assets domestically.[43]
- The conduct of **informal and formal international cooperation** in cross-border asset recovery cases (both conviction-based and non-conviction based) to:
  - facilitate incoming and outgoing requests for intelligence and evidence;
  - facilitate incoming and outgoing requests for the freezing, seizure, restraint and confiscation of illicit assets; and
  - establish and participate in multi-jurisdictional joint investigation teams (further discussed in section 4.2) to advance cross-border cases.[44]
- The **management of restrained and confiscated assets** (including mechanisms permitting interlocutory sales of depreciating assets).[45]
- The **disposal of confiscated assets** (both domestically and internationally), including laws covering repatriation, restitution and compensation for victims where relevant.[46]

Finally, a comprehensive legislative framework should also include tools that enable the pursuit of asset recovery through alternative routes, e.g. through civil law avenues.[47]

42 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025 (Recommendations 4, 24, 25, 31).

43 Ibid. (Recommendation 4).

44 Ibid. (Recommendations 37, 38, 40); FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 261–296, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html; Jean-Pierre Brun et al., *Asset Recovery Handbook: A Guide for Practitioners, Second Edition*, 2020, pp. 215–273, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://openknowledge.worldbank.org/entities/publication/7bec70d0-0b95-578d-810d-92fd371fba28.

45 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025 (Recommendation 4); Lisa Bostwick et al., *Managing Seized and Confiscated Assets – A Guide for Practitioners*, 2024, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://openknowledge.worldbank.org/entities/publication/ac5e3a12-2c4a-4a6c-9d44-ab093626fa2a; Rita Simões, *Managing seized and confiscated assets*, 2025, Quick Guide 41, Basel Institute on Governance, https://baselgovernance.org/resources/publications/qg41.

46 FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 297–323, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html; Andrew Dornbierer, *Comparative study: Good practices in asset recovery legislation in selected OSCE participating States*, 2024, Working Paper 51, Basel Institute on Governance and the OSCE, pp. 51–54, https://baselgovernance.org/resources/publications/wp-51.

47 Jean-Pierre Brun et al., *Public wrongs, private actions: civil lawsuits to recover stolen assets*, 2015, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://documents.worldbank.org/en/publication/documents-reports/documentdetail/964411468127796449.

3.2.2 Establishment and ongoing support of strong law enforcement agencies capable of implementing an asset recovery legislative framework

Enacting a robust asset recovery legislative framework is pointless unless it is also implemented effectively. To ensure proper implementation, states need to establish and provide ongoing support to LEAs capable of effectively using the legal powers available to them to detect, investigate, restrain, seize, confiscate and dispose of proceeds of crime.

This includes the establishment and ongoing support of authorities specialised in the **following skillsets**:

- Intelligence gathering and sharing, including with foreign counterparts.
- Investigations, including technical financial investigations (such as investigations into money laundering offences or unexplained wealth, or cases involving the tracing of virtual assets).
- Prosecutions, including both criminal and civil procedure-based confiscation proceedings.
- The use and handling of formal incoming and outgoing international cooperation requests.
- The management of restrained and confiscated assets and the enforcement of confiscation orders.

States can designate these asset recovery responsibilities to a single agency or across multiple agencies.[48] It should be noted, however, that many states have achieved significant success through creating permanent **multidisciplinary agencies** that cover multiple responsibilities listed above. For example, Ireland's Criminal Assets Bureau – which includes police investigators, tax investigators, social protection investigators, legal officers and an analyst unit made up of forensic accountants and technical experts – is lauded as having significantly disrupted economic crime in Ireland.[49]

As noted above, a common challenge faced by many asset recovery LEAs globally is a shortage of resources. Consequently, in order to implement an asset recovery framework adequately, states also need to ensure that their **LEAs have sufficient**:

- **human resources** capable of performing the functions noted above, from standard tasks to highly technical tasks (e.g. financial accounting, digital forensic analysis and complex prosecutions); and

48 FATF, *Asset Recovery Guidance and Best Practices*, 2025, p. 35, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

49 Andrew Dornbierer, *Targeting unexplained wealth in British Columbia*, 2022, Working Paper 41, Basel Institute on Governance, see section 8.2.1, "Has the Irish mechanism been successful?" pp. 27–28, https://baselgovernance.org/resources/publications/wp-41.

- **access to appropriate premises and equipment**, from standard items (e.g. office or storage space, vehicles and computers) to necessary technical infrastructure (e.g. specialised software for financial and digital analysis, and blockchain capabilities).

Consequently, if state budgets can allow it, policymakers should ensure LEAs continuously receive **adequate allocations of funds** to enable them to fulfil their functions. Where this is not possible, particularly in the context of lower-income states, higher-income states should consider options such as traditional development cooperation funding or more innovative solutions (as discussed in section 6) to cover shortfalls and better equip LEAs in lower-income states to pursue asset recovery cases independently.

To maximise available resources, states should also ensure that LEAs have clear processes in place to **leverage the legislative powers, skills and resources of other domestic LEAs** where necessary. This can be achieved through permanent collaborations established under memorandums of understanding or even through the creation of multi-agency case-specific or issue-specific task forces, such as those created in Malaysia to pursue assets in the 1MDB case, or in South Africa to recover assets related to the misappropriation of Covid-19 relief funds.[50]

In a similar vein, states should make sure that their LEAs are aware of (and use) **multilateral law enforcement networks, bodies and initiatives** that may be able to support them operationally in asset recovery cases with international links (see section 4.2).

States should also be aware of **technical assistance opportunities** that could boost the asset recovery capabilities of their LEAs. For instance, the Basel Institute's International Centre for Asset Recovery (ICAR) can provide independent technical support to LEAs throughout the entire asset recovery process (e.g. including assistance on conducting live financial investigations, engaging in formal and informal cooperation, prosecutions, utilising legal mechanisms to restrain and ultimately confiscate assets, and facilitating repatriation in cases where assets have moved across borders).[51] Moreover, the Stolen Asset Recovery Initiative (StAR) – a joint initiative of the World Bank and UNODC – supports countries in preventing corruption, as well as in tracing, managing and recovering assets derived from corruption through knowledge products, policy work, capacity building and the facilitation of international cooperation.[52]

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50 Jean-Pierre Brun et al., *Asset Recovery Handbook: A Guide for Practitioners, Second Edition*, 2020, pp. 41–45, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://openknowledge.worldbank.org/entities/publication/7bec70d0-0b95-578d-810d-92fd371fba28; Tom Walugembe, *Multi-agency asset recovery task forces*, 2024, Quick Guide 33, Basel Institute on Governance, https://baselgovernance.org/resources/publications/quick-guide-33-multi-agency-asset-recovery-task-forces.

51 The International Centre for Asset Recovery, accessed 10 April 2026, https://baselgovernance.org/asset-recovery; FATF, *Asset Recovery Guidance and Best Practices*, 2025, p. 63, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

52 World Bank Group, *Our Work*, accessed 2 November 2026, https://star.worldbank.org/our-work.

To further enhance their ongoing effectiveness, states should make sure that their LEAs **maintain detailed statistics** of their asset recovery activities, including restraints, confiscations, recovery rates, restitution and asset sharing.[53] This will assist with monitoring and evaluation, identifying weaknesses and areas requiring an enhanced focus, and aiding policymakers to better understand how to use a state's limited resources to improve the effectiveness of the entire asset recovery system going forward.[54]

As a final note, an asset tracking system for assets under government possession (temporarily or permanently) is essential for transparent and accountable state action.

3.2.3 Establishment and ongoing support of an independent and capable judiciary adept in handling asset recovery matters

The effective implementation of an asset recovery legislative framework also significantly depends on the existence of a **judiciary that has a strong understanding of, and capability to assess asset recovery-related proceedings**.

