



**Asia-Pacific
Economic Cooperation**

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Basel Institute on Governance

Submitted by: International Centre for Asset Recovery



**Training Workshop on Asset Recovery
Bangkok, Thailand
20-22 March 2018**

APEC ACTNET Workshop on Asset Recovery

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Bangkok

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INTERNATIONAL CENTRE FOR
ASSET RECOVERY

Basel Institute on Governance

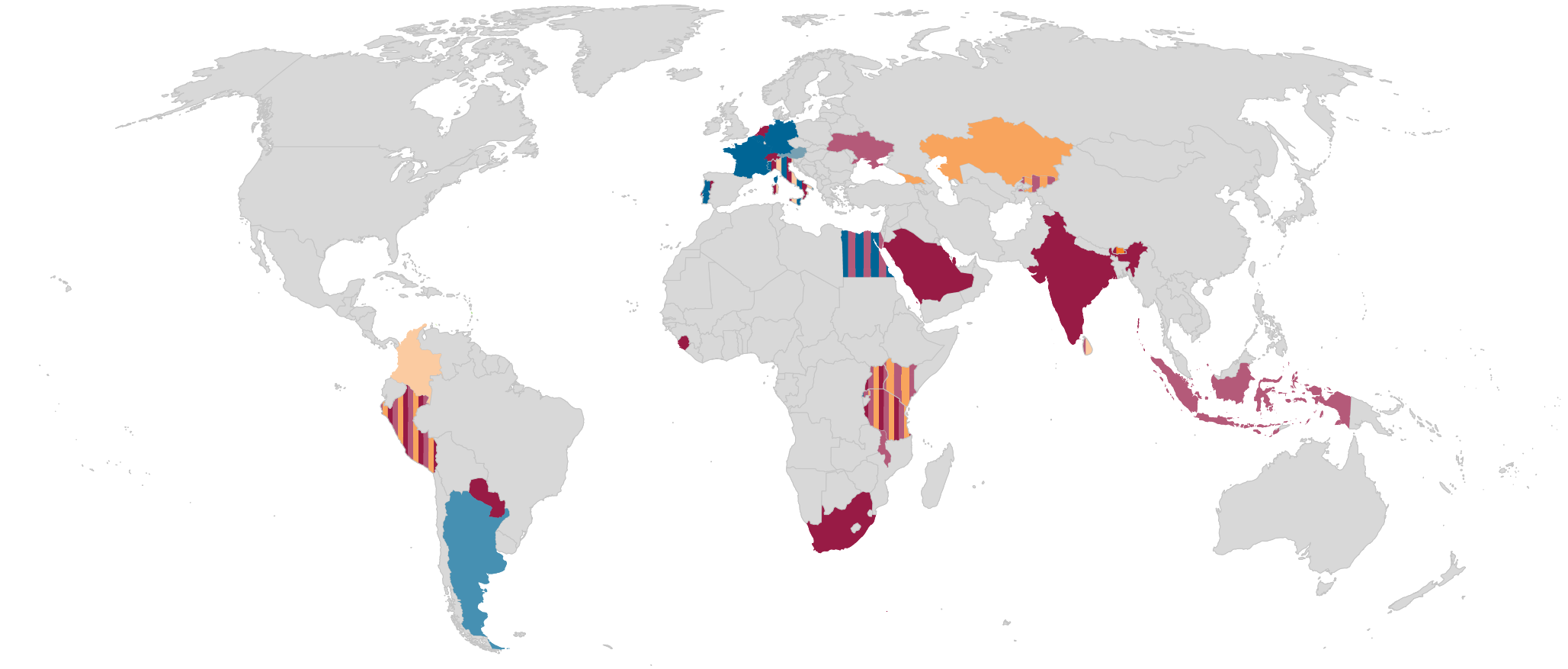
- The International Centre for Asset Recovery (ICAR) is a part of the **Basel Institute on Governance**, based in Basel, Switzerland.
- It is an independent not for profit centre of excellence in asset recovery, core funded by the governments of Jersey, Liechtenstein, Switzerland, and the UK
- Approach:
 - Linking research & practice
 - Public & private sectors
 - Corruption prevention & Anti-corruption enforcement
- The Institute also works on
 - public governance
 - corporate governance & compliance
 - and with companies & other stakeholders to develop anti-corruption Collective Action

Role of ICAR

- Mission is to strengthen & support capacities of countries to recover stolen assets
 - *Legal and case advisory*
 - *Training (on-site and E-learning)*
 - *Legal and policy analysis*
 - *Global policy dialogue, research and tools*
 - *Guidelines for Efficient Asset Recovery (with Swiss Government and StAR)*
 - *AML Index*
 - *BOI*
 - *Modalities for return & disposal of stolen assets*
- ICAR's assistance tailored to country needs while aligned with international best practices
- Assistance in Central, South and S.E Asia, Africa, MENA region and Latin America



