



FATF REPORT

Recovering the International Proceeds of Crime through Inter-Agency Networks

November 2023





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RECOVERING INTERNATIONAL PROCEEDS OF CRIME THROUGH
INTER-AGENCY NETWORKS

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LIST OF ACRONYMS

ACRONYM	FULL FORM
AML/CFT	Anti-money laundering/Countering the financing of terrorism
AMON	Asset Management and Operations Network (Europol)
APG	Asia Pacific Group
ARIN-AP	Asset Recovery Inter-agency Network for Asia-Pacific
ARIN-CARIB	Asset Recovery Inter-agency Network for the Caribbean
ARIN-EA	Asset Recovery Inter-agency Network for Eastern Africa
ARIN-SA	Asset Recovery Inter-agency Network for Southern Africa
ARIN-WA	Asset Recovery Inter-agency Network for West Africa
ARIN-WCA	Asset Recovery Inter-agency Network for West and Central Asia
ARO	Asset Recovery Office
ASEAN	Association of Southeast Asian Nations
C-FATF	Caribbean Financial Action Task Force
CARIN	Camden Asset Recovery Inter-Agency Network
DNFBP	Designated non-financial businesses and professions
EAAACA	East African Association of Anti-Corruption Authorities
EAG	Eurasian Group on Combating Money Laundering and Financing of Terrorism
EFECC	European Financial and Economic Crime Centre (part of Europol)
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
EUROPOL	European Union Agency for Law Enforcement Cooperation
FATF	Financial Action Task Force
FCIC	Financial Crimes Investigation Commission (or similar, depending on context)
FIU	Financial Intelligence Unit
FSRB	FATF-Style Regional Bodies

GABAC	Groupe d'Action contre le Blanchiment d'Argent en Afrique Centrale
GAFILAT	Financial Action Task Force of Latin America
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation)
GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
GLOBE	The UNODC Global Operational Network of Anti-Corruption Law Enforcement Authorities (GlobE Network)
LEA	Law Enforcement Agency
MENAFATF	Middle East and North Africa Financial Action Task Force
ML	Money Laundering
MLA	Mutual Legal Assistance
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
NCB	Interpol National Central Bureau
NPA	National Prosecuting Authority of South Africa
OECD	Organisation for Economic Co-operation and Development
RRAG	Red de Recuperación de Activos de GAFILAT (Asset Recovery Network of GAFILAT)
SIENA	Secure Information Exchange Network Application (Europol)
StAR	Stolen Asset Recovery Initiative (World Bank)
STR	Suspicious Transaction Report
TF	Terrorist Financing
UNODC	United Nations Office on Drugs and Crime

EXECUTIVE SUMMARY

1. This report on Asset Recovery Inter-Agency Networks (ARINs) is specifically designed for policymakers and law enforcement agencies across the globe. ARINs help law enforcement agencies (LEAs) across different countries work together to track money gained from crimes like money laundering and other related offenses. This report is aimed at providing a broad review of ARINs. It covers their global impact, roles, management, challenges, and cooperation with other international groups. This study is based on a project by the Financial Action Task Force (FATF), aiming to improve collaboration with ARINs, their secretariats, and other global organizations focusing on asset recovery.
2. ARINs facilitate informal assistance during the asset recovery process, including asset identification, tracing, seizing, freezing, confiscation and repatriation efforts. Despite the ARINs' important role, there is often a lack of clarity among policymakers regarding the nature of ARINs and their contributions to the global landscape of criminal asset recovery. The use of ARINs is also not wide-spread or systematic, with only a handful of investigations facilitated by these networks globally.
3. ARINs play a vital role in building trust among law enforcement practitioners. They also collaborate with various international organisations in this domain and can act as intermediaries with other regional networks. Nevertheless, co-ordination between ARINs and other international organisations often falls short, limiting opportunities to bolster member country capacities.
4. While the coverage of ARINs has expanded, regional gaps persist, notably in the Middle East, North Africa, and Central Africa regions. Currently, there are 178 Member jurisdictions within ARIN networks, including 159 members of the FATF's Global Network of 205 countries and jurisdictions.
5. ARINs operate independently, each with its own governance structure, mandate and guiding principles. While participation in ARINs is not compulsory, they are proven to build stronger ties between investigators and asset recovery offices. This leads to greater trust and more open lines of communication across borders. As a result, countries have successfully provided important and sometimes crucial details on assets like the existence of bank accounts, businesses, real estate and registered possessions of suspected criminals and money launderers in other jurisdictions.
6. ARINs facilitate many cases, but they are also facing resource challenges. Figures are difficult to come by but estimates and qualitative feedback suggest some leading ARINs can oversee hundreds, if not thousands of tracing requests from members yearly. While this is not the case in all ARINs, these figures show the important role that can play in international investigations. Nevertheless, in most of these networks Secretariats, staffing can be a limiting factor. The resourcing from one ARIN to the next varies greatly, but in general they experience difficulties in assisting countries and following-up on requests, which can affect overall effectiveness on asset recovery. Ensuring the long-term financial sustainability of secretariat functions is a common challenge for ARINs. Other obstacles to the effectiveness of ARINs include language and cultural barriers.
7. The relationship between ARINs and the FATF-Style Regional Bodies (FSRBs) varies considerably from one region to another. In some cases, there is close co-ordination with the FSRBs, while in others, there is none.
8. In summary, this report equips policymakers with a deeper understanding of the role of ARINs and identifies areas with potential for improving practices, developing enhanced performance monitoring, and strengthening collaboration with international organizations. It underscores the importance of robust data collection and reporting to demonstrate the invaluable role of ARINs in the global fight against financial crime.

CHAPTER 1: THE GLOBAL IMPACT AND COVERAGE OF ARINS

9. There is often confusion among policymakers and the broader public about what an ARIN is, what it does, and how it adds value to the global criminal asset recovery landscape. This section provides some clarity on the general roles and responsibilities of ARINs. It gives concrete examples of how and when countries use ARINs to advance investigations. It also provides an overview of the geographic coverage of ARINs.

A. THE GLOBAL COVERAGE OF ARINS

10. In recent years, the geographic coverage of ARINs has grown, expanding the number of Member countries and the number of ARIN networks. Regional ARINs now cover Western Europe and North America, Asia Pacific, the Caribbean, Eastern Africa, Latin America, Central Africa, and Eastern Europe. Today, ARIN Networks have a total of 178 Member countries, of which 159 are also members of the FATF's Global Network of 205 countries and jurisdictions. This means that 77% of global network countries are within an ARIN. Twenty-three percent of the FATF's Global Network membership is not associated with ARINs.

