



**Asia-Pacific
Economic Cooperation**

2014/SOM3/ACT/002

Agenda Item: 2

Summary Record – 18th Anti-Corruption and Transparency Experts' Working Group Meeting

Purpose: Information
Submitted by: ACT Chair



**19th Anti-Corruption and Transparency
Experts' Working Group Meeting
Beijing, China
13 August 2014**

**Summary Record
APEC Anti-Corruption and Transparency Expert's Working Group Meeting
20th February, 2014. Ningbo, China (SOM 1)**

Executive Summary

The 18th meeting of the APEC Anti-Corruption and Transparency Experts' Working Group (ACT) was held in Ningbo, China, on 20th February, 2014, followed by the ACT-StAR 'Workshop on International Recovery of the Proceeds of Corruption' on 21st February.

The 18th ACT meeting was chaired by Kong Xian Ren (China), and it was attended by the 21 APEC member economies, as well as by representatives from International Anticorruption Academy (IACA), OECD, Transparency International (China), UNODC, World Bank, and American Bar Association (ABA).

Key outcomes of the 18th ACT meeting include:

1. Members adopted the agenda of the 18th ACT Meeting and endorsed the 17th ACT Summary Record submitted by the Secretariat. Members endorsed the ACT Work plan 2014 with the provision that they will need to polish a paragraph of the text.
2. Members welcomed the report presented by ACT Vice Chair (Indonesia) on the ACT achievements during 2013. Members also received a briefing on China priorities for 2014 and expected ACT deliverables during this year. Members were encouraged to send as soon as possible their Interim Report II: Implementation of APEC anti-corruption commitments, in order to submit them to high levels including APEC Leaders.
3. Members discussed the establishment of the ACT-NET and supported the initiative to hold the ACT-NET first meeting in the margins of SOM3. China proposed the constitution of a specific ACT-NET Secretariat, which would be run by expert members on voluntary basis. Members will further discuss on this issue and will send suggestions and feedback to develop an ACT-NET Work plan and the administrative arrangements proposed by China. Members agreed to send to the Secretariat their ACT-NET focal points by May 2014.
4. Members welcomed the Secretariat's report on ACT intersessional work which highlighted the develop of the Remote Participation System for APEC meetings and the creation of a secure page under the APEC Collaboration System (ACS) to facilitate the future work of ACT-NET. Members also welcomed the update of the APEC Project Management Unit Leader on project's issues.
5. Members from Brunei Darussalam, Chile, China, Indonesia, the Philippines, New Zealand, Papua New Guinea, Chinese Taipei, Singapore, Thailand, the United States and Viet Nam, shared their reports on developments and progress on implementing the UN Convention against Corruption (UNCAC) and other domestic initiatives and legal advances related to anti-corruption and transparency.
6. Representatives from Transparency International (China), World Bank, UNODC, OECD and International Anti-Corruption Academy presented reports on recent activities related to transparency and anticorruption and on opportunities to collaborate with ACTWG.
7. Members received reports on ongoing and proposed projects for 2014 and related synergies with other relevant international fora.
8. Members endorsed the concept note (CN) presented by Peru 'Capacity Building of Law Enforcement Agents for a more Efficient Fight against Corruption and Money laundering' to be submitted to BMC session1. Chile and the Philippines stepped forward to be co-sponsoring economies of the CN.
9. Chile and Thailand presented the first part of the Handbook "Designing Best Models on Prosecuting Corruption and Money Laundering Cases Using Financial Flow Tracking Techniques and Investigative Intelligence for Effective Conviction and Asset Recovery to Promote Regional Economic Integration". The second part will be developed by Thailand during 2014 under the multi-year project M SCE 01 12A.

10. Regarding the 2014 Leader's Declaration the ACT Chair will draft and send intersessionally a text for members review and feedback to adopt a clean version at the upcoming ACT meeting in SOM3. Members were encouraged to send suggestions for the 2014 Leader's Declaration.

11. The next ACT meeting as well as the first ACT-NET meeting will be held at SOM3 of 2014. Update: SOM3 meetings will hold in August in Beijing-China (TBA).

**The APEC ACT-StAR 'Workshop on International Recovery of the
Proceeds of Corruption'
Ningbo, China- 21st February 2014**

More than a hundred participants from the 21 APEC economies, local governmental officials, and representatives of IACA, OECD, World Bank, TI, and UNODC, attended the 'ACT-StAR Workshop on International Recovery of the Proceeds of Corruption' held in Ningbo on 21st February. The workshop was organised by the Ministry of Supervision of China and StAR (World Bank/UNODC). The workshop was inaugurated by the Minister of Supervision of China Mr. Huang Shuxian.