Where we worked in 2016



International Centre for Asset Recovery

- Trainings
- Technical assistance

Public Governance

- Training & technical assistance
- Research

Corporate Governance

- Technical advice

International Centre for Collective Action

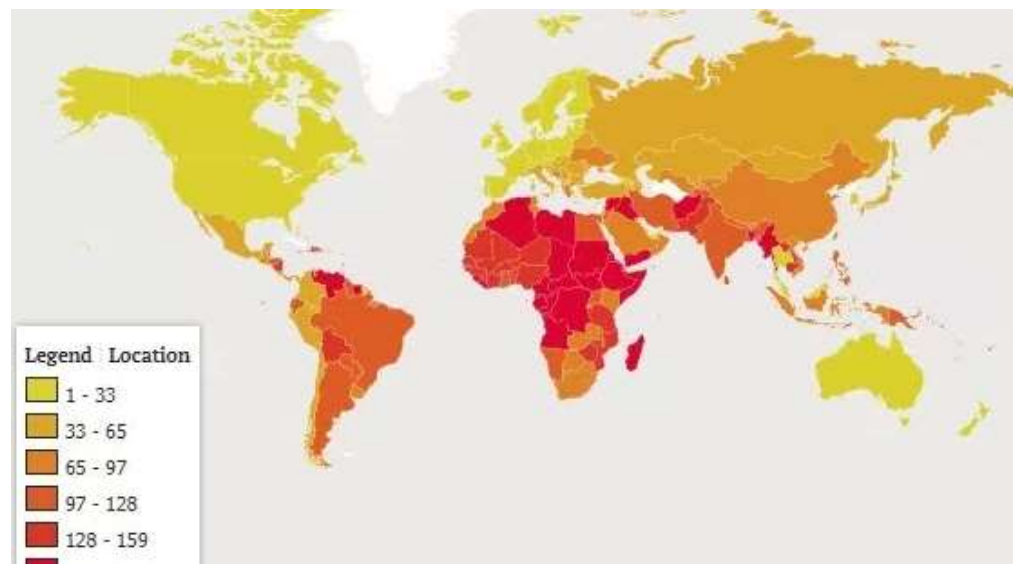
- Initiatives
- High level reporting mechanisms
- Training

Financial crimes: Structural factors

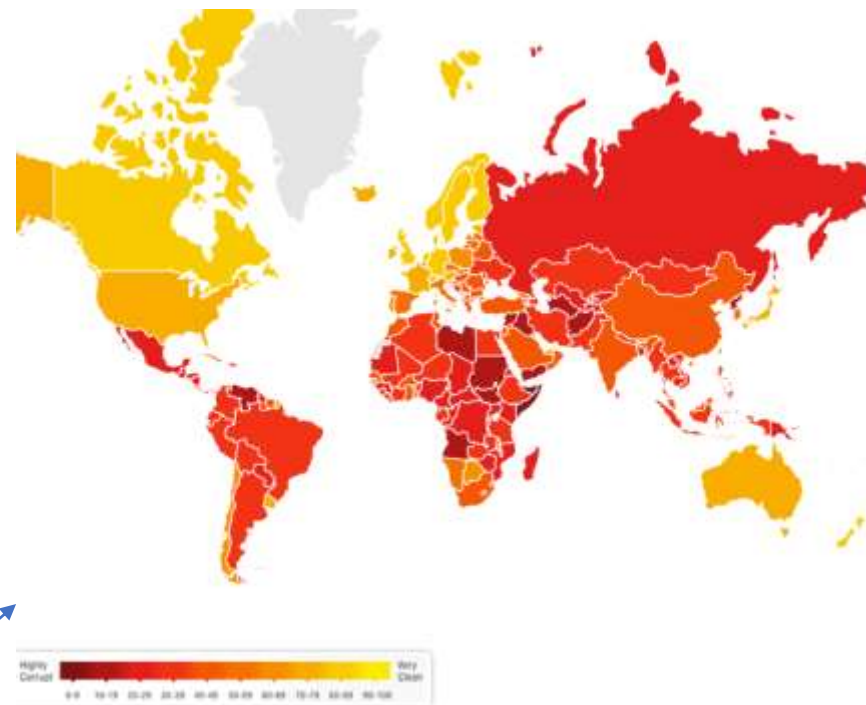
- Illicit money flows to the regions of weakest regulations
- Regulations: Laws and policies AND their implementation



Weak financial/business regulations & corruption



World Bank Doing Business Indicators (firm-level, proxy for implementation of business regulations and policies, <http://www.doingbusiness.org/rankings>)



TI Corruption Perception Index (CPI, <https://www.transparency.org>)

2/3 overlap: 21 out of the lowest ranked according to DB are in the top 30 of the CPI

