



**HOW DO WE RECOVER STOLEN ASSETS?
HOW LONG WILL IT TAKE?
WHO HAS TO TAKE ACTION?**

Recovering assets hidden in Sri Lanka

This will be a time-consuming process, because a criminal case in Sri Lanka takes an average of 10.2 years to conclude.

However, **identifying, freezing and seizing can be done under existing criminal laws in Sri Lanka**, with proper coordination of law enforcement authorities like the Police, CID, the Attorney-General's Department and the Financial Intelligence Unit of the Central Bank of Sri Lanka.

Because **corrupt money can be moved out of the country really quickly**, it is vital that law enforcement authorities should act swiftly when there is evidence of suspicious activity. People must demand this from their government.

Recovering assets in foreign countries (International Asset Recovery)

Sri Lanka is a signatory to and has committed to be compliant with the United Nations Convention Against Corruption (UNCAC). International Cooperation and Recovery of Illegal Assets are two key principles in the UNCAC.

International Cooperation is mainly done through **“Mutual Legal Assistance (MLA)”** between the country where the money was originally stolen from, and the destination country where the assets are currently situated.

Steps to Recover Assets from Foreign Countries

- 1) **Informal dialogues** between the law enforcement authorities of Sri Lanka and the law enforcement authorities in the asset destination countries. This is done to find evidence related to possible corruption. This is called **asset tracing**.
- 2) **Formal requests** through the government to the destination government.
- 3) Obtaining a **court order** in the destination country regarding the investigation on the asset in question.
- 4) Returning assets to the origin country (i.e., Sri Lanka)

Recovering assets in foreign countries (International Asset Recovery)

On average, international asset recovery takes about

10 years to complete



**TRANSPARENCY
INTERNATIONAL
SRI LANKA**
a nation that upholds integrity

What are the Sri Lankan laws that can be used immediately?

Several provisions in laws such as the following, deal with the **seizure, freezing and confiscation of assets**, in certain contexts at the domestic level:

- *) Financial Transactions Reporting Act No. 6 of 2006
- *) Banking Act No. 30 of 1988 (related to banking)
- *) Criminal Procedure Code
- *) Customs Ordinance 1870
- *) Prevention of Money Laundering Act No. 5 of 2006
- *) Code of Criminal Procedure Act No. 15 of 1979

Sri Lanka does not have :

- *) a **comprehensive law** on the recovery of stolen assets located outside of the country!
- *) a **mechanism for the management of recovered assets**, which are confiscated both domestically and internationally.
Having this is important, to make sure the assets are not lost again, and to ensure they are well taken care of.
- *) a mechanism to restore the assets/ value to its rightful owners (**victim compensation**)

THE SOLUTION

A legal framework to fill this gap has already been drafted. This law, if enacted will cover :

- *) Investigations relating to proceeds of crime
- *) Identifying and tracing proceeds of crime
- *) Seizing, freezing, confiscating and forfeiting such proceeds of crime and initiating legal action relating to such proceeds
- *) Disposing and managing recovered assets
- *) Giving new powers to law enforcement authorities, to make asset recovery more efficient
- *) Providing compensation to victims of crime and recognizing the rights of innocent third parties
- *) Periodic public reporting and reporting to Parliament

Success Stories

- *) In the past 21 years, the Philippines has recovered more than **US\$1 billion** of money, mostly from Switzerland, stolen by Ferdinand Marcos.
- *) By 2007, Peru had recovered over **US\$174 million**, from jurisdictions such as Switzerland, the Cayman Islands and the United States, stolen by Vladimiro Montesinos.
- *) To date, **US\$700 million** of money stolen by Sani Abacha, has been frozen and forfeited by Swiss authorities and has been returned to Nigeria.
- *) In 2006 and 2007, British and South African authorities helped Nigeria recover **US\$17.7 million** of the illicit gains obtained by Diepreye Alamieyeseigha, governor of the oil-rich Bayelsa state.
- *) In 2020, the Switzerland and Uzbekistan governments established terms for the repatriation of confiscated assets worth of **US\$131 million**. These assets belonged to Gulnara Karimova, the daughter of the former President of Uzbekistan.

What is the Stolen Asset Recovery Initiative (StAR)?

StAR is a joint effort of the World Bank and the United Nations Office on Drugs and Crime. Its mandate is to **provide assistance and expertise to countries that wish to recover assets stolen from them** (origin states) and countries that are willing to return stolen money that has been brought into that country (destination states).

StAR also supports international efforts to prevent corrupt money from being hidden away.

For StAR to intervene in a country, the government will have to request it to assist.

What is the Global Forum on Asset Recovery (GFAR)

In December 2017, the UK and US governments with the World Bank and UNODC hosted a conference to facilitate international asset recovery. This was a meeting of law enforcement authorities of 4 focus countries - Nigeria, Sri Lanka, Tunisia, and Ukraine – with the authorities of several destination countries where stolen assets were hidden.

The intention was to facilitate coordination on key, ongoing asset recovery cases.

At the end of the conference, it was reported that Sri Lanka had discussed 43 outstanding cases during the conference. There is no public record of what these cases were.