The workshop had five sessions:

Opening Session chaired by Mr. Cui Shaopeng, Secretary General of Ministry of Supervision, P.R. China;

Part I: International Standards on Asset Recovery (StAR), chaired by Mr. David Pimm, Senior Policy Research Analyst, International Crime and Terrorism Division (ICT), Foreign Affairs, Trade and Development Canada;

Part II: Barriers to Asset Recovery and Responses, also chaired by Mr. David Pimm;

Part III: Country experiences on Asset Recovery, chaired by Mr. Jean Pseme, Expert of World Bank, and

Part IV: Conclusions and Way forward, chaired by ACT Chair: Mr. Kong Kong Xian Ren, Director General, Department of Foreign Affairs, Ministry of Supervision, P.R. China.

A report on this workshop will be delivered by the organizers in the upcoming ACT meeting.

Summary Record
APEC Anti-Corruption and Transparency Expert's Working Group Meeting (ACT 18)
20th February, 2014. Ningbo, China (SOM 1)

The 18th meeting of the APEC Anti-Corruption and Transparency Experts' Working Group (ACT) was held in Shangri-La Hotel, Ningbo on 20th February, 2014, followed by the ACT-StAR 'Workshop on International Recovery of the Proceeds of Corruption' on 21st February.

The 18th ACT meeting was chaired by Mr Kong Xian Ren (Director General, Department of Foreign Affairs, Ministry of Supervision, P.R. China), and it was attended by the 21 APEC member economies. Following representatives from international organisations and invited guests also attended the meeting:

Mr Georg Grabenweger (IACA); Ms Nejla Saula, and Mr Joydeep Sengupta (OECD); Mr Ren Jianming (Transparency International -China); Mr Vladimir Kozin (UNODC); Mr Bank Jean Pesme (World Bank –StAR); and Mr Peter Ritchie (American Bar Association [ABA]).

Agenda Item 1- Opening Remarks

The ACT Chair, Mr Kong Xian Ren welcomed all participants to the 18th ACT meeting in Ningbo, remarking that during this year there will be great opportunities at international level and within ACT for collaboration among member economies to eradicate corruption and to promote transparency. He expressed his confidence that ACT will have a successful and fruitful work during 2014 including important deliverables, projects and new initiatives that will be addressed during this meeting.

Agenda Item 2- Adoption of the Agenda

ACT members adopted the agenda of the 18th ACT Meeting (2014/SOM1/ACT/001), and endorsed the 17th ACT Meeting Summary Record (2014/SOM1/ACT/002).

Agenda Item 3- Direction of ACT Work during 2014

A. China Priorities for 2014

A representative of the SOM I Chair's office from **P.R. China** briefed on APEC 2014 Priorities.

China proposed to conduct the APEC work during 2014 under the theme "*Shaping the Future through Asia Pacific Partnership*" to allow member economies to join efforts in fostering a forward looking Asia-Pacific partnership that would continue to empower APEC to lead and coordinate global economic recovery. In order to support such efforts, China has identified three priority areas:

1. Advancing Regional Economic Integration; with the view that APEC members work to embark on the Free Trade Area in Asia Pacific (FTAAP) process, promote investment cooperation, and enhance information sharing through Free Trade Agreements (FTAs).
2. Promoting Innovative Development, Economic Reform and Growth. The purpose of practical cooperation under this priority area is to explore new areas of growth through innovation and reform that foster an open economy. Practical areas of cooperation are: economic structural reform, financing, taxation, green economy, innovative growth, sustainable energy and resources, blue economy, internet economy, urbanization, cross-border e-commerce, food security, mining, and forestry.
3. Strengthening Comprehensive Connectivity and Infrastructure Development. Cooperation efforts will focus on promoting hardware, software, and people to people connectivity. Plans include among others, the development of a Asia-Pacific Connectivity Blueprint; exploring the expansion of financing channels for infrastructure development; strengthening regional fiscal and financial cooperation, facilitating cross-border education; and establishing all-directional, multi-tiered and comprehensive connectivity structure across Asia Pacific.

B. ACT Work Plan 2014

China presented the draft of the ACT Work plan 2014 for members' consideration which was adopted after discussion and revision. (2014/SOM1/ACT/003rev1).