This includes an in-depth understanding of:

- the full suite of asset recovery mechanisms available to them;
- the financial investigative techniques used by LEAs in asset recovery cases and the types of evidence that can establish the criminal origin or unexplained nature of assets;
- international processes to obtain and seek evidence in asset recovery matters;
- international processes regarding incoming and outgoing cooperation in the restraint and confiscation of assets, including the enforcement of foreign orders and judgments; and
- the interplay between asset recovery mechanisms and legal rights (to safeguard persons from any abuses of these mechanisms).[55]

Therefore, states should invest **adequate resources** to enable their judiciary to maintain these skillsets.

Moreover, backlogs in trials of criminal cases are a common complaint globally and can considerably decrease the chance of the successful recovery of assets. To address this, judiciaries need adequate resource allocations to enable them to process cases effectively and efficiently. To further streamline judicial

53 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025 (Recommendation 33).

54 FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 28, 32, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html; FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025 (Recommendations 10, 20-23).

55 FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 10, 324–336, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

resources and processes in this context, policymakers can even consider the implementation of specialist economic crimes courts.[56]

Finally, states should also ensure that their judiciary is **strongly independent**, particularly to guarantee that asset recovery cases in the context of corruption offences are assessed objectively and free from political influence.[57]

3.2.4 Setting of asset recovery as a broad policy objective

To ensure that the solutions presented above are implemented in a structured and coordinated way and are continuously maintained, states should set asset recovery as a clear policy objective at a national level.[58]

Best practice indicates that this can be done through a **set of coherent policies that collectively prioritise asset recovery**, or through **a singular asset recovery strategy**.[59] In either case, the policies or strategy should be aligned with related national frameworks such as AML and anti-corruption strategies to avoid duplication and ensure consistency.

56 Andrew Penhale, *Back of the courtroom queue*, 2024, Spotlight on Corruption, https://www.spotlightcorruption.org/new-report-delays-economic-crime-cases/.

57 Example actions to achieve this have been outlined by the Council of Europe, see: Council of Europe, *Plan of Action on Strengthening Judicial Independence and Impartiality*, 2016, https://rm.coe.int/1680700285.

58 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025, Recommendation 4 and Interpretive Note to Recommendation 4 at p. 40, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html; FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 25–30, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

59 FATF, *Asset Recovery Guidance and Best Practices*, 2025, p. 25, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html. At the EU level, the Directive (EU) 2024/1260 on asset recovery and confiscation requires member states to establish national asset recovery strategies (Article 25). These strategies must include elements concerning: (a) the priorities of national policy, objectives, and measures to achieve them; (b) the role and responsibilities of competent authorities, including coordination and cooperation arrangements; (c) resources; (d) training; (e) measures on the use of confiscated assets for public interest or social purposes, where applicable; (f) cooperation with third countries; and (g) arrangements for regular evaluation of results.

4 Less-established and underutilised options to mitigate challenges

There are a number of less-established avenues for mitigating the challenges associated with asset recovery. These mechanisms and practices have shown success in various jurisdictions and could potentially be replicated on a wider scale.

4.1 Innovative legislative mechanisms that enhance asset recovery

There are several less-tested mechanisms that states could consider introducing to boost their asset recovery capabilities in a number of contexts.

For example, the **Swiss Federal Act on the Freezing and the Restitution of Illicit Assets held by Foreign Politically Exposed Persons** is a unique blend of administrative and judicial powers that authorises the Swiss state to:

- impose an administrative freeze on assets held in Switzerland linked to foreign politically exposed persons (or their close associates) if certain conditions are met, e.g. if there has been a regime change in a notoriously corrupt government and if a state is unable to engage in mutual legal assistance; and
- pursue the subsequent permanent confiscation of these assets through a procedure in the Federal Administrative Court.[60]

To date, the law has been used to freeze the funds of a number of alleged kleptocrats, including CHF 130 million linked to the former Ukrainian president Viktor Yanukovych.[61]

Another innovative tool that is aiding asset recovery in France is the **presumption of money laundering provision** contained in the French criminal code.[62] This law establishes a rebuttable presumption under which an asset is presumed to be the proceeds of crime if the material, legal or financial conditions surrounding an action involving the asset have no justification other than to conceal the asset's beneficial owner. The provision is designed to target

60 Federal Act on the Freezing and the Restitution of Illicit Assets held by Foreign Politically Exposed Persons (Switzerland), SR 196.1, 18 December 2015, https://www.fedlex.admin.ch/eli/cc/2016/322/en.

61 Court proceedings regarding the permanent confiscation of these funds are currently ongoing. The Swiss Federal Council, *Over CHF 130 Million from entourage of former Ukrainian President Yanukovych targeted in confiscation proceedings*, 2023, accessed 15 April 2026, https://www.admin.ch/en/nsb?id=93078; International Centre for Asset Recovery, *Using full legal means to confiscate illicit assets in a time of war*, 2023, Case Study 10, Basel Institute on Governance, https://baselgovernance.org/resources/publications/case-study-10-using-full-legal-means-confiscate-illicit-assets-time-war.

62 Code pénal (France), Article 324-1-1, https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000051740488.

unnecessarily complex financial vehicles that lack economic rationality and exist purely to disguise ownership.[63]

As of 2025, the presumption also applies to any transaction conducted through a virtual asset incorporating an anonymisation function, or through any type of account or technique enabling the anonymisation or obfuscation of virtual asset transactions (e.g. the use of mixers). This provision was successfully employed in the recovery of EUR 90 million in properties that were owned through opaque structures by Rifaat al-Assad, the uncle of the former Syrian president Bashar al-Assad.[64]

"Failure to prevent" offences are also facilitating significant asset recoveries in a number of jurisdictions. For example, the UK introduced a "failure of commercial organisations to prevent bribery" offence in its Bribery Act 2010. Under this provision, legal entities can be held criminally liable for bribes paid by individuals associated with them, unless the company can show that it had adequate anti-bribery procedures in place.[65] This widely praised law has been successfully employed by UK LEAs to finalise over GBP 1 billion in settlements against companies involved in bribery schemes.[66] Consequently, it has already been replicated in several other jurisdictions to date, including Australia, Ireland and South Africa. Moreover, in the UK, the concept has also now been emulated for other economic crimes, with the introduction of failure to prevent fraud and tax evasion offences.[67]

While certainly not a new concept, many jurisdictions are yet to recognise the pivotal role **whistleblowers**, and in particular **whistleblower reward schemes and qui tam mechanisms**, can play in countering economic crime and enabling the recovery of funds.[68] Under a whistleblower reward scheme, a state agency provides a monetary payment to an individual that reports illicit activity if that report assists a relevant authority to investigate or financially recover

63 Sara Brimbeuf and Esther Bornstein, *Working Paper: Beating the corruptors at their own game – A look back at a decade of implementation of the presumption of money laundering in France*, 2023, Transparency International, p. 4, https://knowledgehub.transparencycdn.org/kproducts/Beating-the-corruptors-at-their-own-game_26.02.204.pdf.

64 Ibid., p. 5.

65 Bribery Act 2010 (UK), Section 7, https://www.legislation.gov.uk/ukpga/2010/23/crossheading/failure-of-commercial-organisations-to-prevent-bribery.

66 Alex Casey, *The UK's Failure-to-Prevent Bribery Offense Has Succeeded in Preventing Bribery*, 2025, The Global Anticorruption Blog, accessed 16 April 2026, https://globalanticorruptionblog.com/2025/02/20/the-uks-failure-to-prevent-bribery-offense-has-succeeded-in-preventing-bribery/.

