Transparency International EU

The global coalition against corruption

10 principles to stop stolen assets ending up in the EU

Alessandro · Monday, November 9th, 2020

Europe is awash with the stolen wealth of kleptocrats, but there is no system for confiscating and returning this loot. We call for a system underpinned by these 10 principles.

EU countries are a favourite destination for the assets of corrupt leaders: their ill-gotten gains often end up in the coffers of European banks, luxury goods, or in high-end property in European capitals. For example, it is believed that the family of former Tunisian President, Zine El Abidine Ben Ali, hid as much as US$17 billion in bank accounts across the world, many of them in Europe. Meanwhile, Gulnara Karimova, daughter of the former leader of Uzbekistan, channelled stolen money into banks, offshore companies, luxury property and goods in 9 EU countries.

This corruption has dire consequences for citizens, sapping money from public services like healthcare and education. Every year an estimated 1 trillion euros is lost to corruption and tax evasion across the world – half of it from developing countries.

Only a fraction of the stolen wealth stashed away in EU Member States has been seized, and even less has actually been confiscated and returned to victim countries.

Sometimes assets are not returned for fear that they end up back in the same corrupt pockets – especially when a kleptocratic government remains in power. In such cases, there is currently no harmonised practice across jurisdictions and many countries do not have a legal framework guiding asset return in these situations.

If it cannot be directly returned, confiscated money may be integrated into the aid budget and returned to the country it was stolen from in the form of aid. Or, more worryingly, it is sometimes absorbed into the confiscating country's national budget.

However, this money cannot be considered the property of EU countries, nor is it aid. These assets belong to the citizens of the country they were stolen from and should be returned to their rightful owners through a transparent and accountable process.

That's why we're calling for the EU to adopt 10 principles for responsible asset return and to enshrine them in EU law. These principles, developed by 8 civil society groups[1], are summarised below. You can read them in full here.

1. The freezing, confiscating and returning of assets must be transparent and accountable, from beginning to end.
2. Confiscated assets must be traceable and kept apart from countries' national budgets.

3. Independent civil society organisation must be able participate in the asset recovery process.
4. Agreements on the confiscating and repatriation of assets must be made publicly, transparently, and with the inclusion of civil society.
5. When stolen assets are returned, they must never be allowed to benefit the person who stole them – either directly or indirectly.
6. There must a process for monitoring the return of funds, with a complaints mechanism and the power to trigger an independent investigation.
7. Anti-corruption, rule of law and accountability mechanisms should be in place to provide oversight of recovered assets.
8. Victims must have access to justice in cases of illicit activities like bribery and money laundering, and be able to engage with these cases.
9. Recovered assets must be used to benefit the people of the country from which they were stolen.
10. A wide range of stakeholders, including civil society and victims' organisations, should determine how best to use recovered assets to repair the harm done and to benefit the people they were stolen from.

[1] Africa Network for Environment and Economic Justice (ANEEJ), CiFAR – Civil Forum for Asset Recovery e.V., Civil Society Legislative Advocacy Centre – CISLAC Nigeria, Human Rights Watch, I Watch (Tunisia), The International State Crime Initiative, Transparency International EU, Transparency International France

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