Expected outcomes/deliverables from the ACT Work Plan for 2014:

1. Meetings and Workshops

- APEC Round Table Discussion on Anti-Corruption and Public Sector Governance, held on 13 January in Chinese Taipei.
- Workshop on "International Recovery of the Corruption Proceeds" (Ningbo, China – SOM1)
- 1st ACT-NET meeting (China – SOM3)
- Workshop on "Combating Business Bribery" (China – SOM3)
- Workshop on "Capacity-Building Workshops on Designing Best Models on Prosecuting Corruption and Money Laundering Cases Using Financial Flow Tracking Techniques and Investigative Intelligence for Effective Conviction and Asset Recovery to Promote Regional Economic Integration" to be held in Thailand in September 2014.

2. Constitution of the ACT-NET

China briefed on the process of establishment of the APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET) in 2014 operating under the auspices of the ACT. The network will facilitate anticorruption cooperation on case investigation and prosecution, expertise and experiences discussion and sharing, etc.

China expressed interest in using technical support from the Secretariat to help the network future work. **The U.S.** remarked that as agreed previously by ACT this should be kept as an informal process at this point, and that the group should try not to duplicate focal points from ACT. Members agreed to send to the Secretariat focal points for the ACT-NET by May 2014.

The U.S. and **Canada** welcomed the solid work plan, although expressed some concern particularly on a paragraph of section '1. Advancing pragmatic cooperation among member economies', which proposes the establishment of a cross-border mechanism that empowers information exchange concerning visa applications to stop fleeing perpetrators, which US would adopt in brackets in order to provide some language to the text.

Chile, Indonesia, Russia and Canada expressed support of the work plan and remarked on the need to clarify some practical aspects of the ACT-NET structure, particularly the AC-NET Secretariat and governance guidelines. **China** offered some clarification on this point highlighting the need to build a separate Secretariat for AC-NET to be conducted by an expert of the group on voluntary basis.

3. Practical Tools

APEC economies are encouraged to use existing mechanisms, such as the Global Focal Point (GFP) Network for Asset Recovery, and develop new tools to expedite regional collaborations against international corruption.

- Compilation of MLA Guide - to conduct mutual legal assistance (MLA) programs among APEC economies (Australia)
- Compilation of APEC Asset Recovery Guide Books - to provide information on each economy's asset recovery tools, authorities, and procedures (member economies)

4. Beijing Declaration

This declaration by APEC Leaders' would enumerate a high-level commitment to principles and actions mainly regarding graft fugitive repatriation and denial of safe havens, international asset

recovery, and domestic and foreign bribery. Potentially, it will also include initiatives related to transparency, beneficial ownership, and whistleblower protection.

C. ACT Strategic Plan

Members were encourage to discuss and propose suggestions to update the ACT Strategic plan (2014/SOM1/ACT/016), which is consider a living document. The Strategic Plan includes other important deliverable for 2014, namely the **Interim Report II: Implementation of APEC anti-corruption commitments**. Members were encouraged to send to the Secretariat their Interim Reports as soon as possible in order to submit them to high levels including APEC Leaders.

Agenda Item 4 – Reports on 2013 ACT achievements during Indonesia year.

Members welcomed the report presented by ACT vice Chair from Indonesia on the ACT achievements during 2013, which included:

1. Meetings

- The ACT 16th Meeting and the 17th Meeting held in Jakarta SOM1 and in Medan (SOM3), Indonesia.
- The Joint Meeting of the Anti-Corruption and Transparency Experts' Working Group (ACT) and the Experts Group on Illegal Logging and Associated Trade (EGILAT), held in Medan, Indonesia, 26 June 2013.
- The ACT-NET Pre-meeting in Bali, 18-19 September 2013.

2. APEC-funded and self-funded workshops and seminars

- APEC Pathfinder on Combating Corruption and Illicit Trade, held in September 23-25, 2013, in Bangkok, Thailand.
- ACT Workshop "Challenge and Strategy of Strengthening Anti-Corruption Authorities in Combating Corruption in a Modern World", held in SOM1 in Jakarta.
- Workshop "Strengthening Integrity through Public-Private Partnership: Preventing Facilitation Payment and Managing Gratuities", held on 24 June at SOM3 in Medan.
- APEC-ASEAN Pathfinder Project on Combating Corruption and Illicit Trade, held in June 2013 (Siem Reap, Cambodia).
- "Capacity-Building Workshop on Designing Best Models on Prosecuting Corruption and Money Laundering Cases Using Financial Flow Tracking Techniques and Investigative Intelligence for Effective Conviction and Asset Recovery to Promote Regional Economic Growth". First workshop held in June 11-13, 2013 in Santiago of Chile.