Table 1.1: ARINs and the FATF Global Network

FSRB AND COUNTRIES	CORRESPONDING ARIN	FSRB/ FATF MEMBER JURISDICTIONS	NUMBER OF FSRB MEMBERS NOT IN ANY ARIN	ARIN MEMBERSHIP RATE
Asia Pacific Group (APG)	ARIN-AP	30	12	60%
Non-ARIN members: Bangladesh; Bhutan; Fiji; Lao People's Democratic Republic; Macao, China; Marshall Islands; Nauru; Niue; Samoa; Solomon islands; Vanuatu; Vietnam	Asia Pacific			
Caribbean FATF (C-FATF)	ARIN-CA	24	2	92%
Non-ARIN members: St. Kitts and Nevis; Venezuela	Caribbean			
East Asia Group (EAG)	ARIN-WCA	7	2	71%
Non-ARIN members: Belarus; Russian Federation	West and central Asia			
ESAAMLG	ARIN-EA + ARIN-SA	18**	0	100%
All members of ARIN-EA/ARIN-SA	East Africa and Southern Africa			
FATF	CARIN*	36	2	94%
Non-ARIN Members: China; Hong Kong, China;	EU + several other FATF countries			
GABAC	N/A	7	6	14%

Non-ARIN Members: Cameroon; Central African Republic; Chad; Congo; Equatorial Guinea; Gabon				
GAFILAT	RRAG	14	0	100%
All members of RRAG	Latin-America			
GIABA	ARIN-WA	17	1	94%
Non-ARIN Member: Comoros	West Africa			
MENAFATF	N/A	20	18	10%
Non-ARIN Members: Algeria; Bahrain ; Egypt ; Iraq ; Jordan ; Kuwait ; Lebanon; Mauritania; Morocco; Oman; Palestinian Authority; Qatar; Somalia; Sudan; Syria; Tunisia; United Arab Emirates; Yemen				
MONEYVAL	CARIN	32	3	90%
Non-ARIN Members*: Armenia; Holy See; San Marino;	EU + Others			
Grand Total		205	46	77%

* CARIN membership figures also include (FATF) Iceland; Israel; Kingdom of Saudi Arabia, (MONEYVAL) Albania, Bosnia and Herzegovina; Georgia; Moldova; Monaco; Montenegro; North Macedonia; Serbia and (MONEYVAL) Libya. These are Observers to CARIN but do not have full rights in the decision-making structures of CARIN.

** Two additional countries have joined ESAAMLG and will be assessed in the next round. ESAAMLG will then be 20 members.

Note: FATF Countries are counted only within the FATF column and not within any other FSRB.

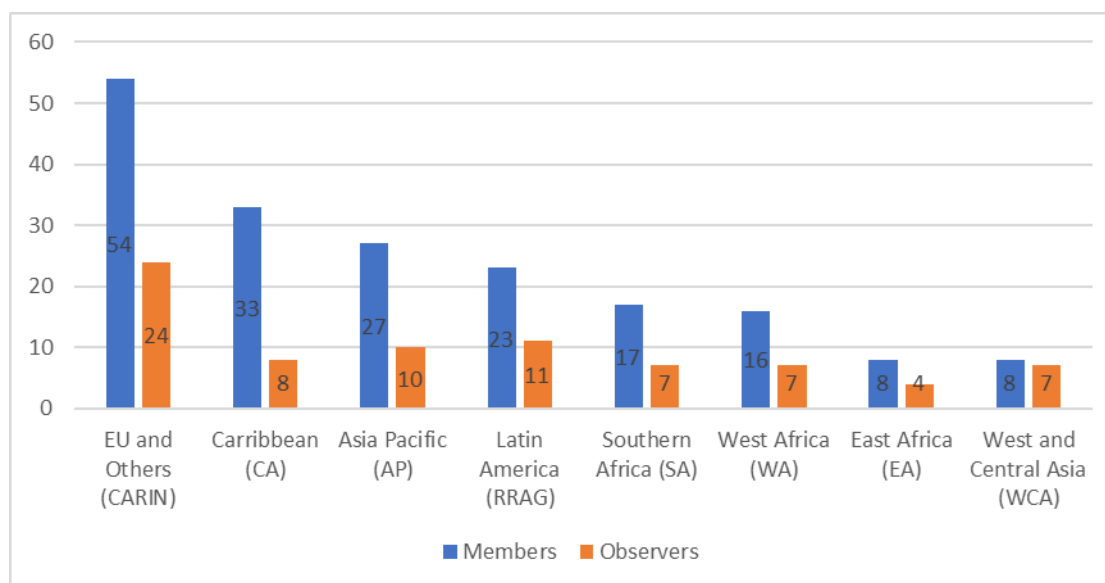
Note: At the time of drafting of this report, countries shaded in orange did not yet have a regional ARIN.

11. There are notable regional disparities in ARIN coverage, particularly in the Middle East, North and Central-Africa region where there is not yet a regional network. These gaps can potentially have an impact on effectiveness in investigations, asset tracing and recovery and international co-operation (Immediate Outcomes (IO).7; 8; and 2, respectively in the FATF Mutual Evaluations), and expose non-ARIN countries to potentially greater risks including from criminal networks, such as professional money launderers and terrorist financiers. Criminal actors are likely aware of which jurisdictions are not part of ARINs, thus signalling an arbitrage opportunity for criminals, terrorist financiers and corrupt actors seeking to launder proceeds of crime.

12. The ARIN network coverage is continuing to expand with ongoing discussions for the creation of new networks in regions which do not yet have one. The Figure below highlights the membership and observership numbers in each region where ARINs currently exist. CARIN is the largest network with 54 members and 24 active observer countries¹.

¹ CARIN observer countries have similar entitlements to Members, but as they are not EU members, they do not have access to secure information exchange platforms, and do not have a vote in their steering group.

Figure 1.1: ARIN Membership and Observers Members and non-members of ARINs



Note: Observers can include other ARINs

Source : ARINs

B. ARINS AS CO-ORDINATORS

13. At the most basic level, ARINs are co-ordinators of contact for law enforcement agencies. This co-ordination role is important because investigators may, during their enquiries, require assistance from authorities abroad. They may realise that a (legal or natural) persons' wealth, assets, transactions, or financial affairs extend beyond the visibility of their own jurisdiction. In such an instance, an investigator would need to engage a counterpart authority to understand either i) what is their level of knowledge of this person (from a criminal justice perspective), ii) what is the general profile of the persons' wealth, iii) what may be their criminal record, if they are involved or associated with crime, or if they have accessed wealth from crime, or iv) what other elements connect a person to others in that country. Additionally, investigators would need to engage their counterparts to understand what their options in the destination country are.

14. ARIN secretariats do not provide this information directly, but they can set up a connection and contact in another country. They facilitate the interaction as well by suggesting the use of a common language, terminology or requesting template to assist investigators on both ends to interpret requests and responses. As noted in Chapter 3, they can also provide the IT infrastructure and secure pathways for the exchange. ARINs can also offer guidance to requestors and requestees, and follow-up on these contacts and work to make the exchange more timely, effective, and successful. Each network may be different. In CARIN for example, the contact points are circulated, and all communication is direct between contact points. The Secretariat is only involved if there is a problem.

1. COMMON MISUNDERSTANDINGS OF ARIN ROLES AND RESPONSIBILITIES

15. There are however common misunderstandings about the ARIN Secretariat's role. For one, they do not co-ordinate the recovery of assets or act on behalf of law enforcement officers and do not undertake investigative measures (either passive or coercive) themselves. They only provide a secretarial responsibility to ensure a successful exchange between interested parties.

