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Secretariat for Multidimensional Security

**XLV MEETING OF THE GROUP OF EXPERTS
FOR THE CONTROL OF MONEY LAUNDERING
October 4-5, 2018
Santa Cruz de la Sierra, Bolivia**

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October 4, 2018
Original: Spanish**

**PRESENTATION
LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION**

LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

SUB-WORKING GROUP ON INTERNATIONAL COOPERATION AND FORFEITURE AND PROJECT BIDAL GELAVEX / SANTA CRUZ DE LA SIERRA, BOLIVIA

Marcela Carvajal, Sub-Working Group Co-coordinator
Dennis Cheng, Project BIDAL Director CICAD/OEA



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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

Line of Action – Strategic Plan 2018-2020:

- Coordination between administrative and judicial authorities for the management of seized assets



STUDY

GENERAL OBJECTIVE



Identify the best practices to promote coordination between administrative and judicial authorities with the specialized offices for the administration of seized and forfeited assets or with the entity in charge of said function, in order to optimize and develop procedures to identify in a timely manner the necessary information to carry out an efficient transfer of seized assets, which allows maintaining the productivity of the assets or keeping them in the same or better physical conditions until their final destination is determined by a competent judicial authority, and thereby strengthening the rule of law.



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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

SPECIFIC OBJECTIVES

- Collect information from the countries regarding the sale, the possibilities of liquidation or advanced sale of seized assets, as well as the sale of forfeited assets.
- Know the distribution of the profits of the liquidation or sale of seized and forfeited assets.
- Scope of the valuation of assets and their importance in the process.



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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

Countries that answered:

- Argentina
- Bolivia
- Brazil
- Costa Rica
- Honduras
- Mexico
- Panama
- Paraguay
- Peru
- Uruguay
- Venezuela





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STUDY

LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

"The creation of offices specializing in the recovery of assets can be the cornerstone in the effort to deprive perpetrators of their benefits and illegal assets, by whatever legal means available under criminal and / or civil law. "

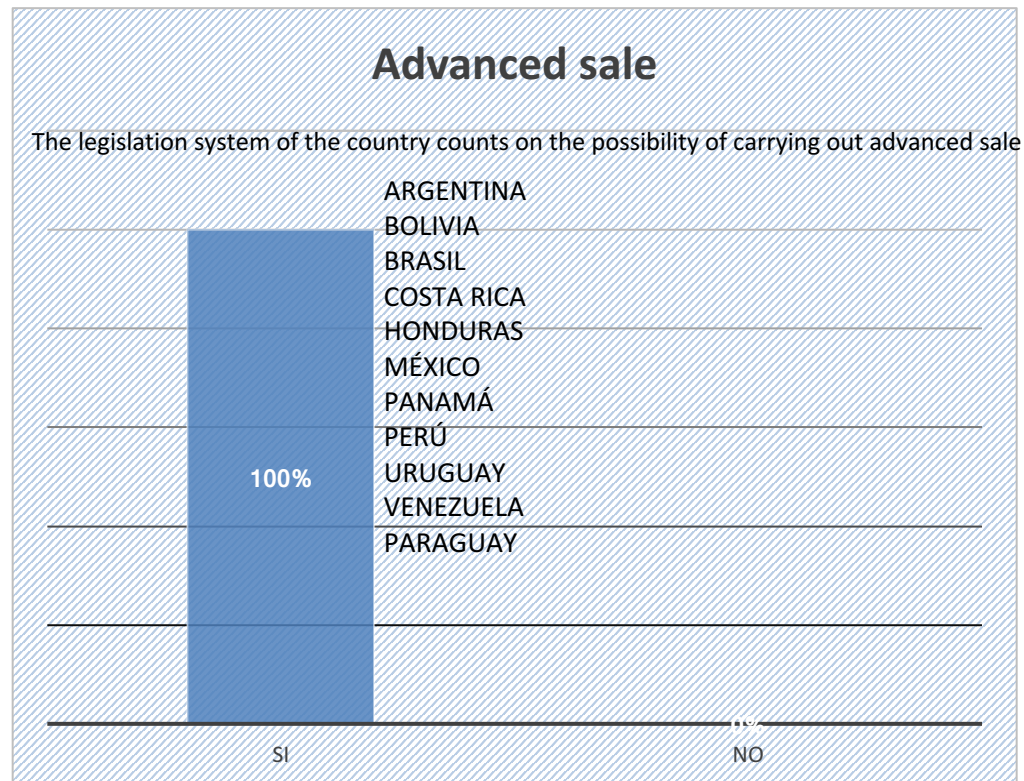


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STUDY

LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

LIQUIDACION. VENTA ANTICIPADA.

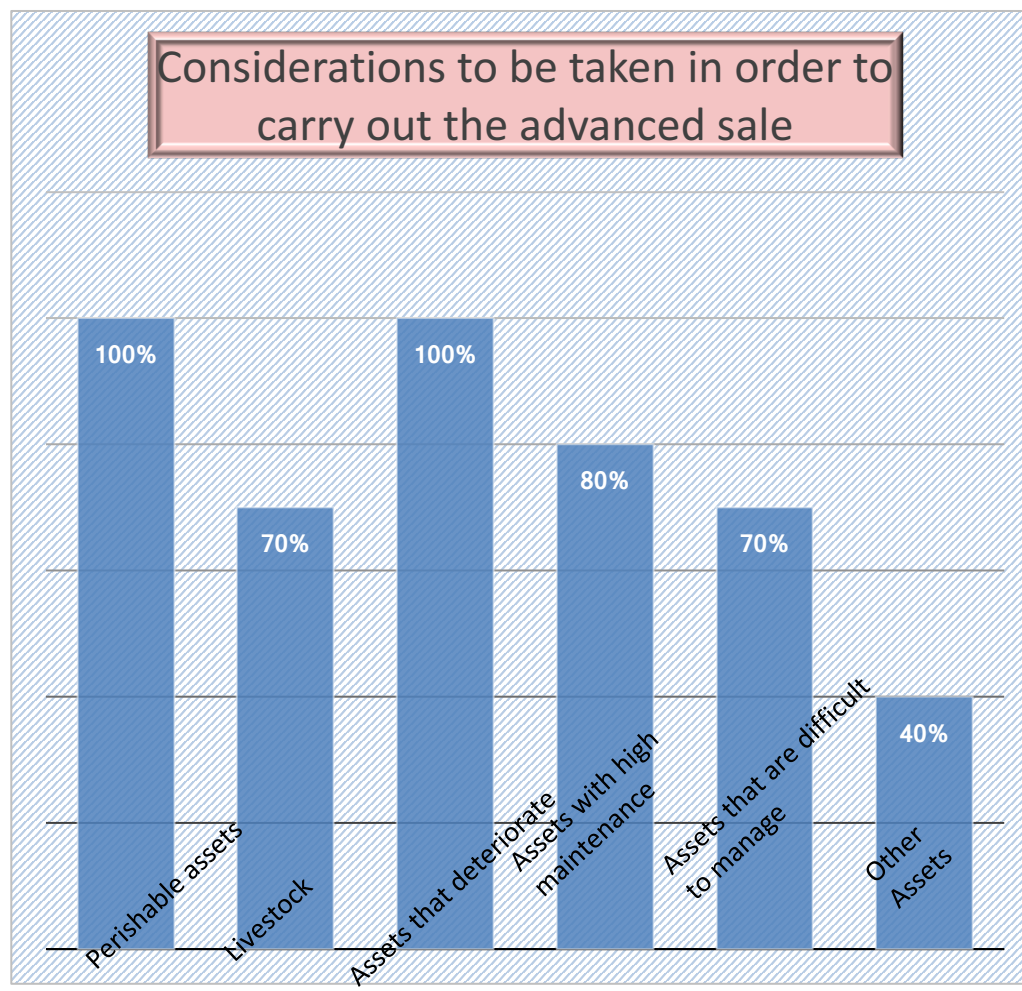




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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

LIQUIDATION. ADVANCED SALE.





