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How to put confiscated criminal assets to good use?

Reply to Recommendation[1]: Recommendation 2229 (2022)
Committee of Ministers

1. The Committee of Ministers has carefully examined Parliamentary Assembly Recommendation 2229 (2022) "How to put confiscated criminal assets to good use?" and communicated it to the Group of States against Corruption (GRECO), the Conference of the Parties to the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198) and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), for information and possible comments.

2. The Committee is in full agreement with the Assembly that the fight against organised crime and corruption could be enhanced through systematic confiscation of assets of illegal origin. Making good use of confiscated assets may be beneficial for society as a whole, either by financing specific capacity-building projects or by compensating affected populations or areas.

3. The Assembly rightly points out the important work accomplished by GRECO and MONEYVAL. It is worth recalling that GRECO devoted part of its Second Evaluation Round (2003-2005) to the identification, seizure and confiscation of corruption proceeds. GRECO recommended strengthening national legislation and practice to enable the confiscation of the instrumentalities and proceeds of corruption offences, and providing the responsible authorities with the necessary expertise and resources for achieving effective confiscation. As GRECO has not yet covered the use of confiscated illegal assets, the Committee of Ministers invites it to follow developments in this regard and to consider, within the scope of its mandate, this aspect in its future work. The Committee further informs the Assembly that the Conference of the Parties to the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198) adopted a Thematic Monitoring Review on Article 6 of the convention (management of frozen or seized property) in November 2022.

4. As regards paragraphs 4 and 5 of the Assembly's recommendation, the Committee of Ministers informs the Assembly that the above-mentioned Committee of the Parties recently held a Joint Session with the Committee of Experts on the Operation of European Conventions on Co-operation in Criminal Matters (PC-OC) on the topics of non-conviction based confiscation, the sharing, management and re-use of confiscated assets, and the seizure and confiscation of virtual currencies. The Joint Session examined a 2019 study carried out by the PC-OC on the possible added value and feasibility of preparing a new binding instrument of the Council of Europe on international co-operation as regards the management, recovery and sharing of assets proceeding from crime, and agreed that a proposal to begin this work should be submitted to the Committee of Ministers. The Committee will examine such a proposal.

5. Finally, the Committee recalls its new Action Plan for Ukraine "Resilience, Recovery and Reconstruction" 2023-2026, which contains a section on fighting corruption, economic crime and cybercrime, aimed at supporting the Ukrainian authorities in assessing, mitigating and managing economic crime risks including those associated with corruption, money laundering and financing of terrorism. One of the proposed

1. Adopted at the 1456th meeting of the Ministers' Deputies (8 February 2023).

actions concerns effective asset tracing, seizure, confiscation, recovery, and management. In the implementation, the Committee invites the relevant services to bear in mind the elements set out in Assembly Resolution 2434 (2022).