16. ARINs are also not a direct alternative to Mutual Legal Assistance (MLA). Instead, they play a complementary role in the MLA process, helping to provide open channels of informal communication. This can help law enforcement practitioners determine whether Mutual Legal Assistance is the appropriate channel, or whether other approaches to assistance are necessary to deliver criminal justice outcomes. At times, the information exchanged informally via ARINs may help save time, as law enforcement officials may receive notice from counterparts that the MLA would be fruitless or not obliged. ARINs enable law enforcement and judicial practitioners to connect and discuss potential cases and investigations on an informal basis to start with.² This forms the basis on which authorities can develop suspicions and advance an investigation until formal exchanges are necessary.

17. ARINs are not just informal exchange points; they play an important role in the broader spectrum of international co-operation and in providing a framework for formal exchanges of information for investigations. As such, there is no hard boundary between informal and formal exchanges for investigations.

C. KEY CHALLENGES

18. Below are some of the key challenges summarised in this chapter:

- **Challenge:** Policymakers are not sufficiently aware of the role of ARINs, what they do and what their responsibilities are.
- **Challenge:** ARINs do not yet have full coverage over all regions. This is the principal impediment to ensuring that all countries have access to the networking and co-ordinating bodies of the ARIN groups.

² It is true that the initial exchange of information is not admissible in court as evidence. Should a country's LEA wish to develop this information into court-admissible evidence, they would then proceed with collecting this information on a more formal basis, for example through a formalised procedure before a magistrate or judge, or through a MLA process.

CHAPTER 2: GOVERNANCE MODELS OF ARINS

19. This chapter offers an analysis of the ARINs' governance system, which relies extensively on documents often referred to as Manuals for governance-related matters. It also studies the differing structures of the ARINs, noting how some are stand-alone, co-ordinated exclusively by Members, whereas others are in other international bodies (including one within an FSRB). In contrast to more established international bodies, participation in ARINs is not compulsory and they do not rely on commitment mechanisms for ensuring that Members engage actively. Instead, ARINs maintains a flexible approach to member engagement. They do not have any specific membership review mechanisms in case of Member non-compliance with the country responsibilities as set out in the ARIN Manuals.

A. ARIN MANUALS: MEMBERSHIP CRITERIA AND OPERATION

20. All ARINs established a foundational guide often referred to as Manuals. ARIN Manuals are the principal documents of intent and structure of asset recovery networks. This includes membership composition (including observers), criteria (and expectations of Members participation through contact points); chair or presidency of the ARINs (e.g., whether rotational or non-rotational), and the roles, responsibilities, and functions of the secretariat. The ARIN Members decide on the format and content of the Manuals, but these all follow a similar template, based on the original CARIN manual, which was the first of its kind.

21. Due to their wide coverage, ARINs also have differing levels of capacity and development. Some are composed of member countries with adequate legal and institutional capacities to identify and recover assets, while others include members who are at the beginning of their journey to improving asset recovery.

Table 2.2: Governance and basic Characteristics of ARINs

ARIN	REGION	YEAR OF FOUNDATION	FOUNDING DOCUMENT	PRIMARY LANGUAGES	ROTATING PRESIDENCY	MEMBERSHIP TYPES
CARIN	Europe	2004	Manual	English	Yes – annually	Member, Observer ³ , Associate ⁴
ARIN-SA	Southern-Africa	2009	Manual	English	Yes – annually	Member, Observer
RRAG	Latin America	2010	Manual	Spanish; Portuguese	No – permanent Argentina and Costa Rica Chairmanship, overseen by GAFILAT President	N/A – GAFILAT and GAFILAT-approved membership
ARIN-AP	Asia-Pacific	2011	Manual	English	Yes – annually	Membership, Observer
ARIN-WA	West-Africa	2014	Manual	French; English; Portuguese	Yes	Membership, Observer
ARIN-WCA	West and Central Asia	2018	Statement of Intent	English, Russian, Farsi	Yes	Membership, Observer
ARIN-EA	East Africa	N/a	Statement of Intent	English	Yes	Membership, Observer
ARIN-CARIB	Caribbean	2017	Manual	English	Yes - annually	Membership, Observer

Source: ARINs

1. MEMBERSHIP CRITERIA AND OBLIGATIONS

22. Membership criteria are set out in the respective manuals (also known as statements of intent). Countries are often required to:

- Submit up to three⁵ national contact points from relevant LEAs, Asset Recovery and/or judicial authorities (for MLA).
- Provide an overview of legislation and practical and procedural guidelines for civil and criminal asset forfeiture.
- Provide advice on and facilitate mutual legal assistance, including on how to make MLA requests to counterparts.
- Commit to engage internally within their own relevant contacts and liaise with the ARIN network.

23. The manuals also include membership obligations, and request that jurisdictions commit their contact points to engage in co-operation by:

³ Observer status will be available to states and jurisdictions that do not qualify for Member status, and non-private bodies concerned with the identification and confiscation of the proceeds from crime.

⁴ Associate Status will be available to bodies that, although not involved with the operational exchange of law enforcement and judicial information, demonstrate a complementary strategic role in the identification and confiscation of the proceeds from crime.

⁵ A requirement to submit three contact points is typically the norm. Some ARINs require a contact point from anti-corruption authorities.

- Providing relevant and up-to-date contact details (and notifying of any changes)
- Receiving operational requests from Member countries or the ARIN secretariat and providing feedback within a specified number of working days
- Providing information on the legal and institutional framework for quick reference and dissemination by the ARINs to relevant counterpart requesting authorities
- Sharing good practices
- Keeping comprehensive statistics on exchange requests and submitting statistics to the ARIN secretariat
- Treating requests in a confidential manner

24. The above-mentioned criteria are expected to be met for entry into ARINs. However, in practices, countries are not specifically held to any of these requirements, and participation is voluntary. However, often, responding countries do not respect the timelines for sharing information and providing feedback. Response times can stretch far beyond the reasonable amounts of time for informal requests, which hinders progress or even the success of an asset tracing or recovery case. Countries (particularly those with lower capacities) do not regularly submit or provide up-to-date legislation and information on their civil asset forfeiture laws. All these drawbacks can impede law enforcements' efforts and abilities to participate in cross-border co-operation.

25. While the ARIN manuals typically have conditions for approving membership and including new members, they do not set any criteria or compliance mechanisms that can advise or exclude members involved in delinquency, or misuse (including abuse) of the information sharing mechanisms.

26. On the other hand, several respondents familiar with working in or through ARINs pointed out that the informal nature of the networks means greater flexibility and nimbleness, and that they are not designed to exclude participants. Instead, ARINs offer a platform for co-operation. ARIN Secretariats and countries alike noted that a degree of informality is a helpful driver of ad-hoc exchanges⁶.

2. STEERING GROUP AND LEADERSHIP

27. ARINs generally also established a steering group. The manuals stipulate the membership, voting rights and decisions that the steering group is to make vis-à-vis the ARIN. Except for RRAG, steering groups elect a rotating presidency or chair, and vice-presidency on an annual or bi-annual basis. Exceptionally, in RRAG (the Latin Americas ARIN), the network is a working group of GAFILAT, and a sub-group of the Operational Support Working Group (GTAO). The RRAG is governed by the guidelines and principles approved by the Plenary of GAFILAT Representatives. These guidelines and principles may be adapted and revised in accordance with the recommendations of the GTAQ.