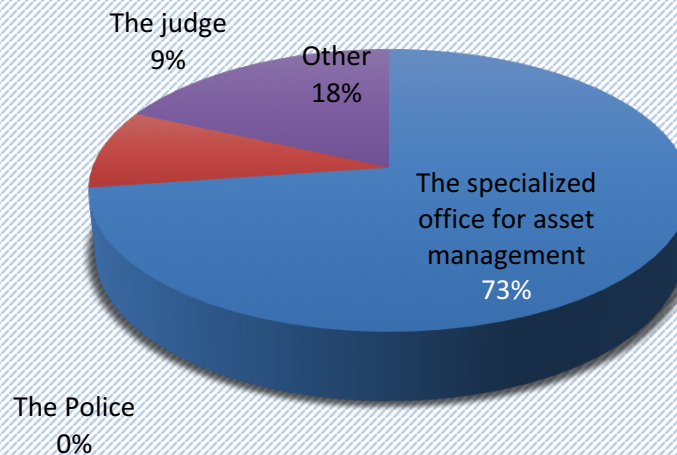
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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

LIQUIDATION. ADVANCED SALE.

The competent authority that manages or processes the authorization of the anticipated sale is:

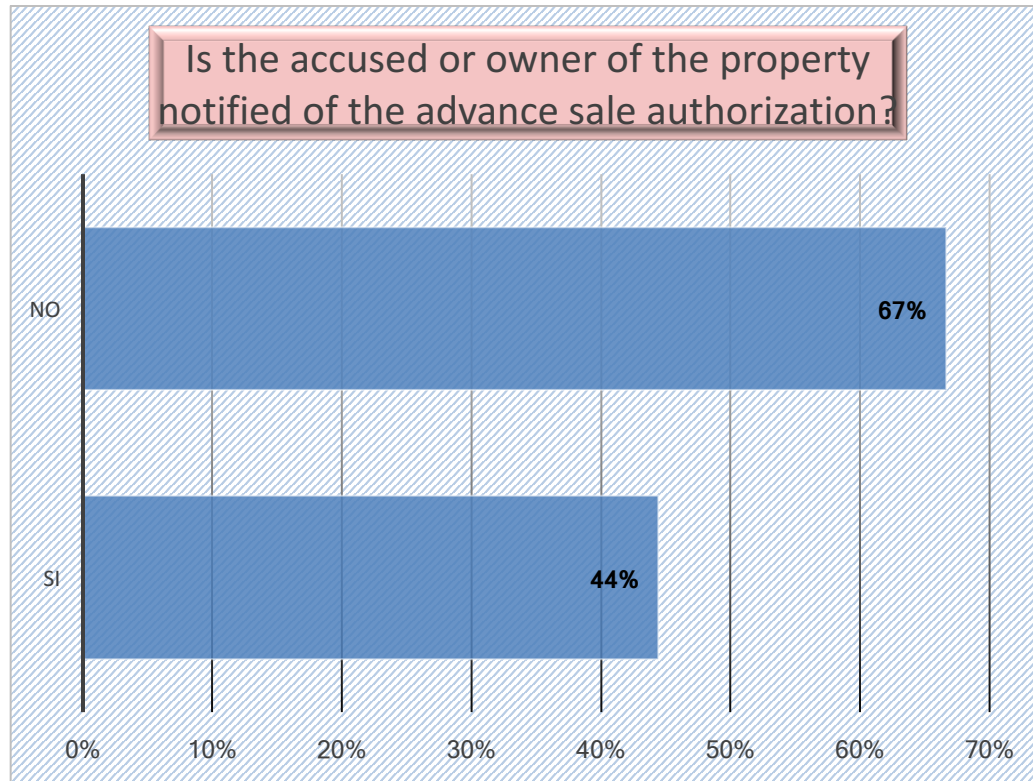




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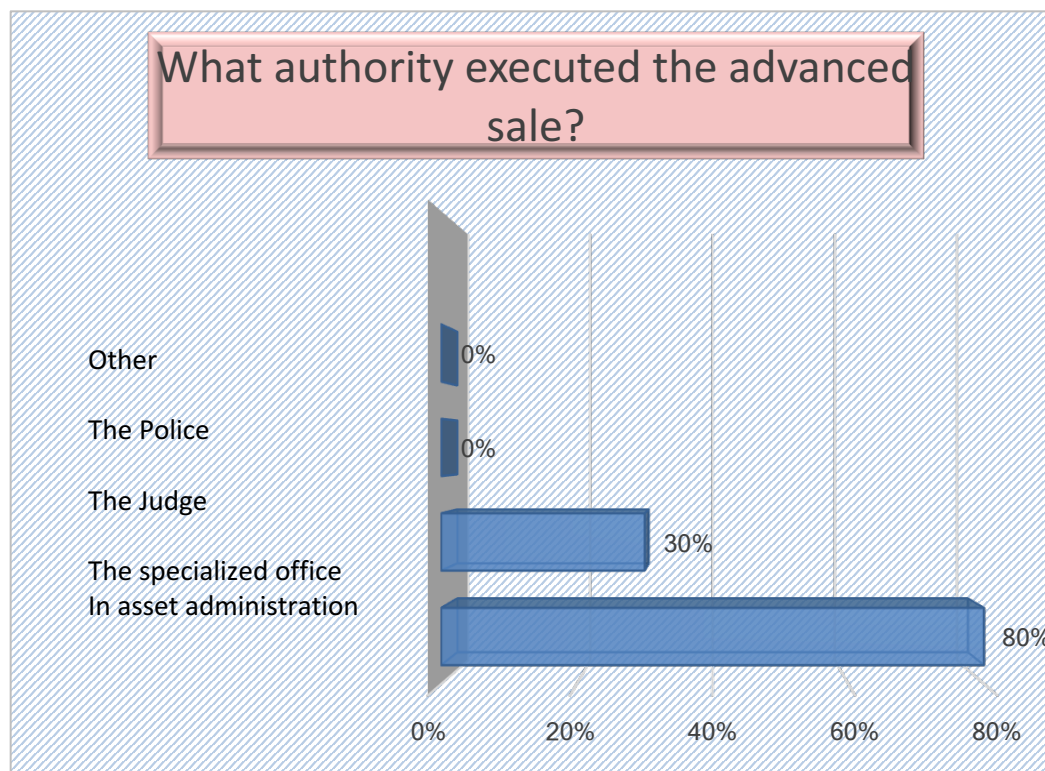




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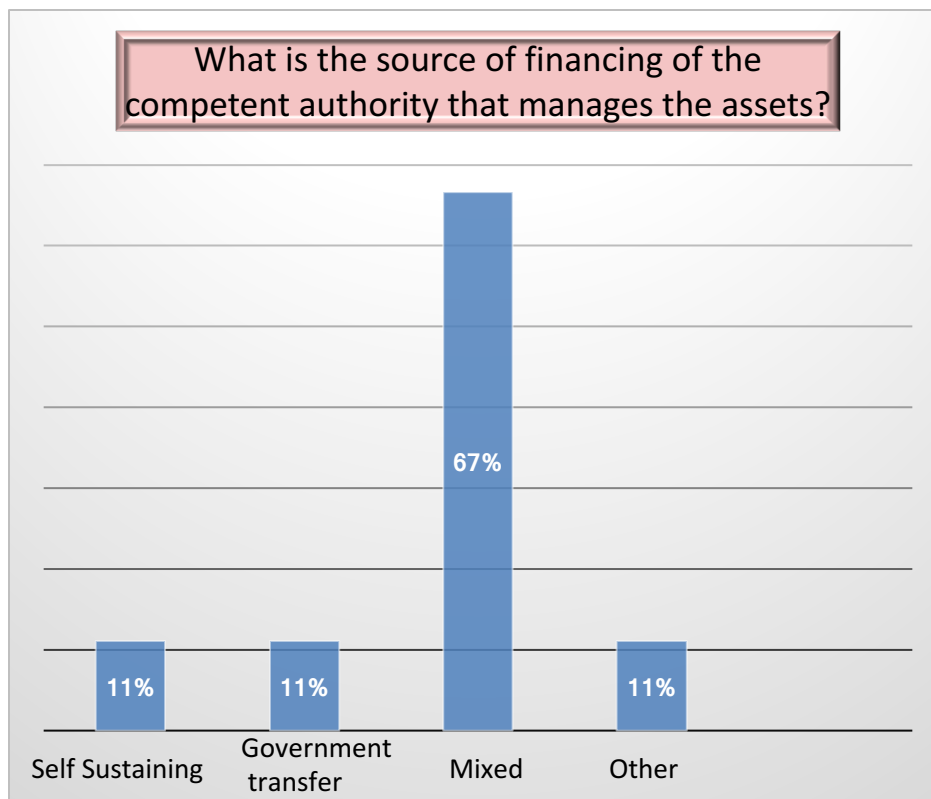