3. Other Initiatives

- Advance on the constitution of Law Enforcement Authority Network (ACT-NET) under the ACTWG.
- Collective efforts in the fight against corruption with other international organizations including the OECD, UNODC, Transparency International, the World Bank and International Anti-Corruption Academy (IACA).

4. Other Deliverables

- The ACT Workplan 2013
- Contributions to the 2013 Ministers and Leaders' declarations.
- The ACT Strategic Plan 2013-2017, endorsed by ACT and submitted to SCE for consideration.

Agenda Item 5 – APEC Secretariat Report

The Secretariat shared a report on ACT intersessional work and Secretariat's issues highlighting the develop of the Remote Participation System for APEC meetings and the creation of a secure page within the APEC Collaboration System (ACS) to facilitate the future work of ACT-NET.

China expressed high interest in using Secretariat's Remote Participation System to facilitate ACT-NET's future work, as suggested by the Secretariat.

In its report the Secretariat also referred to meeting documents submitted for members information such as: 'APEC Secretariat Report on Key Developments - February 2014'; the Summary Report of the Joint Meeting of ACT and the Experts Group on Illegal Logging and Associated Trade (EGILAT), and the 'APEC 2013 Tasking Statement' (for 2014) endorsed intersessionally by SOM on 24 January, which provides guidance for 2014 for the work of all sub fora including ACT.

Members also welcomed the update of the APEC Project Management Unit Leader Ms Nadira Mailewa on project's issues.

Agenda Item 6 – Members' opportunity to report on development on implementing the UN Convention against Corruption (UNCAC) and other Initiatives related to Anti-corruption and Transparency

Members from Brunei Darussalam, Chile, China, Indonesia, the Philippines, New Zealand, Papua New Guinea, Chinese Taipei, Singapore, Thailand, the United States and Viet Nam shared their reports on developments and progress on implementing the UN Convention against Corruption (UNCAC) and other domestic initiatives and legal advances related to anti-corruption and transparency.

For reference reports can be found in following meeting documents:

- 2014/SOM1/ACT/005 (Singapore)
- 2014/SOM1/ACT/013 (Chinese Taipei)
- 2014/SOM1/ACT/018 (Thailand)
- 2014/SOM1/ACT/020 (Papua New Guinea)
- 2014/SOM1/ACT/022 (China)
- 2014/SOM1/ACT/023 (Chile)

Agenda Item 7 – Reports on Ongoing and Proposed Projects and ACT Initiatives and Related Synergies with Other Relevant International Fora

Members received reports on ongoing and proposed projects and related synergies with other relevant international fora.

- **Australia** shared a report of the APEC-funded project 'APEC Guide to Mutual Legal Assistance'. The guide as reported is to be completed by June 2014.
- **The United States** updated on the self-funded APEC Pathfinder Project on Combating Corruption and Illicit Trade, September 23-25, 2013, Bangkok, Thailand, and presented the 'Chair's Summary of APEC Pathfinder Dialogue with ASEAN and Pacific Islands Forum (PIF) Partners: Combating Corruption and Illicit Trade across the Asia-Pacific Region' (2014/SOM1/ACT/006).
- **Chile and Thailand** updated on the multi-year project "Capacity-Building Workshops on Designing Best Models on Prosecuting Corruption and Money Laundering Cases Using Financial Flow Tracking Techniques and Investigative Intelligence for Effective Conviction and Asset Recovery to Promote Regional Economic Growth" (2014/SOM1/ACT/019). The first workshop was held in June 11-13, 2013 in Santiago of Chile and a presentation of the first part of the handbook is given in detail under agenda item 10. The 2nd workshop of this project is to be held in September 2014 in Thailand (TBA).
- **Chinese Taipei** presented a report on the APEC Round Table Discussion on Anti-Corruption and Public Sector Governance, held on January 13th, 2014 in Chinese Taipei. (2014/SOM1/ACT/014)

- **The United States** reported on the 4th Global Focal Point Conference on Asset Recovery, held on July 3-5, 2013 in Bangkok, Thailand.
- **Peru** submitted for members' consideration the Concept Note "Capacity Building of Law Enforcement Agents for a more Efficient Fight against Corruption and Money Laundering" (2014/SOM1/ACT/008). Members endorsed this concept note which will be submitted to BMC session1. Chile and the Philippines stepped forward as to be co-sponsoring economies of the CN.
- **The Secretariat** submitted for members information the Summary Report - Joint Meeting of the Anti-Corruption and Transparency Experts' Working Group (ACT) and the Experts Group on Illegal Logging and Associated Trade (EGILAT) (2014/SOM1/ACT/007)
- **The ACT Chair** updated members on the preparations of the ACT Network First Meeting to be held in the margins of SOM 3 meeting, in August 2014 (Beijing) (TBC). He also presented for members' consideration the Work Plan of the ACT-NET (2014/SOM1/ACT/009).