⁶ This includes exchanges that are not captured by any data on information collection, but which contribute to better outcomes in international co-operation.

3. ARIN COUNTRY REPRESENTATIVES

28. Manuals typically require that each member country puts forth two to three relevant persons in law enforcement, and asset recovery offices. However, the contact points and their relevance often vary from one country to the next. Relevant stakeholders (notably ARIN secretariats) report that countries often do not provide sufficient or adequate contact points, particularly in ARINs working with some lower capacity⁷ jurisdictions, and in countries where law enforcement and prosecutors are not adequately prioritising asset recovery offices and international co-operation.

29. ARINs noted that investigators, judiciary (including prosecutors), FIU, asset recovery offices, and anti-corruption agencies are often the agencies that nominate ARIN representatives. However, it is possible that countries sometimes do not appoint enough representatives, or do not assign the right contacts that would be necessary for some requests. For example, some FIUs with investigating powers are nominated to ARINs, while others are not. Several countries nominate prosecuting authorities, whereas other countries only assign asset recovery and tracing units to the ARINs. This highlights a degree of institutional mis-alignment. Consequently, several countries have noted that they do not always have the relevant counterparts to engage with through ARINs and they have to use slower and more onerous co-operation pathways. From the analysis of information in this report, it appears that the most relevant and necessary points of contact would typically be:

- Law enforcement / investigators
- Prosecutors / judicial authorities
- Asset tracing or recovery offices (if not already part of law enforcement authorities)

4. FUNDING

30. ARIN Manuals may also stipulate the funding and whether they may accept voluntary contributions. As noted in the funding section below, the manuals of the ARINs do not specify funding requirements. The financing of ARINs is generally *ad hoc* or dependent upon third-party contributions (in-kind and other).

5. SECRETARIAT ROLES AND RESPONSIBILITIES

31. Manuals include roles and responsibilities of the secretariat. These are typically to:

- Co-ordinate, plan, and host meetings
- Provide administrative support and guidance to ARIN members
- Administer the website and provide IT technical support, or co-ordinate with members that are providing the support as an in-kind contribution
- Collect statistics and report on frequency and impact of information exchanges
- Manage the ARIN contact list and keep this up to date
- Facilitate contacts between ARIN members and across with other ARINs

⁷ Here, lower capacity refers to countries with lower capacities in regard to their AML/CFT and PF regimes. Examples of such countries would be jurisdictions with strategic AML/CFT deficiencies. For more information see: www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html

Box 2.1: Example: The CARIN Manual

The Camden Asset Recovery Inter-Agency Network (CARIN) focuses on all aspects of confiscating the proceeds of crime. CARIN comprises practitioners from 54 jurisdictions and 9 international organisations. CARIN can assist with enquiries regarding the tracing, freezing, seizure, management and confiscation or forfeiture of criminal proceeds or other assets belonging to a suspect.

The CARIN manual is the original manual. It was produced for members in 2007, and henceforth updated. The overall objective of the manual is to “create a network that will improve international co-operation amongst law enforcement and judicial agencies, which in turn will provide a more effective service.” The manual includes requirements to:

- establish a network of contact points.
- focus on the proceeds of all crimes, within the scope of international obligations.
- establish itself as a centre of expertise on all aspects of tackling the proceeds of crime.
- promote the exchange of information and good practice.
- undertake to make recommendations to bodies such as the European Commission and the Council of the European Union, relating to all aspects of tackling the proceeds of crime.
- function as an advisory group to other appropriate authorities.
- facilitate, where possible, training in all aspects of tackling the proceeds of crime.
- emphasise the importance of cooperation with the private sector in achieving its aim.
- encourage members to establish national asset recovery offices.

Subsequent sections of the manual stipulate the Membership and observer statuses and criteria, functioning of the network, steering groups, secretariat responsibilities, meetings, and the presidency. In Annex is the overview of website facilities, and historical archive of the different presidencies and achievements – including recommendations made to Members, and the European Commission or related authorities.

Source: *Camden Asset Recovery Inter-Agency (CARIN) Manual, (Dec 2021)*, www.europol.europa.eu/publications-events/publications/camden-asset-recovery-inter-agency-network-carin-manual

B. COMPARATIVE ANALYSIS BETWEEN ARINS AND OTHER INTERNATIONAL BODIES

32. *The following section is for comparative analysis only, and does not make any specific recommendations. It aims to compare and contrast ARINs to the international organisations and entities in similar areas of work.*

33. Many of the objectives of ARINs are similar to those of other operationally minded partner organisations, including Interpol, Egmont, and others. However, ARINs differ considerably from other (more formal) organisations' governance systems. Principally because there is no compliance mechanism or framework in place. This contrasts with procedures documents for e.g., the Egmont Group, which has a support and compliance process that comes in effect in situations where a member does not adhere to its Charter of Principles for Information Exchange for FIUs⁸. The immediate objective of such processes is to protect and enhance the integrity of the organisation, and to improve the accountability of the organisation towards its members.

34. As noted in several interviews with ARINs, the informal nature of the networks is an important strength and characteristic. Lower barriers to entry can lead to more inclusive forms of participation, even with jurisdictions that may struggle to sustainably meet some or all the membership criteria. ARINs' nimble operating processes mean that law enforcement agencies can quickly and efficiently communicate with one another, without concern over barriers to entry or lengthy processes requiring checks and reviews through centralised offices. Furthermore, LEAs and relevant officers can participate in the ARINs without fear of potential repercussions in the case of non-engagement (for which there can be many reasons or justifications in some sensitive investigations). Several respondents hailed this flexibility as an important strength, underpinning several recent successful asset tracing and recovery cases involving ARINs and international co-operation.

35. On the other hand, ARINs may be facing a trade-off in the longer-term. The absence of a compliance framework can have an impact on the quality and consistency of information that is exchanged among and between the ARINs. Very low level of international asset tracing and recovery and low levels of international co-operation, highlights the fact that the status quo remains inadequate.

36. Comparatively, organisations such as Egmont Group, FATF, and others that rely on membership procedures are institutionally developed entities that consist of several working groups and have several different codified processes and procedures. These organisations conduct conformity assessments and have recourse to remedial actions in cases of non-compliance.

37. The box below provides further insight into the requirements of international bodies to deliver sustained results to Members.

⁸ See Egmont Group of FIUs Support and Compliance Process document: www.egmontgroup.org/wp-content/uploads/2021/09/Egmont-Group-of-Financial-Intelligence-Units-Support-and-Compliance-Process.pdf

Box 2.2: Compliance Mechanisms and their use in International Bodies

The OECD Compendium on International Organisations is a compendium that builds on the practical experience of over fifty international bodies to compile key principles and deliver better impact on coherence and transparency towards their members. The compendium notes that for international organisations to deliver results for members and citizens, practical implementation requires and relies on *domestic enforcement procedures*. This requires implementation mechanisms, consisting of the following four key pillars:

Assistance Mechanisms to support the implementation of international instruments

Compliance mechanisms to verify the implementation and support conformity

Advocacy mechanisms to encourage implementation through awareness raising and visibility

Monitoring mechanisms to track the use of international instruments.

Of note, Compliance Mechanisms (in red above) are a vital component of international bodies. To deliver on results, organisations rely on conformity assessments and remedial actions.