67 UK Government, *Policy Paper – Economic Crime and Corporate Transparency Act: failure to prevent fraud offence*, 2024, accessed 16 April 2026, https://www.gov.uk/government/publications/economic-crime-and-corporate-transparency-act-2023-factsheets/economic-crime-and-corporate-transparency-act-failure-to-prevent-fraud-offence; Chara de Lacey, *"Failure to prevent fraud" is here. Strengthen anti-corruption and anti-fraud controls for an effective response*, 2025, Transparency International, accessed 16 April 2026, https://www.transparency.org.uk/news/failure-prevent-fraud-here-strengthen-anti-corruption-and-anti-fraud-controls-effective; UK Government, *Guidance – Corporate offences for failing to prevent criminal facilitation of tax evasion*, 2018, accessed 16 April 2026, https://www.gov.uk/government/publications/corporate-offences-for-failing-to-prevent-criminal-facilitation-of-tax-evasion.

68 FATF, *Asset Recovery Guidance and Best Practices*, 2025, p. 83, https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

assets linked to that illicit activity.[69] These schemes incentivise the provision of information to regulators or LEAs to initiate and advance investigations.[70] Similarly, qui tam mechanisms allow citizens to file civil suits on behalf of the government against parties that have defrauded the government.[71] If successful, they are entitled to a portion of the recovered amount.

These whistleblower-related tools have been successfully employed, for example, in the US since 1986, where they have resulted in thousands of prosecutions as well as financial penalties and recoveries in the tens of billions of USD.[72]

4.2 Collaborative bodies to enhance international cooperation

Many states could consider boosting their asset recovery capabilities through the greater utilisation of different types of international collaborative bodies.

As already noted, asset recovery cases are often cross border in nature. As a result, it is often necessary for LEAs to seek foreign-held intelligence and evidence from abroad or to request the enforcement of domestically obtained restraint and confiscation orders in another state. Unfortunately, the process for achieving these tasks is often arduous, technical and time-consuming. MLA-related delays to investigations and proceedings are common and can result in lost opportunities to acquire evidence or seize assets.

The leveraging of services provided by **multilateral networks, bodies and initiatives** focused on enhancing international cooperation can significantly streamline processes in this context and build trust amongst LEAs across the globe.

For example, the Egmont Group routinely provides assistance to countless asset recovery cases through the speedy provision of financial intelligence via its network of FIUs.[73] As do bodies such as the Camden Asset Recovery Inter-Agency Network (CARIN) based in Europe, and similar regional networks

69 Eliza Lockhart, *The inside track: The role of financial rewards for whistleblowers in the fight against economic crime*, SOC ACE Research Paper No. 31, Serious Organised Crime & Anti-Corruption Evidence Research Programme, 2024, p. 13, https://www.socace-research.org.uk/projects/whistle-blower-incentivisation-against-economic-crime-global-lessons.

70 It should be noted, however, that these reward schemes do come with a risk of abuse, particularly in states with a high risk for corruption.

71 Eliza Lockhart, *The inside track: The role of financial rewards for whistleblowers in the fight against economic crime*, SOC ACE Research Paper No. 31, Serious Organised Crime & Anti-Corruption Evidence Research Programme, 2024, p. 13, https://www.socace-research.org.uk/projects/whistle-blower-incentivisation-against-economic-crime-global-lessons; US Department of Justice, *The False Claims Act*, 2025, https://www.justice.gov/civil/false-claims-act; Federal Bar Association, *Understanding the Basics of Qui Tam Law, Federal Bar Association Blog*, 2024, https://www.fedbar.org/blog/understanding-the-basics-of-qui-tam-law/.

72 Eliza Lockhart, *The inside track: The role of financial rewards for whistleblowers in the fight against economic crime*, SOC ACE Research Paper No. 31, Serious Organised Crime & Anti-Corruption Evidence Research Programme, 2024, https://www.socace-research.org.uk/projects/whistle-blower-incentivisation-against-economic-crime-global-lessons; Jack Thrower, *An Australian whistleblower rewards scheme could reduce white-collar crime while raising billions in revenue*, 2024, The Australian Institute, accessed 16 April 2026, https://australiainstitute.org.au/post/an-australian-whistleblower-rewards-scheme-could-reduce-white-collar-crime-while-raising-billions-in-revenue/.

73 Egmont Group, accessed 10 April 2026, https://egmontgroup.org/.

including ARIN-AP (Asia Pacific), ARIN-CARIB (Caribbean), ARIN-EA (Eastern Africa), ARIN-SA (Southern Africa), ARIN-WA (West Africa), RRAG (Latin America), ARIN WCA (West and Central Asia) and the newly established MENA-ARIN (Middle East and North Africa).[74] Similarly, INTERPOL can provide support in asset recovery cases as well, particularly in light of their newly introduced Silver Notice (a mechanism through which states can make international requests for information on assets linked to criminal activities).[75]

Additionally, lesser-known bodies such as the International Anti-Corruption Coordination Centre (IACCC) – an international, multi-agency team of investigators and intelligence analysts with members and associate members from 23 states – have enormously assisted with asset recovery efforts in international corruption investigations by facilitating the exchange of intelligence and evidence between LEAs throughout the world.[76] Between 2017 and 2025, GBP 70 million was confiscated in IACCC-supported cases, with a further GBP 641 million subjected to restraint orders.[77] Similarly, the Global Forum on Asset Recovery (GFAR) Action Series continues to provide a mechanism to facilitate direct engagement between a number of focus jurisdictions on complex asset recovery cases.[78] These bodies, however, are still widely underutilised by LEAs in many jurisdictions, despite their proven value-add.

Likewise, despite their recommended use by instruments such as the United Nations Convention against Corruption (UNCAC) and the United Nations Convention against Transnational Organized Crime (UNTOC), **joint investigations** are still not commonly used in international asset recovery

74 As of 2023, there were 178 member jurisdictions across these networks, see: FATF, *Recovering the International Proceeds of Crime through Inter-Agency Networks*, 2023, https://www.fatf-gafi.org/en/publications/Methodsandtrends/recovering-international-proceeds-crime-inter-agency-networks.html.

75 INTERPOL's Silver Notice and Diffusion is an innovative tool that enables the identification and tracing of assets linked to serious crime such as fraud, corruption and money laundering. Launched in 2025, it is designed to improve cross-border asset recovery by addressing the gap between the rapid movement of criminal funds and slower international enforcement processes. These tracing capabilities support both pre- and post-confiscation stages of asset recovery, within conviction and non-conviction based confiscation frameworks. Importantly, the Silver Notice does not authorise freezing or seizure. Any enforcement action must follow domestic legal procedures. Its value lies in facilitating direct communication between relevant authorities, potentially accelerating the transition from intelligence to actionable investigations and enabling more effectively targeted mutual legal assistance requests. The tool is currently in operation under a pilot programme, but is showing early signs of success. As of November 2025, "133 Silver Notices and 35 diffusions have been published at the request of 39 countries across all regions, with the financial harm linked to these cases valued at more than EUR 30 billion": Interpol, *Together Against Crime – INTERPOL General Assembly Approves Blueprint for Future*, 2025, accessed 17 April 2026, https://www.interpol.int/News-and-Events/News/2025/Together-Against-Crime-INTERPOL-General-Assembly-approves-blueprint-for-future; FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 267–270, accessed 10 April 2026, https://www.fatf-gafi.org/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html; INTERPOL, *Innovation: Silver Notice*, accessed 10 April 2026, https://www.interpol.int/Resources/INTERPOL-Spotlight/Spotlight-Issue-1-Organized-Crime/Innovation-Silver-Notice; Rita Simões, *Interpol's Silver Notice: paving the way to improved asset recovery*, 2025, Basel Institute on Governance, https://baselgovernance.org/blog/interpols-silver-notice-paving-way-improved-asset-recovery.

76 The International Anti-Corruption Coordination Centre, accessed 10 April 2026, https://www.nationalcrimeagency.gov.uk/what-we-do/crime-threats/bribery-corruption-and-sanctions-evasion/international-anti-corruption-centre. Note that any LEA or prosecuting authority in the world can refer a corruption-related case to the IACCC for operational assistance, while still maintaining control of the investigation

77 The International Anti-Corruption Coordination Centre, accessed 10 April 2026, https://www.nationalcrimeagency.gov.uk/what-we-do/crime-threats/bribery-corruption-and-sanctions-evasion/international-anti-corruption-centre.