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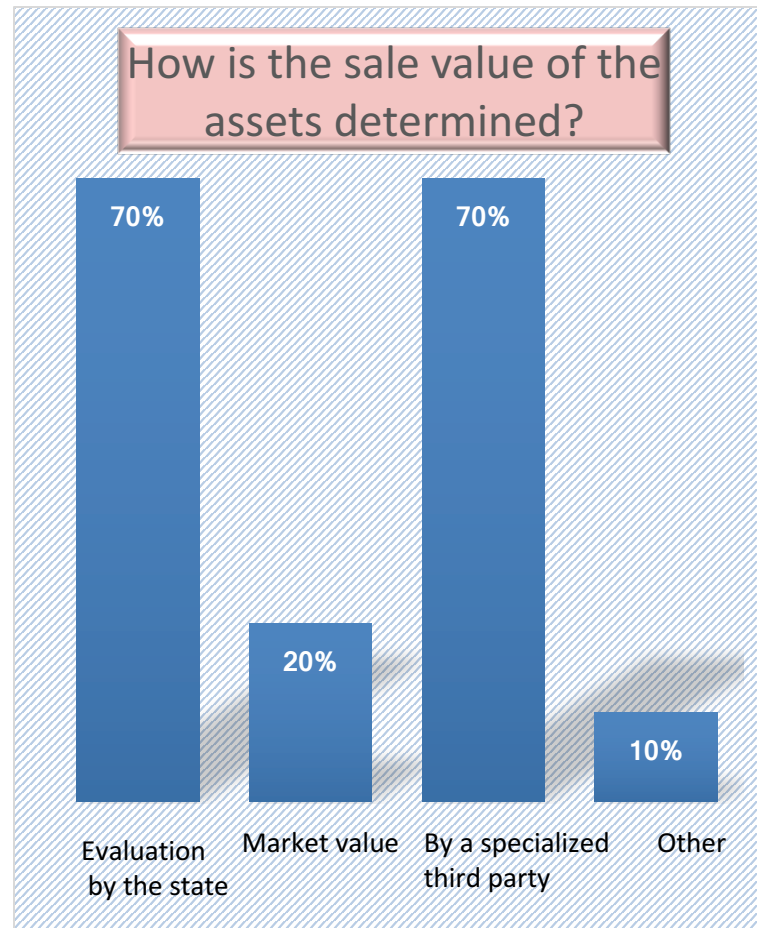




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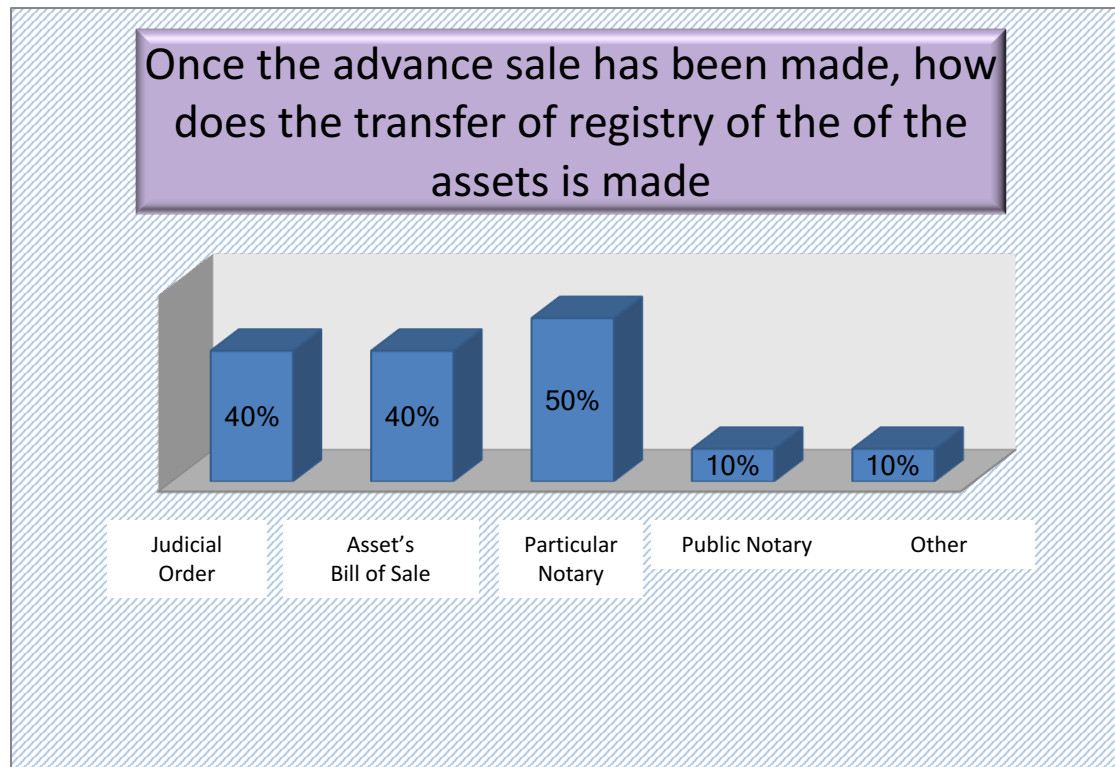




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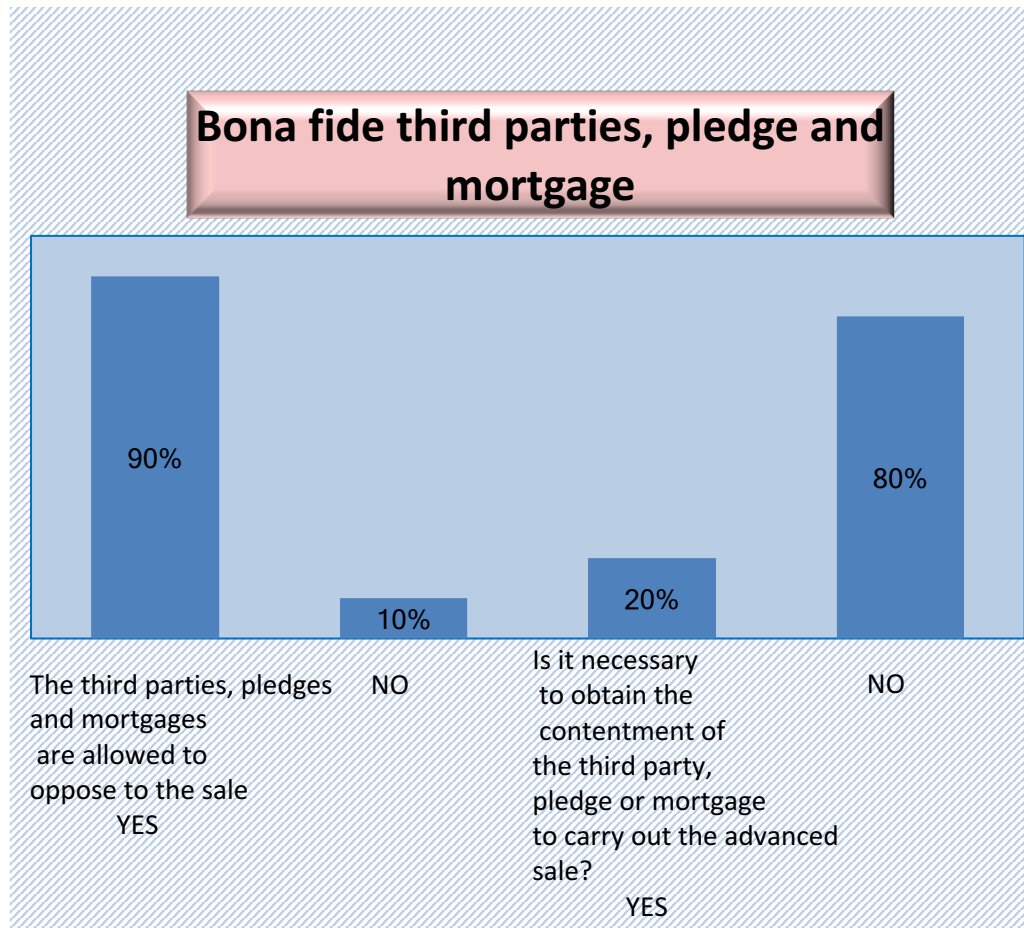