Conformity Assessment	Remedial Action
<ul style="list-style-type: none"> • Accessional assessments (i.e. membership criteria) • Multilateral recognition of conformity • Accreditation systems 	<ul style="list-style-type: none"> • Incentivising actions in cases on non-compliance • Legal or economic sanctions in cases of non-compliance

The other three mechanisms are also equally important for the effective running of international bodies:

Assistance Mechanisms are tools like reference materials to assist members, capacity building and training initiatives to assist constituents, information mediation, such as providing expert assistance, and providing other tools like software mechanisms to enable members to access resources and information securely and quickly, or exchange seamlessly.

Advocacy Mechanisms allow for communication by either the organisation itself or the members. These are useful for awareness-raising and understanding the degree of uptake and use of the tools of the international body. Advocacy tools can also contribute to peer-learning through e.g., sharing of best practises and challenges.

Monitoring Mechanisms relate to data inputs, such as quantitative and qualitative experiences. The outputs of monitoring mechanism are reports (e.g., peer reviews, expert reviews, internal secretariat reviews or third-party assessments) that judge the implementation and performance against specific objectives set out by the international body.

Source: OECD Compendium of International Organisations' Practices

ARINs have between two-to-three out of the four pillars of domestic enforcement procedures in international bodies:

- (i) **Assistance Mechanisms:** ARINs often rely on capacity building (assistance mechanisms) and training. They co-ordinate these sessions as a part of their annual general meetings or during other standalone meetings.
- (ii) **Advocacy Mechanisms:** Most ARINs conduct outreach and advocacy towards their members and other international partners, and advocacy is an important tool for the ad-hoc funding mechanisms of ARINs.
- (iii) **Monitoring Mechanisms:** Only some ARINs are actively conducting monitoring of performance, and often the data and overall picture is incomplete. Some ARINs produce annual or strategic reporting (monitoring mechanisms), which is achieved to varying degrees of detail (depending on the data available).
- (iv) **Compliance Mechanisms:** ARINs do not have recourse to a compliance mechanism. ARINs do not use remedial actions to incentivise actions in cases of non-compliance with their engagement requirements in the Manuals. In addition, there are no specific sanctions in the case of continued delinquency or non-participation in the ARINs. Consequently, members may face difficulties in carrying out their mandate through these groups, which rely heavily on engagement from international partners.

38. With only two of the four main pillars, ARINs are at risk falling short of their potential. Furthermore, with short-to-medium-term objectives (and funding), the ARINs face challenges in adopting longer-term sustainable priorities and objectives (e.g., in the 5–15-year timeframe). Here, on a global scale, countries' investments appear misaligned with the desired outcomes from international co-operation.

C. STRUCTURAL AND CAPACITY DIFFERENCES ACROSS ARINs

39. As noted earlier, not all ARINs are alike in structure, roles and responsibilities. Some ARINs operate under the aegis of other administrative bodies. For example, the RRAG is located within the GAFILAT FSRB; ARIN-CARIB within the Regional Security System; and CARIN Secretariat is hosted within the administrative structures of EUROPOL. Meanwhile, several others are standalone bodies supported directly (financially and institutionally) by select Members.

40. For certain ARINs, international bodies can also provide direct (often donor-funded) support. This is the case of ARIN-WA. In this case, UNODC offers secretariat-like services for the co-ordination of donor-funding, the maintenance of the contact points and data-reporting⁹.

41. The RRAG model is perhaps the most unique of all ARINs with the secretariat and leadership permanently located within GAFILAT. The RRAG, responsible for the Latin America region is the only secretariat hosted within a FATF-Style Regional Body (FSRB). This model continues to garner interest from prospective ARINs (e.g., in MENA and Central Africa regions) due to the closer connection to FSRBs. The box below provides an overview of the functioning of this model.

⁹ It should be noted that the services provided by UNODC in such a manner are distinct from other UNODC initiatives on corruption and asset recovery (GLOBE) which is discussed further below.

Box 2.3: RRAG ARIN and GAFILAT

The GAFILAT Secretariat provides the general architecture (including website, offices, employees) for the RRAG.

Argentina hosts the RRAG. The secretariat is represented by the Deputy Executive Secretary and a Technical Expert from GAFILAT. Their role is to support the co-chairs with the implementation of the activities carried out by the RRAG and to follow up on the contact points. These also provide a relay between the RRAG and the GAFILAT secretariat.

By structure and being facilitated by GAFILAT, RRAG doesn't have a president per se. The representative of GAFILAT Secretariat and the Working Group for Operational Support (GTAO) act as main contact and the Secretariat for RRAG (respectively). In this case, the President of GAFILAT could be also President of RRAG.

The RRAG also has two permanent co-chairs, represented by two contact points. Costa Rica is a permanent co-chair since they manage an information sharing platform for secure exchange of information. Argentina is the second co-chair, as they host the secretariat. The Secretariat and Co-chairs must monitor the contact points, define the guidelines to be followed, their procedures and implement the relevant tools for the improvement and optimization of international cooperation with the RRAG and other ARIN.

Source: RRAG

42. As the table below highlights, there is no “single ARIN” model, and the secretariats have all arisen from different structures and circumstances. For example, management of the ARIN-SA is co-ordinated by South Africa (the host country) and the UNODC jointly. The mandate of ARIN-SA is to conduct capacity building, development and facilitate exchanges between Members. UNODC provides the majority of ARIN-SA’s secretarial functions.

43. Meanwhile, GAFILAT created RRAG for its own members. It is located in GAFILAT headquarters in Argentina and reports to the GAFILAT plenary. The main objective of RRAG is to facilitate asset tracing and recovery for its members, and it does not typically conduct training or capacity building (which is left to the broader GAFILAT).

44. The CARIN’s secretariat is within EUROPOL and co-ordinates exchanges via an electronic platform.

45. Despite the varying structures of the ARINs, there does not appear to be a single model which is preferred over others. Nevertheless, several ARINs that did not have direct or close ties to FATF. FSRBs noted that priorities were often not closely aligned, and that there should be closer and better co-ordination with the Global network of FATF/FSRBS, particularly given the Global Network’s knowledge of countries’ priorities for asset recovery and gaps in regulatory in legislative frameworks. Several ARIN secretariats hoped for more regular and frequent interactions with FSRBs, including more active participation in working group and plenary meetings.

46. ARINs highlighted the potential benefits of closer alignment to, or even co-location within FSRBs. Such a model can foster closer ties to FSRBs, which would help the ARINs to communicate major effectiveness gaps and could also inform the FSRBs capacity-building and prioritisation efforts. However, several ARIN members voiced concern that this could prevent countries from being open about major issues when consulting with FSRBs, which are also evaluating bodies.

47. Based on the review of the various ARIN models, there is no “one size fits all” model. ARINs can work effectively outside and inside FSRB structures. Maintaining a flexibility of approaches

dependent on regional considerations is likely to be a critical element to consider for any further steps and recommendations to improve the operating environment of ARINs.