78 Elsa Krishnan, *Global Forum on Asset Recovery (GFAR) Action Series*, 2024, Stolen Asset Recovery Initiative of the World Bank and UNODC, accessed 17 April 2026, https://star.worldbank.org/blog/global-forum-asset-recovery-gfar-action-series.

cases.[79] A joint investigation team (JIT) is a formal mechanism of international judicial cooperation that enables two or more states to conduct a coordinated criminal investigation across borders.[80] JITs are established for a specific investigation, for a limited duration and on the basis of a written agreement between competent authorities. Members may also participate in investigative actions in other states, subject to national law and the specific JIT agreement.

JITs can significantly enhance cross-border cooperation by enabling real-time cooperation, faster decision-making and the direct exchange of information and evidence without the need for separate requests for each investigative step.[81] In the context of financial investigations, they can facilitate coordinated asset tracing, aligned freezing strategies and timely decisions on confiscation.

While JITs have been employed with great success throughout Europe they remain largely underutilised by LEAs in many other parts of the world.[82]

4.3 Private sector collaboration through PPPs to advance asset recovery cases

In the past decade, there has been a growing recognition of the benefit that **public-private-partnerships (PPPs)**, otherwise known as Financial Information Sharing Partnerships (FISPs), can provide to economic crime and asset recovery efforts. PPPs are collaborative mechanisms that bring together the private sector, e.g. banks, fintech and real estate firms, and the public sector, including LEAs, FIUs, supervisors and other authorities.[83] They can have a broad strategic purpose, for example, to share knowledge and enhance the understanding of emerging financial crime typologies and risk indicators.

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79 UNCAC, Article 49; UNTOC, Article 19.

80 Jean-Pierre Brun et al., *Asset Recovery Handbook: A Guide for Practitioners, Second Edition*, 2020, pp. 42–45, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://openknowledge.worldbank.org/entities/publication/7bec70d0-0b95-578d-810d-92fd371fba28; FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 267–270, accessed 10 April 2026, https://www.fatf-gafi.org/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html; UNODC, *Joint Investigations: Legal and Practical issues*, 2021, pp. 8–9, https://www.unodc.org/documents/organized-crime/tools_and_publications/2422407E-eBook.pdf; Open-ended intergovernmental expert meeting to enhance international cooperation under the United Nations Convention against Corruption, *Status of implementation of joint investigations under article 49 of the United Nations Convention against Corruption*, CAC/COSP/EG.1/2024/CRP.1, https://track.unodc.org/uploads/documents/UNCAC/WorkingGroups/EMInternationalCooperation/12-14June2024/CAC-COSP-EG.1-2024-CRP.1.pdf; Rita Simões, *Joint investigation teams*, 2026, Quick Guide 45, Basel Institute on Governance, https://baselgovernance.org/resources/publications/quick-guide-45-joint-investigation-teams.

81 There are also alternative models for joint investigative efforts, such as joint parallel investigations. These involve two or more coordinated, but separate, investigations conducted in different jurisdictions, pursuing a common objective. Cooperation is typically supported by liaison officers or established professional contacts, while evidence is obtained and exchanged through formal mutual legal assistance channels; Open-ended intergovernmental expert meeting to enhance international cooperation under the United Nations Convention against Corruption, *Status of implementation of joint investigations under article 49 of the United Nations Convention against Corruption*, CAC/COSP/EG.1/2024/CRP.1, p. 2, https://track.unodc.org/uploads/documents/UNCAC/WorkingGroups/EMInternationalCooperation/12-14June2024/CAC-COSP-EG.1-2024-CRP.1.pdf.

82 Open-ended intergovernmental expert meeting to enhance international cooperation under the United Nations Convention against Corruption, *Status of implementation of joint investigations under article 49 of the United Nations Convention against Corruption*, CAC/COSP/EG.1/2024/CRP.1, pp. 3–5, https://track.unodc.org/uploads/documents/UNCAC/WorkingGroups/EMInternationalCooperation/12-14June2024/CAC-COSP-EG.1-2024-CRP.1.pdf; Eurojust, Eurojust Report on Money Laundering, 2022, p. 7, https://www.eurojust.europa.eu/sites/default/files/assets/eurojust-report-money-laundering-2022.pdf.

83 FATF, *Asset Recovery Guidance and Best Practices*, 2025, pp. 74–76, https://www.fatf-gafi.org/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

They can also support operations through facilitating the efficient exchange of information related to specific subjects or higher-risk customers.[84]

PPPs are mutually beneficial for stakeholders. For private sector participants, they improve crime detection, compliance capabilities and resource efficiency. For LEAs, they can raise the quality of actionable suspicious activity reports and boost the efficiency of investigations.

A leading example of a PPP mechanism is the UK's Joint Money Laundering Intelligence Taskforce (JMLIT), which has supported over 1,200 operations, identified over 10,000 criminal accounts and led to the arrest of 419 individuals.[85] Another widely regarded example is the Europol Financial Intelligence Public Private Partnership (EFIPPP).[86]

PPPs are also increasingly being adopted between LEAs and private actors in the virtual asset sector. Examples include the Illicit Virtual Asset Notification (IVAN) information-sharing partnership and the Beacon Network.[87]

4.4 Civil society collaboration to advance asset recovery cases

The promotion of civil society participation in state efforts to counter economic crime has long been recognised as beneficial for asset recovery efforts. It is even obligated by the UNCAC, at least in the context of corruption offences.[88]

Unfortunately, a significant number of jurisdictions do not take advantage of the benefits that engaging with civil society can bring.[89] **Civil society has a strong track record of enhancing asset recovery capabilities** globally in a number of ways, including:

- acting as a source of intelligence and bringing cases to the attention of LEAs;[90]

84 Swiss Confederation, Basel Institute on Governance and the Stolen Asset Recovery Initiative of the World Bank and UNODC. *Boosting Co-operation in Asset Recovery*, 2021, accessed 14 April 2026, pp. 5–7 https://baselgovernance.org/resources/publications/boosting-co-operation-asset-recovery-exploring-potential-private-sector-engagement-and.

85 National Crime Agency, *10 Year Anniversary of the UK's Public Private Partnerships*, 2025, accessed 14 April 2026, https://www.nationalcrimeagency.gov.uk/news/10-year-anniversary-of-the-uks-public-private-partnerships.

86 EFIPPP, accessed 14 April 2024, https://efippp.eu/.

87 MITRE, *Illicit Virtual Asset Notification Public-Private Partnership*, 2 October 2024, https://www.mitre.org/news-insights/news-release/illicit-virtual-asset-notification-public-private-partnership; US Department of State, *Joint Statement on Cryptocurrency Thefts by the Democratic People's Republic of Korea and Public-Private Collaboration*, 14 January 2025, https://2021-2025.state.gov/office-of-the-spokesperson/releases/2025/01/joint-statement-on-cryptocurrency-thefts-by-the-democratic-peoples-republic-of-korea-and-public-private-collaboration/; FATF, *Asset Recovery Guidance and Best Practices*, 2025, p. 75, https://www.fatf-gafi.org/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html.

88 UNCAC, Article 13.

89 Corinna Gilfillan, *The Way Forward: Ensuring an Inclusive, Transparent and Effective UNCAC Implementation Review Mechanism*, 2022, UNCAC Coalition, p. 32, https://uncaccoalition.org/new-report-on-strengthening-the-uncac-implementation-review-mechanism-irm/.