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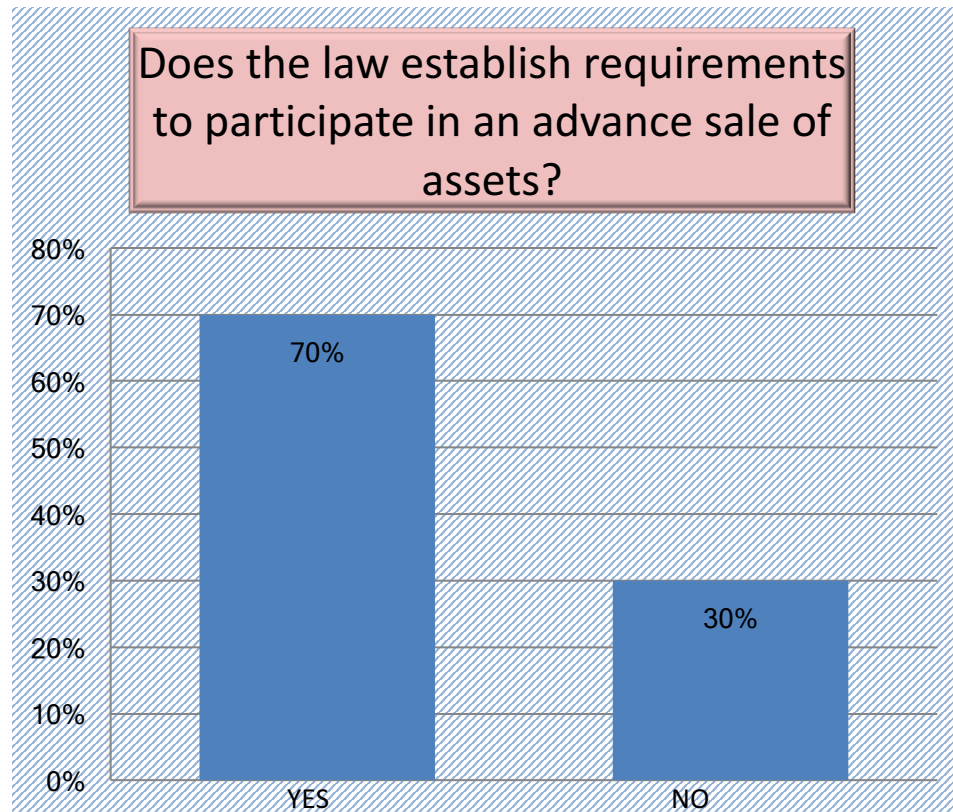




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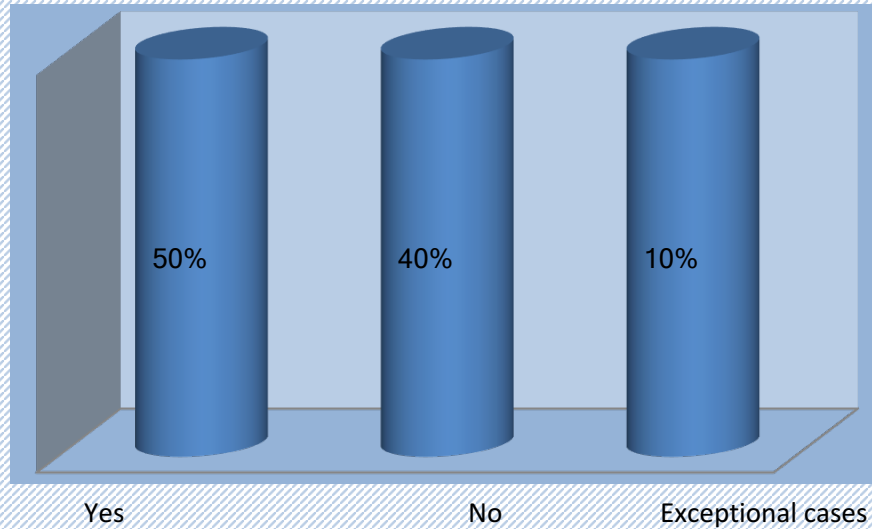


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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

LIQUIDATION. ADVANCED SALE.

Is there a register of bidders to participate in
the processes of advance sale of assets?

