**Recommendations from the Third International Conference**

**‘Recovery of Proceeds of Grand Political Corruption in Ukraine: Seizure, Confiscation, Management'**

**Dec 15-16, 2016, Kyiv, Ukraine**

**Asset Recovery Forum in Washington (July 11-14, 2017)**

1. Ukraine has to conduct proper preparations for the Asset Recovery Forum, which is expected to be hold in Washington in July 11-14, 2017. Measurable and visible asset recovery results should be publicly presented by Ukrainian delegation at the Forum.
2. Ukraine should establish before the Forum independent Anti-corruption court with mandate to hear cases investigated by National Anti-corruption Bureau of Ukraine. Judges should be selected transparently by selection commission composed of independent professionals recommended by foreign partners of Ukraine.
3. National Anti-corruption Bureau (NABU) and Specialized Anti-Corruption Prosecutor’s Office (SAPO) should prepare cases with high potential of international asset recovery to be discussed with foreign law enforcement colleagues at the Forum. NABU and SAPO shall explore potential of creating joint investigative teams to handle such cases.
4. Prosecutor’s General Office (PGO) should deliver visible results in criminal cases against Yanukovych and his associates and use the Forum as a venue for fostering international cooperation in these cases.
5. Prior to the Forum civil society will prepare a shadow report on Asset Recovery efforts in Ukraine.

**Investigations of Crimes Committed by Yanukovych and His Associates**

1) The GPO should fully and timely inform the society regarding the course of investigations of corruption crimes committed by Yanukovych and his associates and the precise amount of the assets seized during investigations both in Ukraine and abroad.

2) Seizure and confiscation of these proceeds of corruption should be a priority for the GPO.

3) The GPO should better cooperate with foreign partners during the investigation of top political corruption giving the foreign experts the requested and necessary level of access to case-files. The recommendations of foreign experts should be followed or reasonable explanations given instead. The establishment of joint investigative teams may become another efficient instrument.

4) Prolongation of the EU sanctions against former officials depends on the provision of sufficient evidence of corruption crimes from the GPO. The relevant investigations should be a priority for the Ukrainian government. It requires the adequate funding, cooperation and coordination between the GPO and Ministry of Foreign Affairs.

5) NABU and SAPO should start reviewing pending criminal cases against Yanukovych and his cronies and take them for further investigation one after another (taking into account the capacity of the Bureau and the fact that no later than in November 2017 all pending cases will be delivered to the Bureau according to the legislation).

**Establishing New Asset Recovery and Management Agency (ARMA) in Ukraine**

1) The key element of successful performance of the ARO/AMO is its cooperation both with Ukrainian and foreign agencies. Quick establishment of formal ties with other agencies (e.g., signing cooperation agreements or memorandums) should be a priority for the management of the ARMA. The cooperation with law enforcement agencies should be established as soon as possible. It will improve the asset tracing and asset seizure.

2) The newly established ARMA should develop and launch as soon as possible a public registry of seized and confiscated assets.

3) The newly established ARMA should receive sufficient funding from the state budget, so the ARMA could hire personnel and launch its work during upcoming months.

**Enhancing Mutual Legal Assistance and International Cooperation**

1) At the first stages of investigation law enforcement agencies should use informal information and ways of communication and only then prepare requests for mutual legal assistance (MLA) to formalise the evidence.

2) The direct and informal contacts between detectives and investigators from the different countries are the keys to successful international cooperation and investigation of transnational crimes. Law enforcement agencies in Ukraine should refrain from delegating all international cooperation in criminal cases to a separate department, which works as an intermediary between Ukrainian investigators/detectives and foreign counterparts and prevents direct cooperation between investigators working on the cases.

3) Not only the management but also the investigators and detectives should take part in the meetings between law enforcement agencies of different countries to build personal connections with their counterparts.

4) There is no universal way to fasten the process of MLA; therefore, the law enforcement agencies should be creative and use unconventional ways to get the necessary information.

**Investigation of Illicit Enrichment & Asset Recovery by NABU/SAPO**

1) Provisions of the Criminal Code of Ukraine on illicit enrichment fully correspond to the international standards. There is a need to amend the civil and tax legislation in order to avoid loopholes which are used by corrupt officials to hide their assets and avoid criminal liability (e.g., adopt the provisions on trust ownership in Ukrainian Civil Code)

2) The adequate cooperation with State Fiscal Service and timely provision of information from it are crucial for investigation of illicit enrichment, thus, State Fiscal Service should improve the way it works with NABU.

3) National Anti-corruption Prevention Commission should grant NABU full access to e-declarations as prescribed in law.

**EU Sanctions against Ukrainian Senior-officials**

1) The EU sanctions against Yanukovych and his associates proved to be instrumental in the freeze of their assets and investigation of their crimes. They need to be prolonged until the final convictions in Ukraine or/and abroad.

2) The EU may consider extending misappropriation sanctions to senior officials prosecuted by NABU and SAPO. This might be possible through improving the EU sanctions mechanism against corrupt foreign officials by transferring the sanction powers to Justice and Home Affairs domain.

**Recovery Funds from Insolvent Banks**

1. Recovery funds illegally laundered by beneficial owners of insolvent banks should become a priority for Defense and Security Council of Ukraine. Investigations, prosecutions and convictions should be the best preventive measure in protecting banking sector from bankruptcy in future. PGO should designate a special department for coordinating criminal investigations and inform regularly society on the progress of the investigations.
2. Rights of deposit owners and other victims should be improved through waiving partially banking secrecy regarding loan history of insolvent banks. Specifically, the National bank of Ukraine should develop a public registry of non-performing significant loans of insolvent banks.
3. Deposit Guarantee Fund should intensify efforts of recovery funds by submitting civil claims against beneficial owners of insolvent banks in Ukraine and abroad. Court fees in such kind of claims of State Deposit Guarantee Fund should be eliminated.
4. Deposit Guarantee Fund should conduct forensic audit using independent international experts of at least top 5 major insolvent banks in Ukraine and use it for evidence to feed civil claims aimed to recover funds from beneficiaries of insolvent banks.
5. In order to improve Ukraine’s asset recovery efforts from beneficial owners of insolvent banks the World Bank should facilitate regular coordination meetings between Deposit Guarantee Fund (management, legal and investigative departments) and civil society organizations, specifically organized groups of deposit owners and anti-corruption NGOs.