90 FATF, *Asset Recovery Guidance and Best Practices*, 2025, p. 62, https://www.fatf-gafi.org/en/publications/Methodsandtrends/asset-recovery-guidance-best-practices-2025.html; UNODC, *Civil Society Guide to the United Nations Convention Against Corruption*, 2019, p. 82, https://www.unodc.org/documents/NGO/Corruption/251113-CSU-UNCAC_Guide-Web.pdf.

- acting as litigants in proceedings or supporting prosecutions;[91]
- providing advice for policy reform or the development of asset recovery strategies;[92]
- providing technical assistance on live investigations and specialised training;[93] and
- playing a crucial role safeguarding victims' rights and ensuring the beneficial reuse of recovered assets.[94]

Consequently, states looking to enhance their own asset recovery capabilities could place greater emphasis on building partnerships with civil society organisations and leveraging their support.

91 In France, a significant case involved Teodorin Obiang, the son of the President of Equatorial Guinea, who was suspected of holding assets in France acquired through corrupt means. Despite this, neither Equatorial Guinea nor French authorities initiated an investigation or asset recovery efforts. Two French civil society organisations – Association Sherpa and Transparency International France – used a provision in French law to file a criminal complaint. TI France was awarded EUR 10,000 in moral damages and EUR 41,081 in material damages. The court also ordered the seizure of EUR 150 million in assets held by Obiang in France: Jean-Pierre Brun et al., *Asset Recovery Handbook: A Guide for Practitioners, Second Edition*, 2020, pp. 55, 89, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://openknowledge.worldbank.org/entities/publication/7bec70d0-0b95-578d-810d-92fd371fba28.

92 Civil Forum for Asset Recovery (CiFAR), *Civil Society Organisations and Asset Recovery: A Manual for Action*, 2022, p. 23, accessed 16 April 2026, https://cifar.eu/news/civil-society-organisations-and-asset-recovery-a-manual-for-action; The International Centre for Asset Recovery, accessed 10 April 2026, https://baselgovernance.org/asset-recovery.

93 The International Centre for Asset Recovery, accessed 10 April 2026, https://baselgovernance.org/asset-recovery.

94 The Karimova case is an ongoing asset recovery process involving the daughter of Uzbekistan's former president, with prosecutions across multiple jurisdictions. Challenges emerged due to Uzbekistan's restrictive civic space, making it difficult for civil society organisations to monitor or advocate for returned funds. To address this, a coalition of civil society organisations and academics – supported by Uzbek activists both in-country and in exile – has formed the Uzbek Asset Return Network. This group works to promote accountability, transparency and inclusivity in the recovery process, while avoiding the risks faced by local actors. Key actions include monitoring the recovery process, requesting information and advocating for a rigorous return process: Civil Forum for Asset Recovery (CiFAR), *Civil Society Organisations and Asset Recovery: A Manual for Action*, 2022, p. 22, accessed 16 April 2026, https://cifar.eu/assets/csos-and-asset-recovery-a-manual-for-action.pdf.

5 Areas for further innovation or consideration

A number of additional, and more innovative, avenues could also be considered by states in the context of enhancing asset recovery capacities.

5.1 Use of artificial intelligence to advance asset recovery cases

LEAs are starting to explore how the recent advancements in **digital technology, and specifically AI-powered tools**, can enhance their ability to conduct financial investigations. Given the growing use of virtual assets in criminal activity and the subsequent increasing complexity of asset recovery cases, the need for digital tools with specialised capabilities to trace transactions across multiple systems has become abundantly clear. Already, AI tools have begun to demonstrate their potential to significantly transform financial investigations through their ability to process vast amounts of data, filter for relevant content and provide insights.[95] A number of such tools are also available to prosecutors to assist with criminal litigation.[96]

The use of AI by LEAs, however, raises significant questions regarding legal rights and ethics.[97] For example, AI analytical processes are often opaque and the integrity of outputs from AI tools cannot always be scrutinised for accuracy or bias. Consequently, while LEAs should continue to explore the benefits AI tools offer investigations- and prosecutions-related capabilities (and particularly how AI can counter resourcing issues), this should not be done without a parallel examination of the substantial risk these tools pose to legal rights, privacy considerations and case integrity.

5.2 Engagement of private law firms under litigation funding schemes to pursue civil asset recovery

Private law firms have been engaged by states in many asset recovery cases with significant success, particularly to pursue civil-based remedies as a means to recover funds (e.g. damages through torts or breach of contract).[98]

The **use of private firms** in this context offers a number of advantages. Law firms often have specialised expertise that is not always available to LEAs,

95 Europol, *AI and policing: The benefits and challenges of artificial intelligence for law enforcement*, accessed 13 April 2026, pp. 32–33, https://www.europol.europa.eu/cms/sites/default/files/documents/AI-and-policing.pdf.

96 Jason Kalish et al., *AI in Prosecution: Balancing Innovation with Ethical and Legal Responsibilities*, 2025, Federal Sentencing Reporter, Duke University Press, accessed 17 April 2026, https://read.dukeupress.edu/fsr/article/37/3-4/241/403305/AI-in-ProsecutionBalancing-Innovation-with-Ethical.

97 Europol, *AI and policing: The benefits and challenges of artificial intelligence for law enforcement*, accessed 13 April 2026, pp. 36–37, https://www.europol.europa.eu/cms/sites/default/files/documents/AI-and-policing.pdf.

98 Jean-Pierre Brun et al., *Public Wrongs, Private Actions*, 2015, Stolen Asset Recovery Initiative of the World Bank and UNODC, pp. 14–19, https://documents.worldbank.org/en/publication/documents-reports/documentdetail/964411468127796449.

particularly in niche and emerging areas of law. In international cases, locally engaged law firms also potentially have more in-depth knowledge of the legal avenues and tools available to pursue assets.

On the other hand, engaging the private sector often comes with a significant disadvantage: cost. Law firms are expensive, and engagement contracts often include contingency fees based on the total amount recovered. This means that if assets are ultimately recovered, a significant amount will end up being paid in legal bills. For example, Nigeria engaged a Swiss law firm to successfully pursue USD 600 million relating to the former dictator Sani Abacha, but it cost them USD 24 million to do so.[99]

To mitigate the costs of engaging the private sector – particularly in the event that a legal action is unsuccessful – states are increasingly considering **financing mechanisms such as litigation funding**.[100] These mechanisms involve a private sector third party (with no pre-existing interest in the subject matter of a claim) financing some or all of the relevant legal expenses in return for a share of the proceeds recovered.[101] In many agreements, fees will range between 20 percent to 50 percent of the recovered assets, with a threshold of three to four times the capital advanced by the funder.[102] Private litigation funding is a well-established and lucrative concept in many common law countries such as Australia, Canada, the United States and the United Kingdom, and is playing a growing role in the provision of litigation services in many European Union jurisdictions.[103]

While not a new concept, litigation funding is increasingly being discussed as a solution to resource shortages in asset recovery cases. From one perspective, these mechanisms offer states an inexpensive and low-risk approach to engaging outside specialists to pursue civil routes of asset recovery: if a case is unsuccessful, states are not required to pay any legal costs.

From another perspective, however, such mechanisms come with significant drawbacks. Foremost, in the event that assets are recovered, significant portions of these funds are surrendered to the private sector. Moreover, given that funders are not obligated to act in the public interest, such arrangements may give rise to conflicts of interest between the priorities of the funder, legal representatives and the state regarding the management of the case and the choice of procedural

99 Richard Messick, *The Murky Business of Asset Recovery for Hire UPDATE*, 2020, The Global Anticorruption Blog, accessed 15 April 2025, https://globalanticorruptionblog.com/2020/04/29/the-murky-business-of-asset-recovery-for-hire/ citing Sylvain Besson, *La fin de l'affaire Abacha enrichit deux études d'avocats genevois*, 2015, accessed 15 April 2026, https://www.letemps.ch/suisse/fin-laffaire-abacha-enrichit-deux-etudes-davocats-genevois.