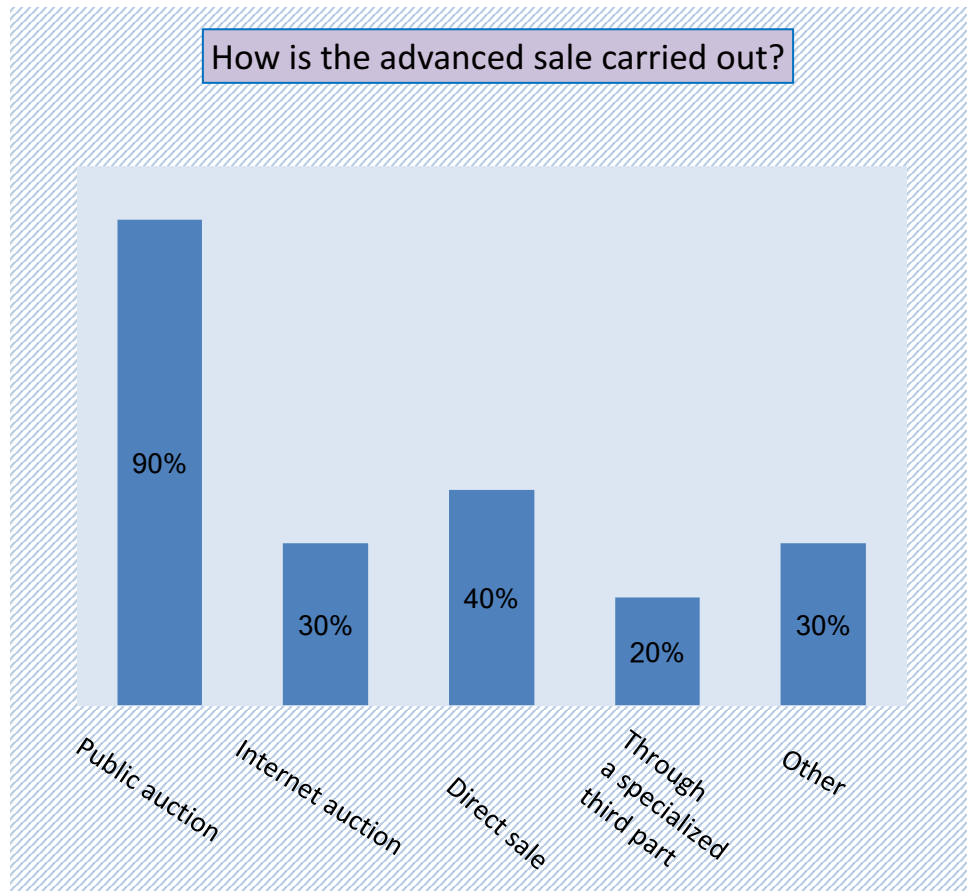




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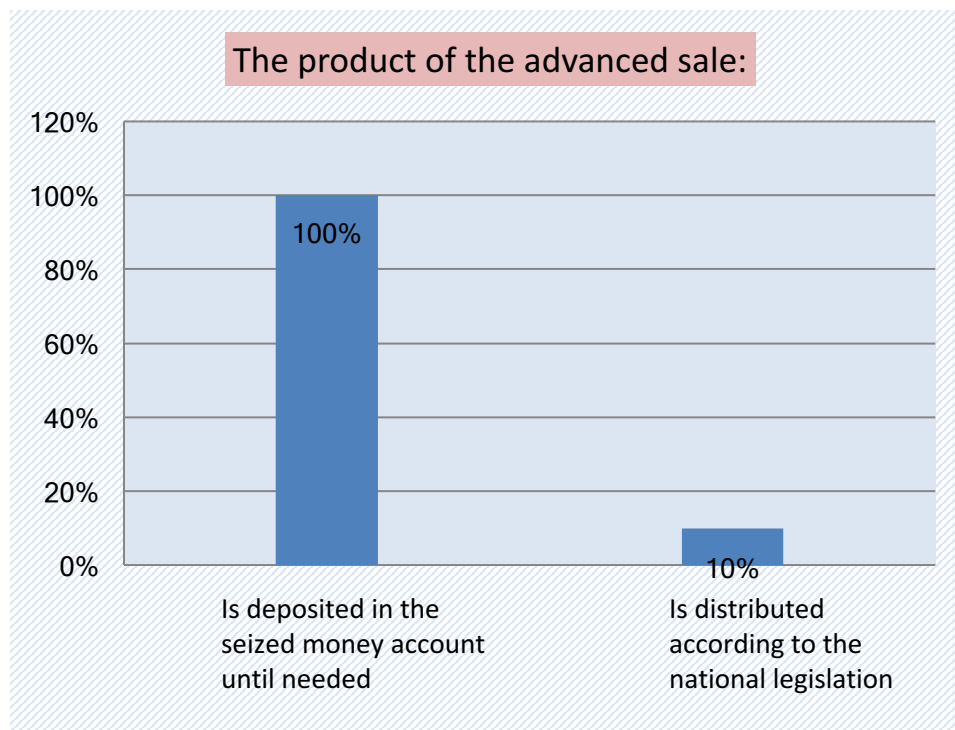




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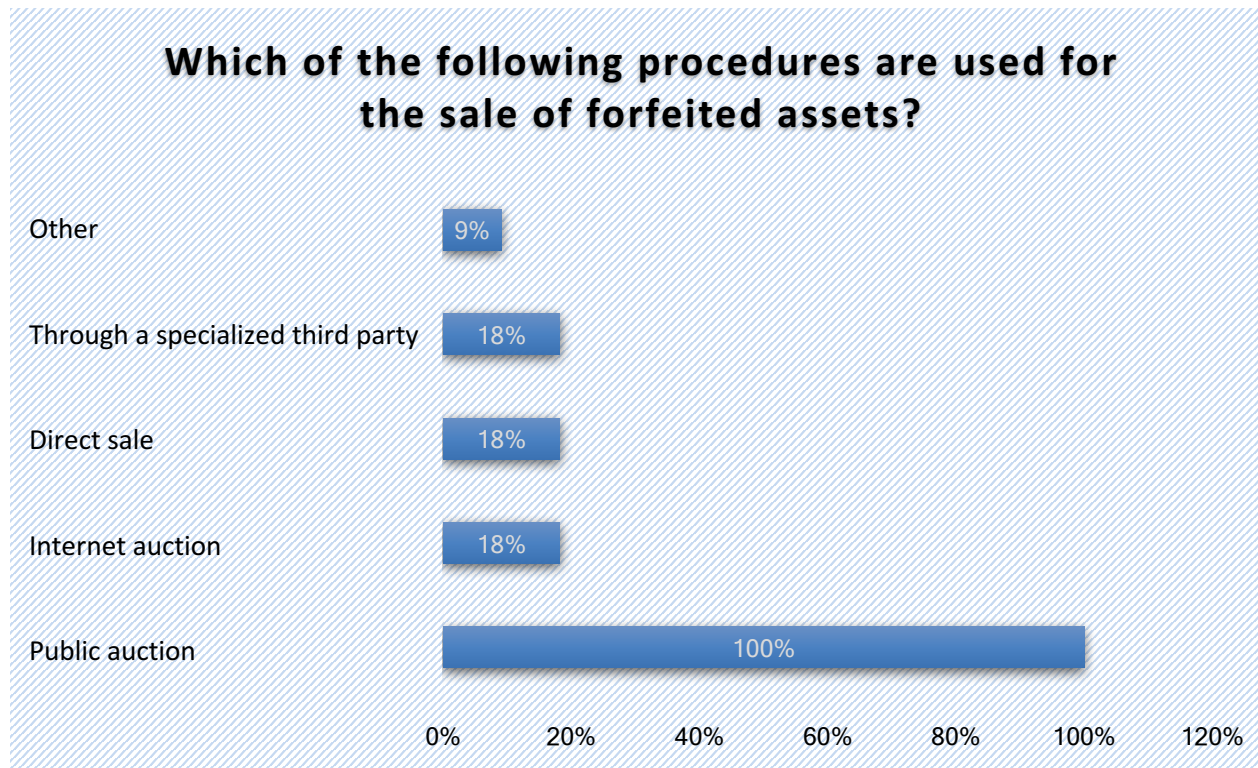


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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

SALE OF FORFEITED ASSETS.

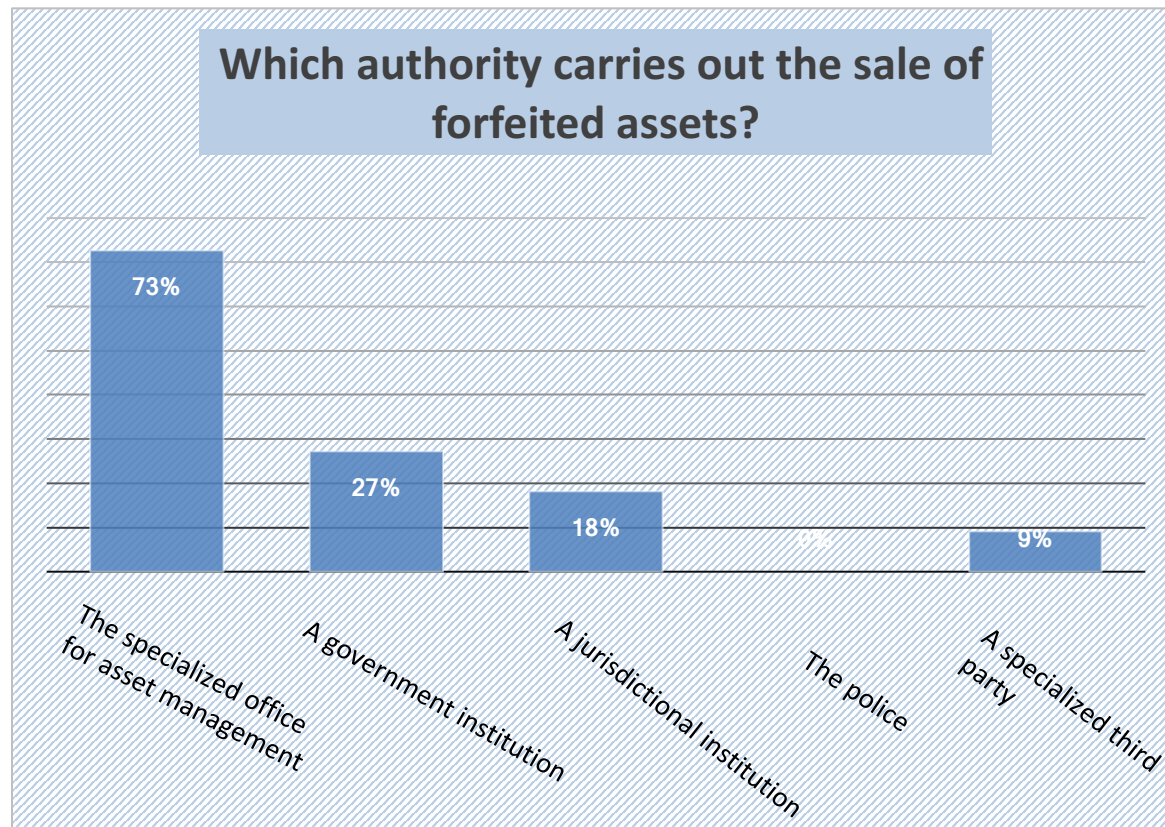




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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

SALE OF FORFEITED ASSETS.



