



Resolution 2434 (2022)¹

How to put confiscated criminal assets to good use?

Parliamentary Assembly

1. The Parliamentary Assembly reaffirms its full and wholehearted support for fighting organised crime and corruption. This requires confiscating illicit profits and other criminal assets as widely as possible. In [Resolutions 2218 \(2018\)](#) and 2365 (2021), the Assembly called for the non-conviction-based confiscation of illegal assets and the reversal of the burden of proof, with appropriate safeguards, as well as for the strengthening of financial intelligence units.
2. The Assembly considers that the impact of confiscating illegal assets on the fight against organised crime and corruption is further enhanced by making good use of confiscated financial assets and any other confiscated property, such as buildings or vehicles, in a way that is beneficial for society as a whole (in what is known as “social reuse”). This can be achieved by financing specific projects aimed at strengthening the State’s capacity to tackle organised crime and confiscate more illegal assets or at repairing the damage done by criminals to particular population groups, local communities, towns or regions.
3. Instead of simply channelling seized assets into the overall national budget, such projects send a clear and visible message to all that crime does not pay and that society is ready to defend itself and even use ill-gotten gains to fight crime and repair the damage it does. Such projects build afflicted communities’ resilience to crime and corruption by showing how confiscated property and assets can be put to good use, in contrast to the hardship crime brings.
4. The State must be stronger than crime and reclaim the ground occupied by the criminal underworld. The authorities must make a visible and long-term commitment to win the trust of the populations concerned, who should not have to live in fear of the criminals’ vengeance.
5. In international asset confiscation cases, the States where the relevant assets have been confiscated and the States from which the funds have come must agree on an equitable division of these funds. This should take due account of the principle of social reuse of the proceeds of crime (while avoiding the risk of any further misappropriation of returned funds) and the resources mobilised to carry out the confiscation.
6. The European Union has also called for the social reuse of confiscated criminal assets (Regulation (EU) 2018/1805). [Paragraph 47 of the preamble](#) to this regulation states: “Frozen property and confiscated property could be earmarked, as a matter of priority, for law enforcement and organised crime prevention projects and for other projects of public interest and social utility”.
7. Various forms of social reuse of confiscated criminal assets are already practised in several Council of Europe member States, notably in Italy, Spain and the United Kingdom, and to a lesser extent in Albania, Estonia, France, Georgia, Hungary, Latvia, the Republic of Moldova, Montenegro, Norway, Romania, Slovenia and Turkey.

1. *Assembly debate* on 27 April 2022 (14th sitting) (see [Doc. 15500](#), report of the Committee on Legal Affairs and Human Rights, rapporteur: Mr André Vallini). *Text adopted by the Assembly* on 27 April 2022 (14th sitting).
See also [Recommendation 2229 \(2022\)](#).



8. The Assembly notes the following best practices:

- 8.1. setting up a centralised institution at national level responsible for the social use of confiscated criminal assets (financial assets and movable and immovable property) with the necessary powers and resources to administer the assets in question and make them available for social purposes, in co-operation with local public and non-governmental bodies;
- 8.2. giving priority to the use of confiscated funds to compensate direct and indirect victims, according to a sufficiently broad definition;
- 8.3. using part of the confiscated assets and items to enhance police and judicial capacity to identify, seize and confiscate as many criminal assets as possible;
- 8.4. “directly using” confiscated assets for public purposes, for example by converting mafia-owned villas into socio-cultural centres, holiday accommodation for disadvantaged people or rehabilitation centres for drug addicts and enabling law-enforcement agencies to use confiscated luxury cars;
- 8.5. with regard to confiscated businesses, taking all possible measures, in co-operation with business associations, trade unions and banks, to help potentially viable companies overcome the “legality shock” (payment of taxes and social security contributions or the cessation of financing through money laundering), in order to avoid the impression that “the mafia gives work, the State lays off”;
- 8.6. avoiding public auctions of confiscated items as far as possible, as they may open the way to pressure being applied to potential buyers or to the purchase of the items by frontmen for the criminals themselves; in cases where such a sale or the takeover of a confiscated business is necessary, strictly verifying the reliability of the buyer or the person taking over the business;
- 8.7. ensuring civil society participation both in decision-making processes and in designing and managing projects for the social reuse of confiscated assets;
- 8.8. putting in place appropriate safeguards to avoid possible conflicts of interest and to ensure transparency and accountability for the use of confiscated assets to the same degree as for the management of other public resources;
- 8.9. reporting at regular intervals to the parliament by the competent authorities;
- 8.10. regular updating of legislation and administrative practice to counter avoidance strategies used by mafia-type criminal groups.

9. The Assembly invites all member and observer States of the Council of Europe and States whose parliaments enjoy observer or partner for democracy status with the Assembly to:

- 9.1. introduce, or further promote, the possibility of socially reusing confiscated illegal assets;
- 9.2. in the preparation of the relevant texts, take due account of the best practices identified in various member States mentioned above;
- 9.3. as a requested State having confiscated illegal assets coming from a foreign requesting State, share the funds in an equitable manner, taking into account the principle of social reuse in the requesting State, but also the resources used to confiscate the assets and the risk of any further misappropriation of the funds in the requesting State;
- 9.4. as a State requesting the return of funds seized by a requested State, provide the latter with precise assurances as to the social reuse of the returned funds;
- 9.5. make foreign bribery a criminal offence if it is not already and provide, in the relevant texts, for the possibility of using any fines imposed for social reuse projects in the victim countries, in accordance with the same principles as those applicable to confiscated criminal assets;
- 9.6. concerning the assets of Russian citizens and state enterprises subject to targeted sanctions for their responsibilities in the war of aggression launched against Ukraine by the Russian Federation:
 - 9.6.1. identify and freeze as many of these assets as possible, without delay;
 - 9.6.2. provide for the use of suitable assets, in particular houses and apartments, for the reception of Ukrainian refugees;
 - 9.6.3. adopt a decision on the final usage of these assets once confiscated definitively, based on the following considerations: these assets were stolen from the Russian people and should be returned to them; as long as the current regime is in place, the risk of renewed

misappropriation of these assets is high; the Russian Federation will be bound to compensate Ukraine for the damage caused by its war of aggression. This would open the way for using these assets to partly offset the financial debt of the Russian Federation vis-à-vis Ukraine.