Table 2.1: **Structural Differences of ARINs**

ARIN	DETAILS OF SECRETARIAT	ROTATING CHAIR OR PRESIDENT	PRESIDENCY (CURRENT OR LATEST)
CARIN	Housed within EUROPOL	Yes	United States (2022-2023) ; France (2023-2024)
ARIN-SA	South Africa National Prosecutors Office and secretariat responsibilities coordinated with UNODC	Yes	Mauritius (2023)
RRAG	Housed with GAFILAT FSRB	No	GAFILAT presidency (Argentina and Costa-Rica permanent co-chairs)
ARIN-AP	Standalone secretariat supported by South Korea	Yes	New Zealand (2022); Thailand (2023)
ARIN-WA	Standalone secretariat (Cote d'Ivoire)	Yes	Cabo Verde (2023)
ARIN-WCA	Standalone secretariat (Uzbekistan)	Yes	n/a
ARIN-EA	Housed within the East African Association of Anti-Corruption Authorities	n/a	n/a
ARIN-CARIB	Secretariat housed within Regional Security System of the Eastern Caribbean	Yes	Cayman Islands (2023)

Source: ARIN secretariats

48. As mentioned earlier, ARINs have widely differing capacities to identify and recover assets. For example, groups such as CARIN and RRAG cited the number of exchanges for information (including asset tracing, asset recovery and mutual legal assistance) to be in the hundreds and thousands per-year. Meanwhile, other ARINs cited comparatively fewer annual exchanges, with one ARIN having reported fewer than 20 exchanges a year.

49. ARINs hosting lower-capacity jurisdictions often also have a different set of priorities. These include i) raising broader awareness about the need for national contact points; ii) capacity building; and in some cases; iii) encouraging members to lay the legal and institutional framework for Asset Recovery Offices (AROs). This wide gap in the level of relative sophistication of the ARIN Members' asset recovery units highlights that there is **no one-size-fits-all approach to improving ARIN functionality**.

D. KEY CHALLENGES

50. Below are some of the key challenges summarised in this chapter:

- **Challenge:** due to a lack of enforcement mechanisms, ARINs and their Members cannot require or compel timely and quality responses from countries on international requests.
- **Challenges**¹⁰ to assist Members in certain individual cases (e.g., with

¹⁰ This challenge and several others also overlap with the first challenge – which is a lack of long-term funding to assure broader functioning of ARINs and activities.

formatting requests, ensuring quality and consistency) due to resourcing constraints.

- **Challenge:** to ensure that there are relevant contact points per-member that are able to respond to all forms of requests.
- **Challenge:** Widely varying level of capacity and responsibilities of some ARINs in comparison to others means a “one size fits all” approach would not be possible for recommending changes to ARINs and their governance.

CHAPTER 3: CAPACITIES OF ARIN SECRETARIATS

51. This chapter explores the capacities of ARIN Secretariats to support their member countries. The main function of the secretariat is to facilitate the exchange of information from one LEA to another. However, ARINs also typically co-ordinate a range of other activities, including meetings, events, and trainings. In general, ARINs are under-staffed and under-funded for the set of responsibilities that countries assign to them. Consequently, several secretariats are not able to meet some of their basic functions, including maintaining online contacts or assisting countries with their requests. ARINs often report difficulties in overcoming language and even cultural barriers. Additionally, only three out of eight ARINs have dedicated secure information exchange systems. Overall, the limited funding for some ARINs also contributes to difficulties in ARIN-to-ARIN communication and engagement because this requires translation and interpretation services, time, effort, and physical meeting.

A. PRACTICAL ROLES OF ARINS IN FACILITATING EXCHANGES

52. As mentioned in the earlier chapter, the role of ARINs is to put countries in touch with one another and facilitate exchanges of valuable information to trace assets, and help freeze, seize and confiscate criminal profits. To achieve this, ARINs often provide Members with helpful guides and briefings on how to approach the network in a timely manner ahead of a request. This includes tools such as pro-forma request forms, and further resources on their websites to request information and to whom this request should be addressed in each country. In some cases, the requests can go through the secure platforms hosted by the ARINs (see section below on online and IT infrastructure).

53. Sometimes, ARINs are involved directly in the exchange of information. However, most of the time, ARINs secretariats put the countries in touch with one another and are not directly involved in the exchange of information. This is usually due to the sensitivity or confidentiality of information (in addition, ARINs are not resourced to such an extent where they can oversee all exchanges of information). Nonetheless, ARIN secretariats may be involved in a more hands-on manner for technically complex and high-profile cases. ARIN Secretariats work effectively when internal staff with the relevant experience and background in LEAs are active inside the Secretariat, this includes staff seconded from LEAs to ARINs. ARINs are also generally more involved when the information exchange is requested from a country that is a member from another ARIN.

54. ARINs such as CARIN also provide members with an overview of the types of information that countries are generally empowered to provide, and on what basis or in relation to what type of offence. This information is maintained on a confidential basis in a matrix, which countries provide input into on a regular basis. Member LEAs can access this information and determine whether the information they are seeking is accessible through the ARIN, prior to drafting a request, thus saving time and effort for all parties involved.

55. Language barriers are a persistent and commonly cited challenge. ARINs do not typically have the resource to translate or provide interpretation for interactions between counterparts. This is particularly challenging in ARINs that have several official languages. Several ARINs noted that, for example, requests are sent without translation to counterparts. Often, these requests are not obliged, as the requested authorities do not translate the requests.

Table 3.1: Languages used by the various ARINs

NAME	LANGUAGE(S) USED
CARIN	English
ARIN-AP	English
ARIN-EA	English;
ARIN-CARIB	English; French; Spanish
ARIN-WA	English; French; Portuguese
ARIN-WCA	English, Farsi, Russian
ARIN-SA	English
RRAG	Spanish; Portuguese

B. MEETINGS, EVENTS, TRAINING AND CONTACTS

1. MEETINGS AND EVENTS

56. Most ARINs host annual or semi-annual meetings, usually with an annual general meeting. Physical (in-person) meetings are an essential trust-building exercise, and most law enforcement agencies rely on in-person meetings to discuss sensitive case material. In some cases, regionally proximate ARINs have held joint-meetings, and several FSRBs have also hosted ARIN-meetings. Meetings have three major purposes: to conduct procedural work (e.g., elect new leads, approve strategic plans); to co-ordinate asset tracing and recovery work (including exchanging experiences on recent cases); and training and capacity building.

57. CARIN hosts a yearly ARIN-wide meeting, inviting all ARINs under one roof to share experiences and best practises, and to network to strengthen connections with each other. This annual general meeting highlights the more central role that CARIN plays among the ARINs and showcases the generally strong capacity that CARIN has in its ability to co-ordinate various global activities of the other networks. Typically, CARIN meetings also feature sessions to discuss issues in the various other regional ARINs. The CARIN leadership – under the annual Presidency of elected countries also sets a series of high-level priorities which it communicates to the Members and fellow participants. This model of co-ordination could serve as an eventual starting point for strengthening the co-ordinating role of CARIN.

2. TRAINING

58. Additionally, nearly all ARINs also conduct some form of training or awareness raising to support their priorities, or help build capacities among their members. Out of the eight ARINs consulted, seven consider that they have a training and learning responsibility. For example, in its 2017-2021 annual Strategy, CARIN considers that developing and delivering training activities (for members and partners) and developing knowledge products represents a key ambition of the network. Typically, ARINs hold training and learning sessions, either on the sidelines of annual meetings, or as standalone sessions. These sessions are often held in partnership with other international bodies, such as UNODC, and other national authorities that host these meetings.

