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Transparency International EU welcomes Commission asset recovery proposal but warns that some provisions fall short

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Transparency International EU has welcomed the new proposal from the European Commission on asset recovery, but warns it does not go far enough in some aspects, especially concerning the return of assets to victim populations.

"*This is a good step towards ensuring the EU is no longer a safe haven for dirty money and is not complicit in letting corruption pay off*" said Roland Papp, Senior Policy Officer for illicit financial flows. "*Russia's war in Ukraine has highlighted the inadequacy of current mechanisms to ensure accountability."*

As a reform of the 2014 Directive, this new set of proposed rules takes into account some of Transparency International's recommendations. It enhances the powers of national Asset Recovery Offices, which would help to better align tracing and information sharing for freezing assets. According to Europol, currently only around 2% of the proceeds of crime in the EU are frozen and a tiny 1.1% is ever confiscated.

It also aims to set up national asset management offices with a view to manage frozen assets more effectively and extends the non-conviction based confiscation rules to cover people who have absconded, died or have immunity.

The proposal however, does not go far enough in setting out clear procedures and guidelines for Member States to return assets to victim populations, which is currently a major sticking point in current legislation.

"*We are now looking to the European Parliament and EU Council to ensure that this proposal is further strengthened and kleptocrats around the world cannot continue to loot money from their populations – money which could otherwise be used to support vital infrastructure such as education, transport and healthcare,*" Papp continued.

Notes to editor

For more information on asset recovery, please see our policy brief and video, which explain the topic in more detail.

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