100 Sarah Brimbeuf, *The role of private actors in asset recovery: The growing use of private litigation funding*, 2021, U4 Helpdesk Answer, https://www.u4.no/publications/the-role-of-private-actors-in-asset-recovery.

101 Rachael Mulheron KC (Hon), *A Review of Litigation Funding in England and Wales*, 2024, Queen Mary University of London, https://legalservicesboard.org.uk/wp-content/uploads/2024/05/A-review-of-litigation-funding.pdf.

102 Sarah Brimbeuf, *The role of private actors in asset recovery: The growing use of private litigation funding*, 2021, U4 Helpdesk Answer, https://www.u4.no/publications/the-role-of-private-actors-in-asset-recovery citing Saulnier et al., *Responsible private funding of litigation*, 2021, European Parliament, https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662612/EPRS_STU(2021)662612_EN.pdf.

103 Sarah Brimbeuf, *The role of private actors in asset recovery: The growing use of private litigation funding*, 2021, U4 Helpdesk Answer, https://www.u4.no/publications/the-role-of-private-actors-in-asset-recovery citing Saulnier et al., *Responsible private funding of litigation*, 2021, European Parliament, https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662612/EPRS_STU(2021)662612_EN.pdf.

strategy. There is a risk that funders could simply withdraw financial assistance if the case is not progressing in a manner suitable to them.[104]

Consequently, while certainly worthy of discussion, these mechanisms should not be considered by states as a cheap alternative to state-led actions, and the risks involved in such arrangements should be thoroughly contemplated in each case.

5.3 Creation of thematic multi-jurisdictional task forces and communities of practice

To facilitate knowledge sharing and cross-border cooperation in international asset recovery cases, states can consider establishing **thematic multi-jurisdictional task forces or communities of practice**.

Unlike other temporary, case-specific international mechanisms mentioned above (i.e. JITs) these permanent mechanisms are created to boost the capability of participants to address a specific asset recovery-related issue (e.g. combating foreign bribery) by facilitating:

- operational matters relating to a specific theme through the sharing of intelligence or by acting as a permanent forum from which to launch and manage international cooperation;
- the sharing of knowledge and best practices on technical issues; and
- cross-border technical support.

The types and number of participants in these mechanisms can vary, depending on their design. For instance, in 2025, the UK, Switzerland and France created the International Anti-Corruption Prosecutorial Taskforce to "combat the significant threat of bribery and corruption and the severe harm it causes".[105] This mechanism is somewhat limited in its participation, including select enforcement agencies in these three jurisdictions only.

Other examples are two interjurisdictional "communities of practice" in Latin America and Africa that focus on combating virtual asset-related financial crime.[106] These mechanisms, which are coordinated by the Basel Institute on Governance, include a broad range of public sector practitioners (e.g. investigators, prosecutors, financial intelligence specialists) based across a

104 Sarah Brimbeuf, *The role of private actors in asset recovery: The growing use of private litigation funding*, 2021, U4 Helpdesk Answer, https://www.u4.no/publications/the-role-of-private-actors-in-asset-recovery; Jean-Pierre Brun et al., *Public Wrongs, Private Actions*, 2015, Stolen Asset Recovery Initiative of the World Bank and UNODC, pp. 37–38, https://documents.worldbank.org/en/publication/documents-reports/documentdetail/964411468127796449.

105 Serious Fraud Office (UK), Office of the Attorney General of Switzerland, Ministry of Justice (France) and Parquet National Financier (France), *International Anti-Corruption Prosecutorial Taskforce: Founding Statement*, 2025, accessed 15 April 2026, https://www.mission-eu-bruessel.eda.admin.ch/en/nsb?id=104571.

106 *Africa Crypto & Asset Recovery Network*, Basel Institute on Governance, https://baselgovernance.org/resources/africa-crypto-asset-recovery-network/; *Latin America Crypto Community of Practice*, Basel Institute on Governance, https://baselgovernance.org/resources/crypto-community-of-practice-latin-america/.

large number of jurisdictions from these regions.[107] They aim to provide these practitioners with a forum in which to share case experiences, strengthen operational approaches and build connections.

5.4 Review of standards regarding the retention and sharing of financial data

As noted in section 2.2.3, the current standards surrounding the retention of information by the private sector can often hinder asset recovery investigations.

While the FATF recommends that financial institutions retain details on transactions for at least five years, this is not long enough from the perspective of LEAs.[108] Economic crimes often go undetected for many years, and when they are detected, investigations can commonly take years – especially when MLA is required. Consequently, many investigations are deprived of critical evidence when records are not retained beyond this minimum standard. Some states have implemented longer time periods (e.g. 10 years in Switzerland) but even this is arguably insufficient.[109]

Notwithstanding the statutory retention periods, it is often the case that financial institutions will retain relevant data longer than they are required to. Unfortunately, if the statutory retention periods have expired, some states will advise overseas LEAs that the financial evidence they are seeking is unlikely to be obtainable and will discourage them from requesting it through MLA, even though it may in fact be available. Formally extending statutory retention limits will reduce the likelihood that this occurs.

Similarly, there is inconsistent practice regarding the format in which financial institutions retain and share relevant transactions data with LEAs when requested (hard copy versus digital), and the format in which courts will accept this data as evidence. Many financial institutions voluntarily retain and share data with LEAs in clear digital formats that are readable by common financial investigation software. This reduces the resources required by LEAs to handle, process and analyse this data and can reduce investigation time frames significantly. Other institutions, however, only retain or share information in hard copy formats, which can conversely hinder investigations.

Similar challenges also arise with regards to the retention and sharing of financial information by designated non-financial businesses and professions and, increasingly, virtual asset service providers as well.

Considering these issues, there is a strong argument that **international standards** should be set to ensure that all relevant institutions are obligated to

107 Ibid.; Specifically, the Africa Crypto & Asset Recovery Network currently includes more than 480 public sector practitioners from 40 African states while the Latin America Crypto Community of Practice includes more than 350 public sector practitioners from 20 Latin American states.

108 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation, 2025*, Recommendation 11, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html.

109 Federal Act on Combating Money Laundering and Terrorist Financing (Switzerland), SR 955.0, 10 October 1997, Article 7, https://www.fedlex.admin.ch/eli/cc/1998/892_892_892/en.

retain data for longer and **share data in easily readable digital formats**, and to ensure that individual jurisdictions amend any procedural or evidential rules that would act as a barrier to the implementation of such standards.

5.5 Creation of a global instrument to set universal standards on international cooperation

As highlighted in sections 2.2.3 and 4.2, efforts to conduct international cooperation in asset recovery cases are often unsuccessful as the relevant processes for doing so in most jurisdictions are arduous, outdated and overly bureaucratic. They are also often stifled by a lack of appropriate resources or the absence of political will. Given the persisting barriers to asset recovery cases caused by inefficient international cooperation, there is an argument for:

- a **review and overhaul of the current standards and practices** in international cooperation; and
- the drafting and implementation of a **new, clear, detailed and universal set of standards**.

Broad standards for international cooperation already exist in a number of international instruments. For example, the UNCAC, UNTOC and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions include articles covering aspects of such cooperation.[110] A layer of additional obligations has also been set through the FATF Recommendations, including new expectations around recognition and enforcement of foreign confiscation orders and judgments.[111]

Moreover, separate regional standards exist. For example, European instruments such as the European Convention on Mutual Assistance in Criminal Matters as well as the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (as well as their additional protocols) outline periodically modernised international cooperation standards.[112] A number of the EU's Directives further provide structure and uniformity to the EU's international cooperation efforts, for example, by strongly empowering entities to provide support in this context.[113]

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110 UNCAC, Articles 43, 46, 55; UNTOC, Article 18; OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, Article 9.