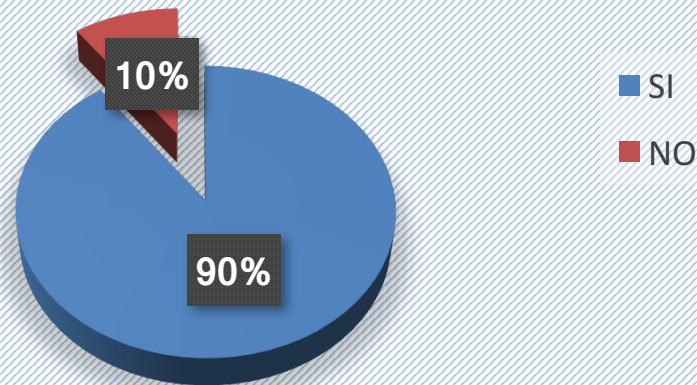


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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

SALE OF FORFEITED ASSETS.

Is it possible to payout the collateral or mortgage guarantees on forfeited assets?

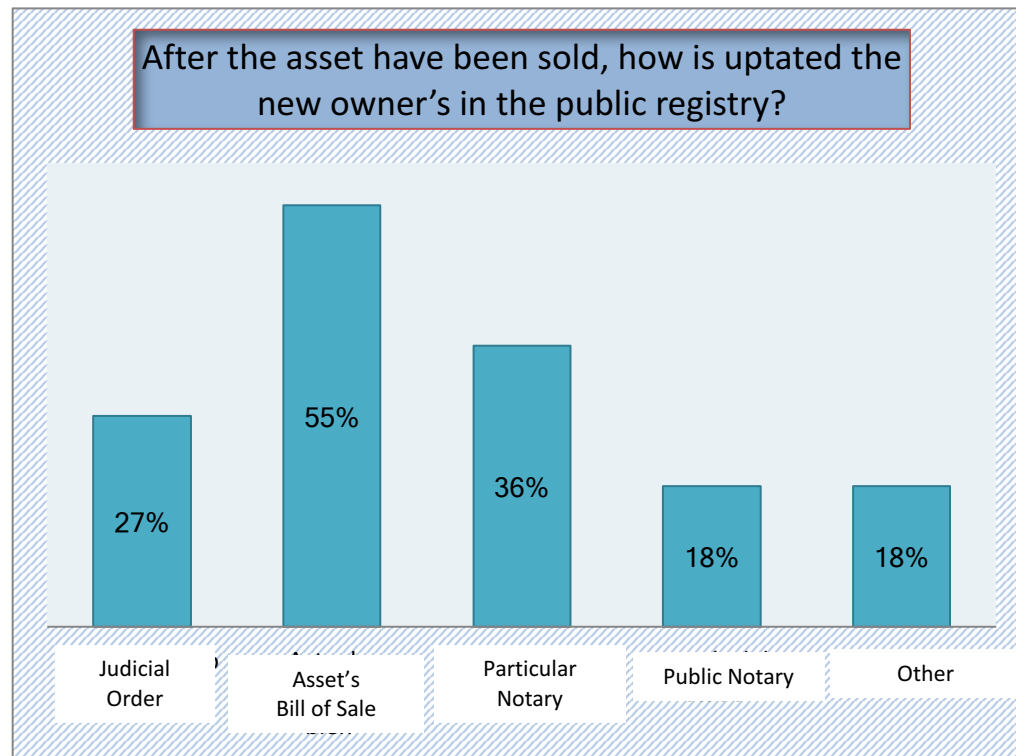




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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

SALE OF FORFEITED ASSETS.





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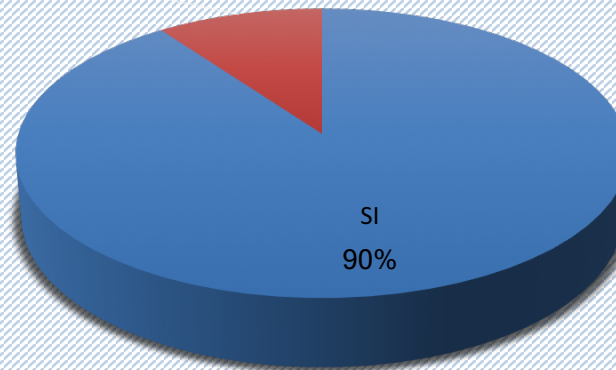


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SALE OF FORFEITED ASSETS.

To participate on the sale of forfeited assets, it is necessary to comply with the requirements established on the legal work frame?

NO
10%



■ SI ■ NO



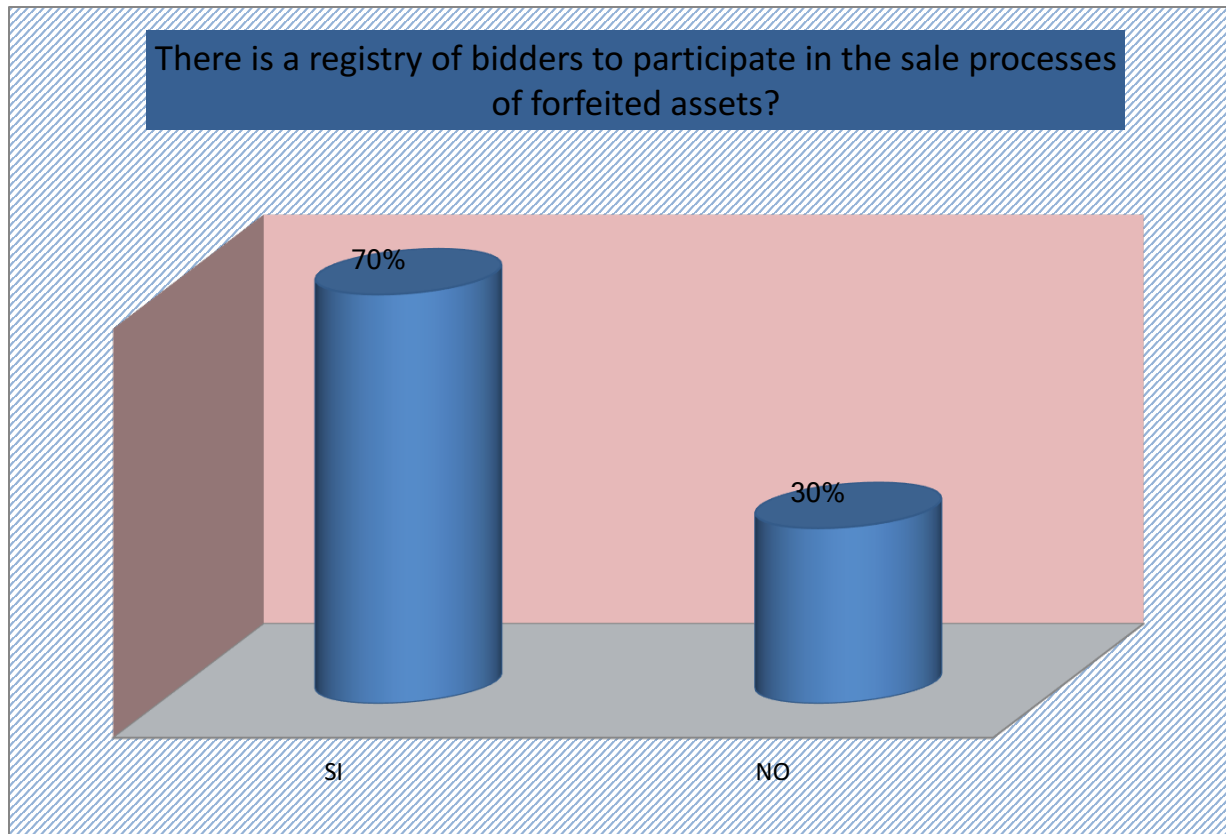
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STUDY

LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

SALE OF FORFEITED ASSETS.