Emerging risks

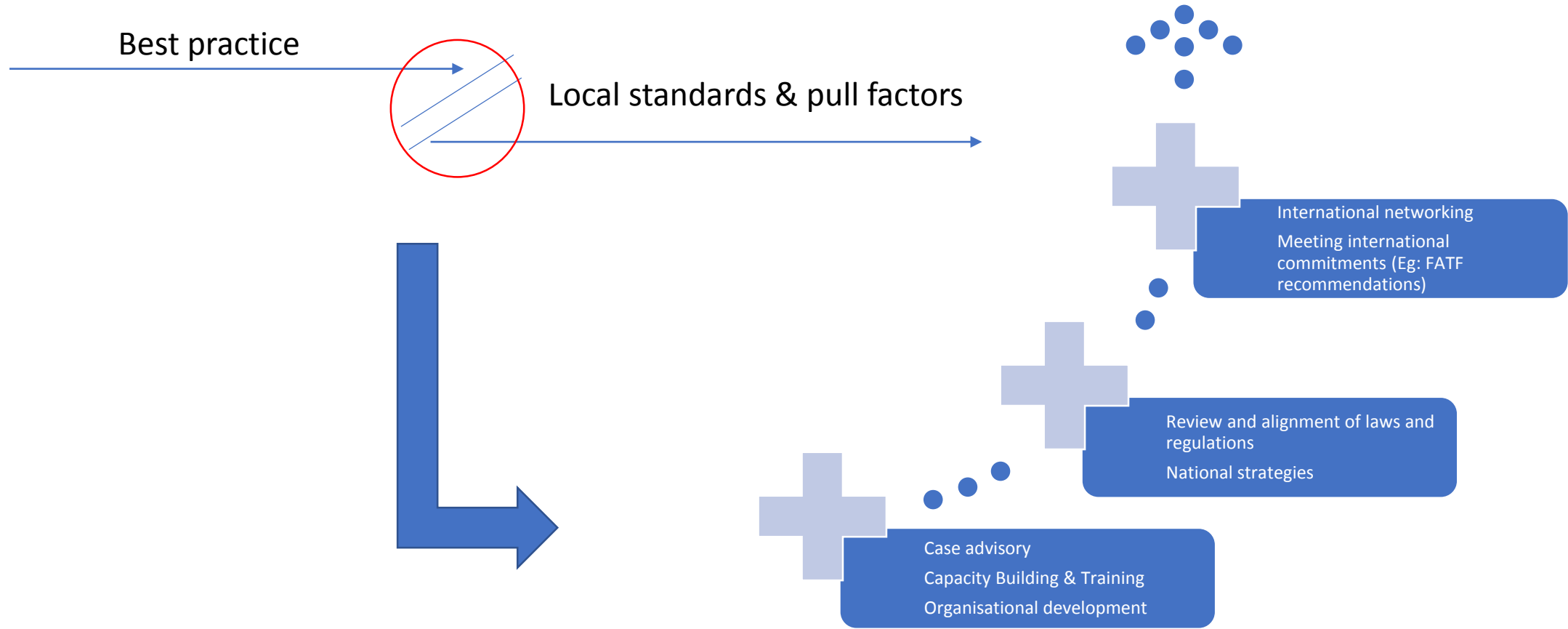
- Criminals adapt to complex/sophisticated regulations
- Permanent search for jurisdictions low/weak regulatory frameworks
- Developing countries at risk:
 - Push factors:
 - Regulation “crack down” in financial centres
 - Exposure in media of prominent off-shore jurisdictions (eg: Panama and Paradise Papers)
 - Pull factors:
 - Lack of oversight and weak implementation of regulations attractive to criminals
 - Private sector influential and potential driver of corruption/ “state capture”
 - Weaknesses in capacity to detect and investigated financial crimes
 - Remaining weaknesses in local laws (eg: to fight cybercrime)

International Tools Vs Local Realities ...

- UNCAC
- OECD Anti-Bribery Convention
- FATF Recommendations and revised assessment methodology
- Automatic Exchange of Information
- 4th EU AML Directives
- “Unexplained Wealth Order” (England and Wales, Ireland, Australia)
- Beneficial ownership transparency

- Political will & autonomy of LEAs
- Lack of experienced vs coalition of legal professionals
- No (developed) processes
- Infrastructure deficits: IT & Internet, electricity, transport...
- Weak security (Staff, documents, communications)
- Weak inter-agency cooperation
- Corruption and vested interests in LEAs
- Low motivation (salaries, perception of corruption fighters)
- ...

Where ICAR intervenes



Fighting corruption through AR

Strengthening the anti-corruption chain – rule of law - SDGs



Traditional and Emerging Sectors

- Terrorism Financing
- Wildlife trafficking and underlying structures (eg: role of financial investigations)
- Sports and governance (lack thereof)
- Cybercrime
- Crypto-currency governance
- Interconnection of sectors

Thank You

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