111 FATF, *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, 2025, Recommendation 36–40, https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html; Oscar Solórzano, *Enforcing foreign non-conviction based forfeiture orders: FATF standards and asset recovery practice in Latin America and financial centres*, 2026, Policy Brief 16, Basel Institute on Governance, https://baselgovernance.org/resources/publications/pb-16.

112 The European Convention on Mutual Assistance in Criminal Matters (CETS No. 227); Council of Europe, *Details of Treaty No.227*, https://www.coe.int/en/web/conventions/full-list?module=treaty-detail&treatynum=227; Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS. No. 198); Additional Protocol to the Council of Europe Convention on Laundering, Search, Seizure, and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (adopted 15 May 2026).

113 For instance, current EU instruments harmonise asset recovery laws – including cooperation standards – among the member states and permit the direct enforcement of freezing and confiscation orders in cross-border cases, with specific deadlines for execution and limited grounds for refusal. See for example, Directive (EU) 2024/1260 of the European Parliament and of the Council of 24 April 2024 on asset recovery and confiscation; and Regulation (EU) 2018/1805 of the European Parliament and of the Council of 14 November 2018 on the mutual recognition of freezing orders and confiscation orders.

Despite this, there is still an absence of a comprehensive set of universal standards that can be used to raise the quality of international cooperation efforts in all regions. Capturing, and building on, the range of existing standards noted above, a universal set of standards could have a significant impact by:

- **providing clear guidelines** to all countries **on how to design and implement efficient international cooperation processes**, in consideration of modern technology that could significantly reduce resource demands (e.g. electronic communications systems);
- **standardising the process of conducting international cooperation** (e.g. for sending and receiving requests, the circumstances under which such requests can be accepted or denied, and the placement and functions of a state's central authority);
- **setting feasible timeframes** for dealing with different categories of requests, in consideration of the nuances of each case;
- **providing a basis** on which states could increasingly incorporate the **direct use of foreign-sourced intelligence as evidence** in select judicial procedures (e.g. restraint applications) from entities such as asset recovery offices;
- **providing a basis for and clear guidance on when states should directly enforce foreign judicial orders** relating to assets (e.g. restraint and confiscation orders);
- **obligating states to direct adequate resources** to authorities spearheading international cooperation; and
- **providing a mechanism through which states could be assessed** against a base level of agreed upon service standards (taking into account the complexities and varying demands of international cooperation cases) and held to account if these standards were not being met.

In the spirit of collaboration, the creation of such standards could also include the creation of parallel mechanisms through which states not meeting these standards could receive technical assistance and support from leading states to build their capacity.

6 How asset recovery efforts can be further financed

A core issue hampering the effectiveness of asset recovery efforts is the limited funding available to asset recovery-related LEAs and the judiciary. As noted in this paper, this shortage significantly limits the ability of these bodies to effectively pursue asset recovery, even if adequate legislative frameworks are in place. This issue is prevalent throughout the world, with LEAs in both high- and low-income states in need of significant additional resources. This section will outline what action states could potentially take to mitigate the issue both domestically and internationally, where possible.

6.1 The domestic perspective

6.1.1 Domestic reinvestment schemes

One method to boost funding for asset recovery efforts domestically is to implement a **scheme that redistributes some or all of confiscated assets back to the budgets of LEAs** with asset recovery responsibilities.

An example is the UK's Asset Recovery Incentivisation Scheme (ARIS) under which recovered funds are split 50/50 between the UK's Home Office and relevant LEAs.[114] Between the relevant LEAs, the funds received are further divided on a proportional basis depending on the relative contribution of each agency and the level of expenditure incurred.[115] In theory, schemes like ARIS create a "virtuous circle", fuelling the recovery of additional assets which are then again invested in asset recovery capabilities in future years, increasingly disrupting crime.[116]

The direct impact of such reinvestment schemes on asset recovery effectiveness is difficult to quantify, given the numerous factors that can affect a state's ability to recover assets. In the UK example, the total amounts recovered since the introduction of ARIS in 2006 have increased regularly and have provided hundreds of millions of pounds to annual LEA budgets in recent years.[117]

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114 UK Parliament, *Written Questions, Answers and Statements – Asset Recovery Incentivisation Scheme*, UIN 96901, tabled 4 January 2022, accessed 13 April 2026 at https://questions-statements.parliament.uk/written-questions/detail/2022-01-04/96901; Home Office (UK), *Asset Recovery Incentivisation Scheme: Review – February 2015*, accessed 13 April 2026 at https://data.parliament.uk/DepositedPapers/Files/DEP2015-0223/ARIS_Review_Report_unmarked.pdf.

115 Ibid.

116 Home Office (UK), *Asset Recovery Incentivisation Scheme: Review – February 2015*, p. 2, accessed 13 April 2026 at https://data.parliament.uk/DepositedPapers/Files/DEP2015-0223/ARIS_Review_Report_unmarked.pdf.

117 For example, in 2013/2014, assets totalling GBP 158,983,064.78 were recovered and shared under ARIS. More recently, in 2024/2025, GBP 284.5 million were recovered, see: Home Office (UK), *Asset Recovery Incentivisation Scheme: Review – February 2015*, p. 2, accessed 13 April 2026, https://data.parliament.uk/DepositedPapers/Files/DEP2015-0223/ARIS_Review_Report_unmarked.pdf; Home Office (UK), *Official Statistics – Asset recovery statistics: financial years ending 2020–2025*, 2025, accessed 13 April 2026, https://www.gov.uk/government/statistics/asset-recovery-statistics-financial-years-ending-2020-to-2025/asset-recovery-statistics-financial-years-ending-2020-to-2025#asset-recovery-incentivisation-scheme-aris.

It should be noted, however, that schemes reallocating recovered funds to LEAs have received criticism in some jurisdictions. For example, in the US, laws permitting state enforcement agencies to retain forfeited funds have been questioned on the basis that they potentially motivate LEAs to "police for profit".[118] Consequently, if implementing schemes of this kind, states should be mindful that they do not skew LEA decision making or create perverse incentives.[119]

6.1.2 A domestic fund for economic crime enforcement and asset recovery

A more innovative – and untested – avenue to boost funding for domestic asset recovery capabilities would be to create **a specialised domestic fund** mechanism financed by confiscated assets (e.g. like with an ARIS-type scheme) as well as additional amounts such as fines issued against individuals and companies for AML breaches or economic crime offences, or even amounts collected by governments under such schemes as the UK's Economic Crime Levy.[120]

The purpose of such a fund would be to specifically enhance domestic efforts to combat economic crimes and recover proceeds of crime, with the amounts in the fund redistributed across asset recovery-related LEAs or used for wider initiatives that help combat economic crime in general.

6.2 The international perspective

The asset recovery challenges caused by finance shortages are even more extreme in low- and middle-income states. Moreover, quickly shrinking development cooperation budgets throughout the world will undoubtedly exacerbate these shortages in the future, further limiting these states' ability to effectively pursue and cooperate in asset recovery cases.[121] The following subsections outline two avenues through which the asset recovery capabilities of LEAs in low- and middle-income states could be enhanced through additional financing.

118 M. Williams et al., *Policing for Profit: The Abuse of Civil Asset Forfeiture*, Institute for Justice, 2010.

119 Transparency International UK, *Empowering the UK to Recover Corrupt Assets*, London, Transparency International UK, 2016, p. 30.

120 HM Revenue & Customs (UK), Policy Paper: *Economic Crime (Anti-Money Laundering) Levy*, 2021, accessed 13 April 2026, https://www.gov.uk/government/publications/economic-crime-anti-money-laundering-levy/economic-crime-anti-money-laundering-levy; James Bolton-Jones, *Forging a virtuous circle: Reinvesting fines and criminal assets to turbocharge the fight against economic crime*, 2024, Spotlight on Corruption, pp. 36–38, https://www.spotlightcorruption.org/report/forging-a-virtuous-circle/; Andrew Dornbierer, *Using corrupt proceeds to fight corruption: Rethinking how Switzerland uses illicit profits from foreign bribery*, 2025, Working Paper 59, Basel Institute on Governance, pp. 32–33, https://baselgovernance.org/resources/publications/wp-59.