59. The training meetings can be topic specific, on specialised areas, for example on themes like virtual asset recovery seminars, or more broad training sessions on providing and receiving requests or strengthening capacities of prosecutors. These sessions are typically held in-person, and can also serve as important networking events, where LEAs hold side-meetings to brief one another on issues or cases that require informal exchanges.

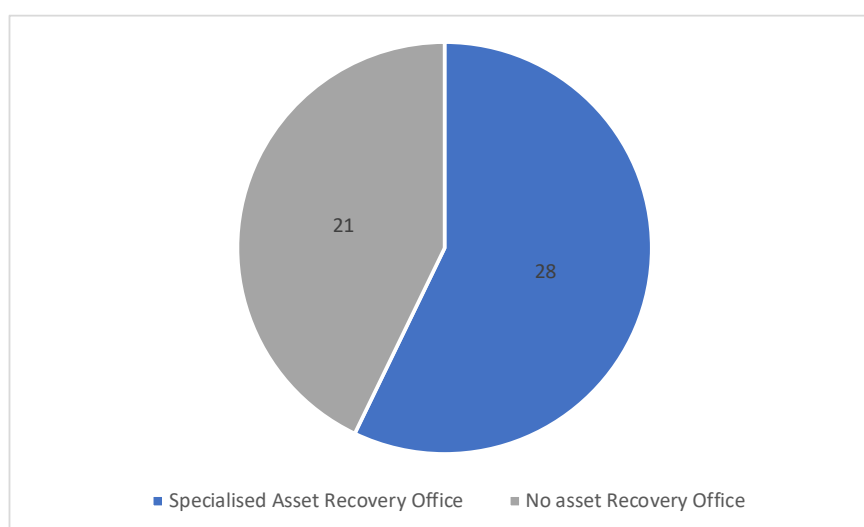
60. While training is not the primary tenet of ARINs, they provide a dual functionality, to improve the capacity of LEAs, but also to develop contact points and build trust among relevant representatives in the LEAs. In addition to training, several ARIN secretariats, (particularly those in lower capacity jurisdiction) also dedicate significant resource to awareness raising of the roles, responsibilities, and benefits of ARINs. Several ARINs noted that a number of their member countries did not have national contact points or asset recovery units, and hence no authority that they could contact for a request.

61. In general, ARINs which include lower- capacity jurisdictions often dedicate much of their time and resource to training, learning and awareness building. This also explains the small number of requests that are transmitted through some of these ARINs. In several jurisdictions, the asset recovery contact point and offices do not yet have adequate powers and structures to receive and respond to incoming requests. Consequently, there is significant variance in the roles and responsibilities of some ARINs. Indeed, some of the ARINs have a capacity-building and training focus, rather than one of purely facilitating exchanges. The ARIN-SA for example, noted that training and awareness raising accounted for an important part of their day-to-day activities.

3. NATIONAL CONTACT POINTS

62. In a recent report by the Egmont Group on the role of FIUs in Asset Recovery, the authors found that 21 out of the close to 50 countries surveyed still did not have dedicated asset recovery offices (See chart below). In such cases, the requests are sent to general contact points for LEAs, (e.g., Interpol contact-points). This process can be slower and less efficient than ARIN-facilitated direct requests between asset recovery offices and other relevant counterparts. Several jurisdictions also do not have the adequate legal framework, or jurisprudential experience to provide asset tracing and identification requests.

Figure 3.1: Egmont Group Study: Existence of Asset Recovery Offices in selection of 50 countries



Source: Egmont Group, 'Asset Recovery: The Role of FIUs' www.egmontgroup.org/news/public-summary-asset-recovery-the-role-of-fius/

C. ONLINE AND IT INFRASTRUCTURE

1. ONLINE WEB-BASED PORTALS

63. ARINs frequently use a web-accessible site for communication with members, to provide basic information. In several instances, the websites have a password-protected portal, through which ARIN contact points can access more detailed and sensitive information, including case studies, meeting summaries and presentations from past events. In addition, these portals typically include detailed information for the various contact points. Often, the websites also include items such as templates and request forms that can be used by ARIN contact points to submit requests to counterparts.

Box 3.1: Example of ARIN Websites

Example 1: CARIN Website and FCIC

For CARIN, the Financial Crime Information Centre (FCIC) is a secure web platform for law enforcement practitioners dealing with money laundering, asset recovery and financial intelligence. It allows its 1 200 members (in 2015) to share and retrieve knowledge, best practice, and non-personal data on financial intelligence. It also serves as the communications platform for CARIN, AMON and other projects supported by Europol's Financial Intelligence Group. The manual includes the terms and characteristics of the website, such as:

- Intent of FCIC is to raise awareness for users
- No personal information subject to data protection rules is allowed on the site
- Certain site sections are restricted
- Language is English
- There is a messaging board space

Example 2: ARIN-AP Website

The Asset Recovery Inter-agency Network for Asia-Pacific (ARIN-AP) has a website with latest events and news items on the meetings of the Network. The website features a log-in accessible Members' portal, which includes resources such as contact points and guides for Members. The site provides access to the manual, reference guides and case studies as well.

Source : CARIN, ARIN-AP websites

64. However, these websites often have out-of-date information on recent events, past meetings, and even contact points. This highlights the challenge that several ARIN secretariats face in maintaining an updated website, which can indeed be a time-consuming task.

Box 3.2: Overview of IT tools in ARINs

BODY	IT SYSTEMS
CARIN	<ul style="list-style-type: none"> ■ Secure platform: SIENA (Europol) ■ Website with restricted access space – members/observers only
ARIN-AP	<ul style="list-style-type: none"> ■ No secure platform ■ Website (funded by the gov of the Republic of Korea). ■ Exchange of case information, is done via public or business email.
ARIN-CARIB	<ul style="list-style-type: none"> ■ No secure platform ■ ARIN-CARIB Website
ARIN-EA	<ul style="list-style-type: none"> ■ ARIN-EA secure information exchange platform ■ Website: EAAACA site which hosts the general secretary email, the official communication platform of the Secretariat.
ARINSA	<ul style="list-style-type: none"> ■ ARINSA website, telephone, email and in person requests.
ARINWA	<ul style="list-style-type: none"> ■ No secure platform ■ Website communication tool
ARIN-WCA	<ul style="list-style-type: none"> ■ No secure platform ■ Website ■
RRAG	<ul style="list-style-type: none"> ■ A secure platform is managed by the FIU of Costa Rica ■ Website

Source: FATF

2. SECURE INFORMATION EXCHANGE SYSTEMS

65. Secure information exchange through specialized encrypted networks is an important tool for rapid, informal exchanges between relevant practitioners. Three out of the eight ARINs reviewed have or use dedicated, secure information exchange platform. For direct communication between law enforcement agents, CARIN, ARIN-EA and RRAG can exchange and respond to requests and responses via these secure online web-based tools. Typically, the host or coordinating ARIN Secretariat does not have access to this information (unless explicitly granted access for specific cases). In Latin America's RRAG, Costa Rica's national anti-narcotics authority hosts the secure platform, which is purpose-built and only accessible to RRAG and its members. The Costa Rican government provides these services as an in-kind contribution. The platform helps deliver training and support for Members, as needed. In ARIN-EA, the secure information exchange platform is handled by the Eastern Africa Association of Anti-Corruption Authorities (EAAACA) website. It allows the secure exchange of requests and also hosts the general email and communications platform for the ARIN. This support function is donor funded¹¹.