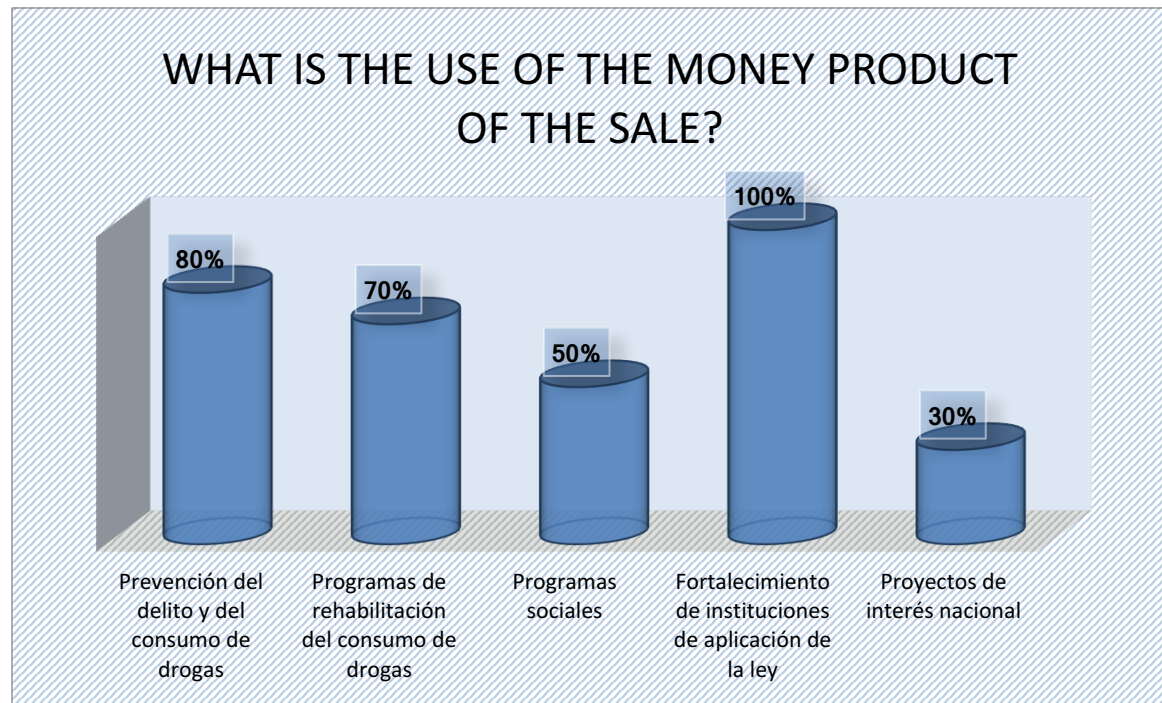




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STUDY LIQUIDATION OR SALE OF SEIZED ASSETS FOR ITS PROPER DESTINATION

SALE OF FORFEITED ASSETS.





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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE

Exceptional process authorized by the Office of the Comptroller General of the Republic, based on the Law on Administrative Procurement and the Law on Narcotics, Psychotropic Substances, Non-authorized Use Drugs, Related Criminal Offences, Money Laundering and Financing of Terrorism:

"The Institute may sell, auction, or dispose the assets assumed in advanced judicial deposit"





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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE

- There is no restriction on the type of seized assets that may be liquidated or sold in advance.
- Prior information is not required nor the consent of the owner of the seized property that will be sold in advance.
- The authorization of the competent judge is not required to sell in advance.
- The amount of the sale and the deposit of the money in the accounts of the institution is subsequently reported.





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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE

The IDC's General Director is informed that if it does not issue a rejection within a maximum period of 5 working days, the disposition for the sale of seized and forfeited assets is approved.



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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE

- The restriction is in relation to those who can participate, since registration in a Bidder Registry is required.



- Review of the background of judicial cases for infringement of the Law on Narcotics, Psychotropic Substances, Non-authorized Use Drugs, Related Activities, Money Laundering and Financing of Terrorism or Proceedings of the Law against Organized Crime.



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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE

The method of sale is defined in the invitation sent to the bidders:

- Sale with closed envelope.
- Sale with public bid among registered participants.
- Online sale





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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE

The valuation of the movable assets assumed in judicial deposit, for disposal purposes, will be carried out by personnel of the Asset Recovery Unit of the Costa Rican Institute on Drugs.





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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE



With the proceeds of the liquidation or advance sale of seized assets, the garments or mortgages that weigh on the assets must be canceled.



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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE

In the case of liquidation or anticipated sale of seized property, the money is deposited in ICD's accounts, awaiting the outcome of the judicial process.

The proceeds from the sale of confiscated property, is distributed between repressive and preventive agencies and the Asset Recovery Unit (URA).





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SALE OF SEIZED AND CONFISCATED ASSETS THE COSTA RICAN CASE



The inscription of seized assets sold can be made:

Through the Asset Recovery Unit (URA).

By a notary public elected by the one who was awarded the property, to whom the URA will deliver the award certificate for its protocolization.



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Liquidation or sale of confiscated assets



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ANÁLISIS DE APLICABILIDAD Y EFECTIVIDAD DE INSTRUMENTOS JURIDICOS
MODERNOS PARA LA ENAJENACION DE ACTIVOS INCAUTADOS Y
DECOMISADOS

1. Timing of application
2. Valuation
3. Sales processes
4. Guarantees for participation
5. Identification of clients
6. Price recovery

SUBGRUPO DE DECOMISO DEL GELAVEX Y EL
PROYECTO BIDAL



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Timing for application of assets Depreciation

If you don't know where
you're going ...
All roads will take you there ...



TABLA DE VIDA ÚTIL O DEPRECIACIÓN DE LOS ACTIVOS FIJOS

La ley establece el tiempo de vida útil de cada activo indicando un porcentaje (%) de depreciación anual.

Vida útil de activos fijos y/o % de depreciación anual.

TABLA DE DEPRECIACIÓN DE ACTIVOS

Bienes	(%) Depreciación	Vida Útil
Ganado de trabajo y reproducción.	25%	4 años
Vehículos de transporte	20%	5 años
Maquinaria y equipo	20%	5 años
Equipos de procesamiento de datos.	25%	4 años
Otros activos	10%	10 años

Resumen de la tabla:

- Ganado de trabajo y reproducción. Vida útil: 4 años
- Vehículos de transporte (excepto embarcaciones): Vida útil: 5 años
- Maquinaria y equipo (para explotación minera): Vida útil: 5 años
- Equipos de procesamiento de información (computadora, laptop): Vida útil: 4 años
- Otros activos: Vida útil: 10 años



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Types of advanced sale

ADVANCED
SALE



MORE GARANT
LESS EFFICIENT



MORE
EFFICIENT LESS
GARANT

ADMINISTRACIÓN



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THE PRICE

**One thing
worth what
people are
willing to pay
for it**

PUBLIO SIRO (85 - 43 a.C.)



Subasta Presencial



Subasta a Sobre Cerrado

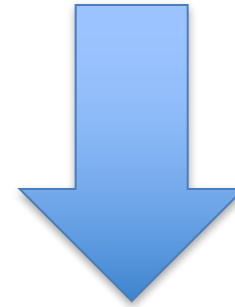


Venta Directa



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How bad branding affects the price of seized and confiscated assets





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Establishing the price

Valuation

Method to compare the price of the object in a subjective manner either by appreciation or market study.

Assessment

Established by an expert through an objective assessment of the asset based on technical expertise.