121 Andrew Dornbierer, *Aid cuts make asset recovery even more crucial*, 2025, Basel Institute on Governance, https://baselgovernance.org/blog/aid-cuts-make-asset-recovery-even-more-crucial.

6.2.1 Asset sharing agreements with mechanisms to support future asset recovery capacity

It is a well-established fact that the financial systems of high-income states hold significant amounts of proceeds derived from crimes in low- and middle-income states. When such amounts are confiscated, international treaties (such as the UNCAC and the UNTOC), bilateral agreements and domestic laws often obligate the confiscating states to return these funds to their country of origin.[122]

Where possible, and in consideration of the principle of sovereignty, the states to which funds are returned should be **encouraged to repurpose a portion of these funds to strengthen their own capabilities** to pursue future asset recovery cases. Like with the ARIS example provided above, in theory this should fuel additional asset recoveries, further enhancing the ability of these states to function independently to pursue the proceeds of crime.

An example of such an agreement is the 2020 Agreement between the Swiss Confederation, the Republic of Peru and the Grand Duchy of Luxembourg on the transfer of seized assets, under which confiscated funds totalling USD 26 million were "allocated to three programmes set up by the Peruvian government with the aim of strengthening institutions in the country that protect the rule of law, combat corruption and money laundering, seize assets and fight organised crime".[123]

6.2.2 An international fund to enhance anti-corruption and asset recovery globally

An innovative solution to address asset recovery financing issues – particularly in an anti-corruption context – would be to create an international fund mechanism using the confiscated profits of foreign bribery cases that could support low- and middle-income states seeking to boost their asset recovery capabilities.

Foreign bribery cases typically involve enforcement actions launched by LEAs in high-income states against legal entities falling under their jurisdiction that have bribed public officials in predominantly low- and middle-income states. These cases are commonly resolved through non-trial agreements, under which these entities are forced to forfeit the illicit profits they acquired from their foreign bribery scheme. Despite the fact that these funds are predominantly generated through offences that occurred in, or caused damage to, low- and middle-income states, these funds are rarely shared with the affected states. Instead, they are often retained in the high-income states that pursued the case.

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122 Jean-Pierre Brun et al., *Asset Recovery Handbook: A Guide for Practitioners, Second Edition*, 2020, pp. 318–323, Stolen Asset Recovery Initiative of the World Bank and UNODC, https://openknowledge.worldbank.org/entities/publication/7bec70d0-0b95-578d-810d-92fd371fba28.

123 Swiss Federal Department of Foreign Affairs, *A dynamic Swiss policy on restitution of illicit assets*, 2020, https://www.eda.admin.ch/en/a-dynamic-swiss-policy-on-restitution-of-illicit-assets; a full copy of the agreement is found in UNODC, *Confiscated Asset Returns and the United Nations Convention Against Corruption: A Net for All Fish*, Appendix 1, https://www.unodc.org/documents/corruption/Publications/2023/UNODC_Confiscated_Asset_Returns_and_UNCAC_-_A_Net_for_All_Fish_2023.pdf.

The reasons for this are not always straightforward.[124] Countries may have legislative limitations, for instance, preventing them from sharing funds paid to them under such settlements. There may also be political concerns that make the direct or unconditional sharing of these funds unfeasible, such as a high risk that transferred amounts will be stolen through additional corruption. Nonetheless, there is a strong argument that high-income states should stop retaining these funds and should instead develop avenues through which they can be shared and repurposed to benefit the populations of the states most affected by these crimes (i.e. the low- and middle-income states in which public officials were bribed).

To facilitate this, states active in enforcing foreign bribery could collectively create an **international fund mechanism financed by the disgorged profits relating to foreign bribery settlements**. Such a fund could, amongst other things, finance initiatives that enable relevant states to more effectively pursue corruption cases independently and recover proceeds of crime.[125]

This could include, for example, the financing of:

- technical capacity programmes that directly assist LEAs to progress their own cases; and
- actions to pursue international civil actions in asset recovery cases where these are appropriate.

Where possible, it could also include the direct financing of LEAs and courts in the affected low- and middle-income states to negate budget shortfalls and enhance the human and technical resources available to these bodies to perform their anti-corruption and asset recovery-related functions.

The model for the fund could take numerous forms. It could be an entirely new and independent mechanism, created through a multilateral agreement signed by a select group of willing states. It could also be created within the framework of existing international organisations, such as the United Nations or international development banks.[126]

In any event, the fund could tap into the enormous number of confiscated profits from foreign bribery cases by providing a clear and effective avenue through which these illicit funds could be reinvested to benefit the states most affected by the crimes that generated them.

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124 Andrew Dornbierer, *Using corrupt proceeds to fight corruption: Rethinking how Switzerland uses illicit profits from foreign bribery*, 2025, Working Paper 59, Basel Institute on Governance, https://baselgovernance.org/resources/publications/wp-59; Sam Hickey, *Compensating the victims of foreign bribery: UK legislation, practice and recommended reforms*, 2025, Working Paper 55, Basel Institute on Governance, https://baselgovernance.org/resources/publications/wp-55.

125 Andrew Dornbierer, *Using corrupt proceeds to fight corruption: Rethinking how Switzerland uses illicit profits from foreign bribery*, 2025, Working Paper 59, Basel Institute on Governance, https://baselgovernance.org/resources/publications/wp-59; Kathleen Roussel et al., *A Relief Fund for Victims of Corruption: Overcoming Barriers to Just Compensation*, 2024 University of Oxford, https://www.bsg.ox.ac.uk/sites/default/files/2024-04/The%20Chandler%20Papers%20%E2%80%93%20A%20relief%20fund%20for%20victims%20of%20corruption.pdf.

126 Andrew Dornbierer, *Using corrupt proceeds to fight corruption: Rethinking how Switzerland uses illicit profits from foreign bribery*, 2025, Working Paper 59, Basel Institute on Governance, p. 30, https://baselgovernance.org/resources/publications/wp-59.

7 Conclusions: priorities going forward

There is a widening gap between the ability of criminals to launder and enjoy the benefits of their crimes and the ability of LEAs to pursue them.

While states can (and should) seek to hamper this trend by ensuring that their legislative frameworks for asset recovery are as strong as possible, real impact will not be achieved unless states can more effectively implement these frameworks. As noted in this paper, there are a number of established routes through which states can enhance their implementation capacities, as well as a number of less-established options that should be seriously considered.

Existing resource constraints, unfortunately, are a major universal impediment to asset recovery effectiveness. Consequently, states need to create innovative solutions to maximise the resources available to the bodies responsible for pursuing the proceeds of crime.

It's important to recognise, however, that these solutions shouldn't just be domestically focused but should also consider the need to strengthen the entire global capability to counter financial crime. The malicious currents of illicit finance are not restricted to one or a handful of jurisdictions – they flow throughout the world. Consequently, it will take a collective international effort to properly stymie them.

About the Basel Institute on Governance

The Basel Institute on Governance is an independent centre of expertise dedicated to advancing good governance and countering corruption. Our aim is to contribute to a more peaceful, just and sustainable world.

We work hand in hand with governments, civil society and the private sector to prevent corruption, recover illicit assets and foster business integrity. Our approach combines capacity building and learning, convening and peer engagement, hands-on advice and mentoring, and applied research and policy guidance. Together, they advance knowledge, practice and policy on anti-corruption and related fields.

Our work helps to safeguard public resources and address global challenges like poverty, health, climate change, environmental sustainability, security and crime – with positive impacts for citizens, governments and economies all over the world.

The International Centre for Asset Recovery (ICAR) is a specialised centre of the Basel Institute on Governance.

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