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**DEPARTAMENTO CONTRA LA DELINCUENCIA ORGANIZADA TRANSNACIONAL (DDOT)  
ORGANIZACIÓN DE LOS ESTADOS AMERICANOS (OEA)**

**XLIX REUNIÓN (VIRTUAL) DEL GRUPO DE EXPERTOS  
PARA EL CONTROL DEL LAVADO DE ACTIVOS  
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**DESIGN OF THE NETWORK OF ADMINISTRATORS OF ILLICIT ASSETS SUBJECT TO SEIZURE,  
FORFEITURE, OR OTHER CONFISCATION MECHANISMS**

**NOVEMBER, 2020**

## **I. RATIONALE**

Effective moves by regional authorities to go after illicit assets has led states to set up special bodies with a particular system to administer *illicit assets subject to seizure, forfeiture, or other confiscation mechanisms*. This is in an effort for them to hold their market value and/or be properly sold to get liquidity to allocate to fighting organized crime, money laundering, and drug trafficking.

In view of this new challenge, the representatives of the countries attending the XLVII Meeting of the OAS Group of Experts for the Control of Money Laundering (GELAVEX), in Bogotá on September 25, 2019, approved the design for a regional group to be formed to bring together entities responsible for administering assets subject to seizure. The ultimate aim is to create an experts network for sharing experiences and best practices in the field and making recommendations for the member countries to implement.

The hope is that under this initiative, countries that have developed advanced mechanisms would provide horizontal cooperation and transfer know-how and technology to those needing to strengthen their assets administration and management mechanisms. The Network will make recommendations on receiving, management, and sale of ill-gotten assets according to type, for all countries of the region to be able to implement them and thereby achieve a homogeneous and uniform development to help generate resources for the states.

Opportunities will also be created for exchange with existing Asset Recovery networks in the region so as to identify challenges for the entire asset recovery chain (tracing, identification, seizure or embargo, confiscation, and management of assets). This will lead to common guidelines being built and implemented to consolidate the regional strategy for combating organized crime for successful recovery of ill-gotten assets that have high market value.

For this Network to continue and be financially sustainable, virtual meetings will be prioritized and technological tools will be used for training requested by Network member countries. Besides, each state's assets administration and management practitioners are expected to place their expertise at the service of the Network.

This Network will get technical support from the OAS Department against Transnational Organized Crime (OAS/DTOC) through the Latin America Seized and Forfeited Asset Management Project (OAS/BIDAL), the Group of Experts for the Control of Money Laundering (GELAVEX), and other international organizations and private sector entities specialized in this field, which can contribute know-how and financial support.

## **II. PURPOSE OF THE NETWORK**

The purpose of the Network of administrators of illicit assets subject to seizure, forfeiture, or other confiscation mechanisms will be to share know-how and best practices among its member countries and make recommendations on assets administration and management.

1. To fulfill its objective, the Network must:

- Establish regular (bilateral and multilateral) meetings in order to promote the transfer of knowledge and best practices. This Network will prioritize information and communication technologies (ICTs) for its regular meetings to become sustainable over the long term.
- Promote the creation of effective training mechanisms to include virtual tools or other mechanisms for effective and efficient learning by public officials. It will encourage participation of each country's best officials in knowledge transfer between and among states.
- Provide recommendations on the receiving, management, and sale of ill-gotten assets according to type. These will be cross-cutting recommendations in terms of transparency, efficiency, and effectiveness, and Network member states will seek to implement them in accordance with their domestic regulations.
- Share all types of information while adhering to the regulations of each state and duly complying with the procedures set forth in said regulations.
- Coordinate meetings with asset recovery networks to get the entities participating in this recovery process to share about common problems and find common solutions themselves.
- The Network will share its progress with international organizations that promote policies and programs to combat money laundering, terrorism financing, and related crimes.
- The Network will be open to participation from countries from the five continents, which want to learn about the region's experience and share best practices. International organizations may also participate as observers, while private sector experts with no conflict of interests will be invited to speak on some of the Network's issues.
- Contribute regional studies on the administration and management of seized assets and confiscation of the proceeds of crime, among other things, to enable member states to prepare evidence-based public policy plans and programs.
- Each state will designate one or two points of contact or central authorities responsible for the administration and management of seized illicit assets subject to seizure or other confiscation mechanisms. They will take an active part in this network and bring their knowledge to bear in strengthening the operation of the network.

- Every two years one of the members will serve as Pro Tempore Chair and will steer the aforementioned activities.
- Handle whatever else is decided by its members.