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To carry out the valuation or assessment, the information must be:

1. Reliable, useful, timely and valid for assessment, destination and decision making.
 2. Specific and clear complete description of the property.
 3. Technical data and correct specifications.
 4. Recent photographs (condition, physical, marks, damages).
 5. Situation and legal issues (registry situation, encumbrances, pledges, pending rights and obligations, possession, deeds, easements).
- A. For establishing recovery price
 - B. Reliability and loyalty of the buyers
 - C. Credibility of the auction
 - D. Institutional Trustiness



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Types of processes of sale

Public Auction



Subasta Presencial

Movable Assets



Sale with public bid

Immovable Assets



Direct sale

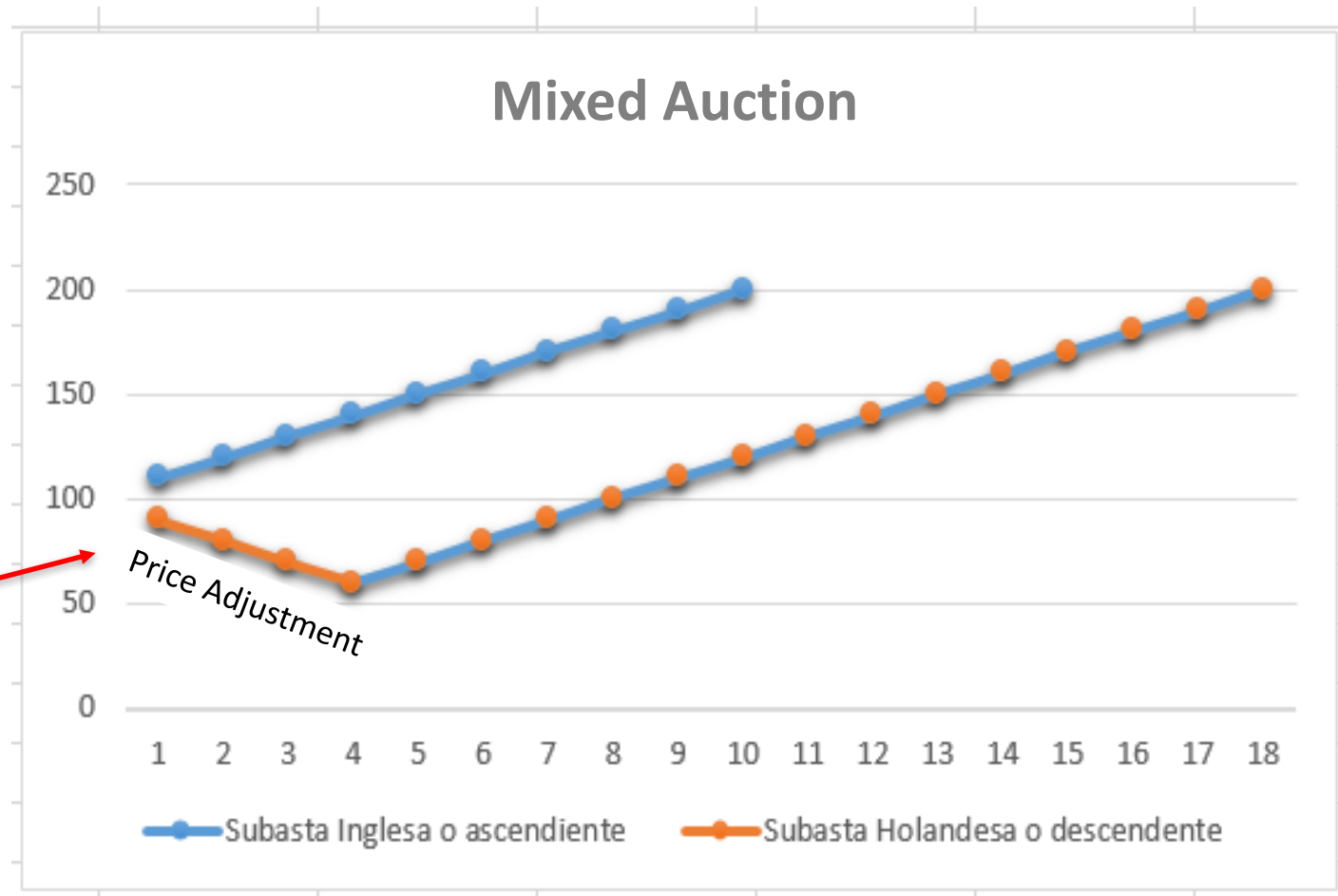
**Exceptional cases due to
urgency or need or a
certain quantity of public
auction procedures**

1. English Auction
2. Mixed Auction Dutch and English



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Mixed Auction



Bad Branding



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What is your target? Buyers or Costumers



Bad Branding



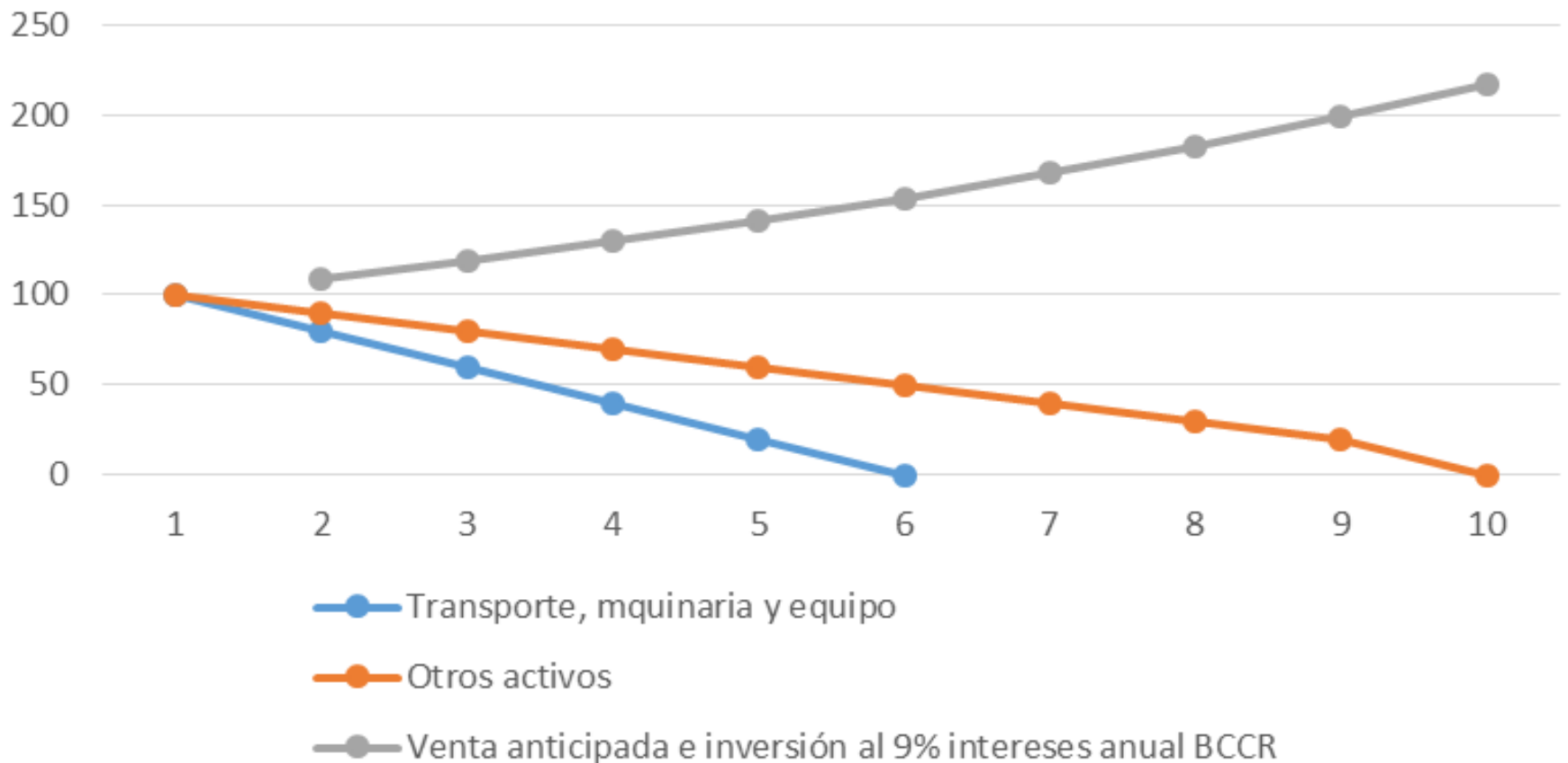
Eliminates Bad Branding



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Product of the sale and recovery of value

Graph of Anticipated Sale



THANKS !!!!

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