Agenda Item 8 – Report from International Organizations on their Anti-Corruption activities and Synchronizing with ACT

Members welcomed the participation of Mr Georg Grabenweger (IACA); Ms Nejla Saula, and Mr Joydeep Sengupta (OECD); Mr Ren Jianming (Transparency International -China); Mr Vladimir Kozin (UNODC); Mr Bank Jean Pesme (World Bank –StAR), and Mr Peter Ritchie (American Bar Association [ABA]) who shared their reports on recent activities related to transparency and anticorruption and opportunities to collaborate with ACTWG.

Meeting documents: 2014/SOM1/ACT/024 (IACA); 2014/SOM1/ACT/025 (Transparency International - China).

Agenda Item 9 – Expected Outcomes and Deliverables for ACT in 2014 and Beyond

ACT Chair recapped on the expected outcomes and deliverables for 2014 as proposed in the ACT Work Plan adopted by the group which includes series of meetings and workshops to be held in 2014. He remarked the need of enhance collaboration and active participation among APEC member economies, stressing that the ACT 2014 deliverables have a wide scope of topics related to fighting corruption and ensuring transparency; the Constitution of the ACT-NET; a couple of Practical Tools, and the Beijing Declaration on anticorruption. (For more details see ACT Work plan 2014 document).

Regarding the 2014 Leader's Declaration the ACT Chair will draft and send intersessionally a text for members review and feedback to adopt a clean version at the upcoming ACT meeting in SOM3. Members were encouraged to send suggestions for the 2014 Leader's Declaration.

Members were also encouraged to send intersessionally suggestions and inputs to other expected deliverables and to submit their Interim Report II to the Secretariat. Members agreed to send to the Secretariat ACT-NET focal points by May 2014.

Agenda Item 10 – Presentation of Best Practices

China and the United States shared the Report on the work of China-US Joint Liaison Group's Anti-Corruption Working Group (JLG ACWG) (2014/SOM1/ACT/017).

Chile and Thailand presented the first part of the handbook under the project "Designing Best Models on Prosecuting Corruption and Money Laundering Cases Using Financial Flow Tracking Techniques and Investigative Intelligence for Effective Conviction and Asset Recovery to Promote Regional Economic Integration". **Thailand's** briefing: 2014/SOM1/ACT/021. **Chile** presented the Handbook (First Part) "Best Practices in Investigating and Prosecuting Corruption Using Financial Flow Tracking Techniques and Financial Intelligence": (2014/SOM1/ACT/012). **Chile** shared a briefing on the first workshop outcomes remarking that the handbook has exceeded its original expectations, since it is not just a summary of the workshop, but an intellectual creation that will be very useful for practitioners.

The handbook identifies the best tools to deal with the investigation and prosecution of complex criminal cases of corruption and money laundering.

Members including co-sponsored economies (the U.S. and Australia) expressed their high appreciation for this important ACT deliverable.

The second part of the handbook will be developed by Thailand after the second workshop during 2014 in the frame of the multi-year project M SCE 01 12A.

Other Issues, Next Meeting and final remarks

ACT Chair announced the upcoming ACT events at SOM3. The next ACT meeting as well as the first ACT-NET meeting will be held at SOM3 of 2014. Update: SOM3 meetings will hold in August 13-15 in Beijing-China (TBC).

In his final remarks ACT Chair thanked all members and invited guests for their active participation and contribution to the meeting as well as the Secretariat for its support. He highlighted the threats of corruption and illegal activities to economies and the need to develop stronger international synergies and efforts in finding better ways for fighting those threats. He stressed China's commitment in combating corruption and promoting transparency which will be reflected on the Beijing Declaration as contribution for the 2014 Leader's Declaration.

Members were invited to a Reception Dinner in Shangri-La Hotel, Ningbo, hosted by the Minister of Supervision Mr. Huang Shuxian.