– **PROCESS OF BUILDING THE NETWORK DESIGN**

- At the XLVII Meeting of the OAS Group of Experts for the Control of Money Laundering (GELAVEX) on September 25, 2019 Costa Rica, through the Costa Rican Drug Institute's Asset Recovery Unit, and Colombia, through the Special Assets Corporation (SAE), took on the task of designing the Network of Administrators of Illicit Assets Subject to Seizure.
- The two entities met virtually in February and March 2020 to decide on the scope and functions of the Network. On Wednesday, April 8, 2020, Costa Rica and Colombia briefed the Secretary of GELAVEX and the participating member countries on the progress made on the Network design.
- PACCTO (Europe-Latin America Technical Assistance Programme against Organized Transnational Organized Crime), a European Union-financed international cooperation program, expressed interest in assisting with the creation of the Network of Administrators of Illicit Assets Subject to Seizure, during a virtual meeting on Wednesday, April 29, 2020, involving the GELAVEX Secretariat, Costa Rica, and Colombia.

The plan was that after the (VIRTUAL) XLVIII MEETING OF THE GROUP OF EXPERTS FOR THE CONTROL OF ASSET LAUNDERING on June 30, 2020, member countries would submit written observations on the draft design for the Network of Administrators of Illicit Assets Subject to Seizure, which would be incorporated by Costa Rica and Colombia within a period of two months, starting from the XLVIII Virtual Meeting of the Group of Experts for the Control of Asset Laundering.

- The final version of the Network design would be delivered to the October 2020 plenary of the Experts Group for the Control of Money Laundering.
- **Observations made by countries during the (VIRTUAL) XLVIII MEETING OF THE GROUP OF EXPERTS FOR THE CONTROL OF MONEY LAUNDERING on June 30, 2020.**
  - **GAFILAT:** applauds the initiative, and also makes the GAFILAT Asset Recovery Network (RRAG) available, through its Secretariat, to support countries, including with capacity building.
  - **Dominican Republic:** notes that meetings of these networks entail investment of resources, hence suggests including how this challenge is to be met. Also recommends restoring support for the Latin America Seized and Forfeited Asset

Management (BIDAL) project, promoted by this Group of Experts and implemented by the Technical Secretariat through DTOC.

- **Brazil:** Commends the initiative and underscores the importance of keeping it flexible; supporting the Dominican Republic concern; and using information and communication technologies (ICTs) to conduct virtual meetings and cut costs.
- **United States:** applauds the progress made in this area; calls for a focus on transparent and efficient administration of seized assets, going forward.
- **Coordinator:** took note of all the recommendations and suggestions made by the delegations of GAFILAT, Dominican Republic, Brazil, and United States, including support for the BIDAL project.
- **Paraguay:** supported the initiative of the Network, as there is no direct access to other platforms. Suggested that the design should include drawing up regulations to govern Network meetings.
- **Ecuador:** applauded the initiative to create the Network. Furthermore, reaffirmed its commitment to collaborating with the Subgroup by sharing its best practices in managing assets subject to seizure.
- **Honduras:** recommended, for example, a precautionary measure restricting the transfer of assets – such as a preventive annotation – to minimize costs associated with administering assets and to bring the issue of the material possession of assets up to the time of sentencing in those cases in which administering them is costly.
- **Costa Rica:** highlights the issue of the GAFILAT Asset Recovery Network (RRAG), which enhances the system of trust among authorities. Keeping points of contact stable is key to ensuring that these networks for exchanging information through informal channels are effective and sustainable. This Network should be linked to the FIUs, through protocols for sharing information and best practices.
- **Coordinators:** additional comments will be accepted from delegations up to 15 days after this meeting. The US suggestion regarding transparency and effectiveness is noted and will be added to the final proposal of this paper.
- **Chair:** Urged coordinators to include information and communication technologies (ICTs) in this initiative.

### III. RECOMMENDATIONS

#### DISCUSSIONS WITH PACCTO ON THE SCOPE OF THE NETWORK DESIGN

Virtual meetings were held on September 10 and 24, 2020 with the PACCTO program, the GELAVEX Secretariat, the Costa Rican Drug Institute's Asset Recovery Unit, and the Special Assets Corporation

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(SAE) of Colombia, to discuss the scope of the Network's structure and to identify other elements that could strengthen it. The contents of the possible Statutes for the Network were discussed as well. The Statutes will be drawn up once the Network is approved in November 2020.

After these meetings, PACCTO prepared a document containing a general analysis of the specific objectives of the Network, an overview of what the Statutes should contain, and a preliminary study on the entities that administer seized assets in the region, based on the information provided by Argentina, Brazil, Bolivia, Colombia, Costa Rica, Ecuador, Mexico, and Paraguay.

Based on the document PACCTO had presented, a number of changes were made to the Network design. They are included in this document.