66. In CARIN, the model that authorities have adopted is similar, but the platform for information exchange relies on an existing platform: the EU's Secure Information Exchange Network Application (SIENA) network. SIENA is a law-enforcement-focused secure exchange platform which manages numerous forms of information exchange. The CARIN network is connected to SIENA via the designated contact points. Non-EU AROs that are also observers of CARIN (e.g., Canada, United States) also access SIENA. The SIENA platform provides a high security standard for exchanging sensitive information.

Table 3.2: ARIN IT capacities

	IT SYSTEMS	SECURE PLATFORM
CARIN	Info exchanged by email, password via phone or text message, use of SIENA (Europol), Interpol NCB, IT platforms RAGG and ARINSA	Yes
ARIN-AP	ARIN-AP has a webpage (funded by the gov of the Republic of Korea). Members do not use it for the exchange of info. The webpage only provides info such as a contact list, notice for AGM, etc. Exchange of case information, is done via public or business email.	No
ARIN-CARIB	ARIN-CARIB Website- minimal role (used for information purposes)	No
ARIN EA	ARIN-EA secure information exchange platform and the EAAACA website which hosts the general secretary email, the official communication platform of the Secretariat.	No
ARIN-SA	ARINSA website, telephone, email and in person requests.	No
ARIN-WA	No dedicated computer systems to facilitate the exchange of Information. The Network has a website that serves as a communication tool and takes into account the three (03) official working languages (French, English and Portuguese).	No
ARIN-WCA	The Secretariat launched ARIN-WCA website, which is working now in test regime. Secretariat with support of UNODC and other donors trying to develop it	No
RRAG	A secure platform is managed by the FIU of Costa Rica that has also a contact point in RRAG. This platform is important and vital for the exchange of information.	Yes

Source: Responses from ARIN secretariats to questionnaires

¹¹ Donor funding provided by the German cooperation (BMZ). GIZ provides technical assistance.

67. As the table above notes, in cases where there is no proprietary system or platform, countries may have to resort to the use of encrypted emails (e.g., password accessible). In other circumstances, law enforcement contact points use encrypted chat, discuss cases in person during physical meetings or via phone. Several ARINs have recognized that, given the sensitive nature of this information, this is not an optimal solution. Some members “piggyback” on other existing channels – such as access to (e.g.) Interpol platforms and EUROPOL systems to exchange potentially sensitive information.

68. A secure ARIN-to-ARIN information exchange system is also missing from the current framework. Currently, ARINs (even those with secure platforms) exchange using email, or through third-party exchange platforms, including through Egmont Secure Web and Interpol I24/7. While these offer a stop-gap solution, the administrative burden, and authorisations necessary to access these platforms can slow down the exchange process.

69. It is unlikely that there is a one-size-fits-all approach to organising ARINs IT and technical systems, or whether they should be co-located inside a specific existing system. However, it appears that most ARINs have a need for secure information exchange platforms to improve the functioning and framework of exchanges. Another important issue that requires a solution is the secure communication with a country that is not a member of the ARIN network.

D. KEY CHALLENGES

70. Below are some of the key challenges summarised in this chapter:

- (i) **Challenge:** language and cultural barriers persist due to low resourcing for such services. This slows collaboration between member countries within ARINs, but particularly across ARINs.
- (ii) **Challenge:** Not all ARINs, particularly those with small secretariats, are able to maintain up-to-date websites and spaces.
- (iii) **Challenge:** Most ARINs do not have access to secure portals where Members can exchange information securely. This may pose a challenge for the exchange of sensitive information.

CHAPTER 4: FINANCING OF ARINS AND RETURN ON INVESTMENT

71. Resourcing gaps are among the most important hurdles that prevent the effective exchange of information and uncertainty and inconsistency in the provision of resources is the most significant obstacle to further development of efficacy identified in the ARINs. Indeed, funding for ARINs' activities is generally *ad hoc* or under the aegis of an umbrella body or host-country. Manuals do not specify funding requirements for members.

72. Resourcing and costs of maintaining operations is probably the single most important obstacle for effective co-ordination and long-term planning within ARINs. Nonetheless, funding of ARINs, as with any initiative, is inevitably tied to broader issues such as political-will, performance and performance measurement (including return on investment) and whether there is one or several models that countries can agree on as having the greatest promise. Nevertheless, future funding models for ARINs should also continue to ensure that accountability and transparency remain a best practise.

A. FUNDING MODELS IN ARINS

73. The work of the ARINs is often funded through external (i.e., member country or donor-country) contributions, or in-kind contributions of personnel and facilities. There is no single funding model and ARINs are not consistently funded institutions. Most do not have a legal person status, and several ARINs rely on a permanent host member country, institution, or international body (without having a status as permanent representation). Funding gaps and uncertainty limits the ability for medium to longer terms investment in activities that would strengthen ARINs influence and maximise their potential.

74. The ARINs that the project team consulted for this exercise re-iterated the point that financing, and resources were a primary concern for carrying out Secretariat functions. This concern was usually related to a funding or capacity gap, which the ARINs could not fill with the current arrangement. Practically, this means that ARIN secretariats have a wider mandate to assist and contribute to asset recovery efforts, but they are not able to staff or aid at the desired levels due to the insufficient or uneven levels of funding. In addition to a capacity gap, ARINs also typically reported long-term uncertainty, as the funding varies from one year to the next. This makes longer-term planning and visibility for future planning a big challenge.

75. ARIN secretariats and ARIN leads bear a heavy load of responsibilities and the Secretariat Members (often provided on loan by host countries or by partner international organisations) consist of just one or two "full-time equivalent" (FTE) persons. These secretariat Members may also be tasked to work on other projects and may even handle the ARIN work on a part-time basis. The ARIN secretariat Members frequently cited resource gaps as an important obstacle to deliver stronger results and facilitate exchanges. ARINs are typically composed of two to four secretariat Members, often working part-time on the asset recovery network and part-time on other responsibilities (translating to around two FTEs)¹².

¹² Exceptionally, the ARIN-WA has Seven persons in the secretariat functions.

B. STAFFING LEVELS AND RESOURCING FOR BASIC FUNCTIONALITY.

76. As outlined in the manuals, the ARIN secretariat members are expected to conduct a wide range of functions, including:

- Providing general administrative support services for the ARIN to enable Members to engage through the network.
- Provide expertise, including historical knowledge and institutional oversight of the ARINs to support members.
- Support the ARIN rotating presidency.
- Manage the website and functional IT spaces of the ARIN, including administering rights and access.
- Manage and update the ARIN contact list (including publishing and distributing updated lists).
- Collect information among members and conduct research to documents related to ARIN activities, including quantitative and qualitative assessments for performance.
- Maintain an up-to-date record of meetings, projects, and decisions taken.
- Draft strategic documentation including annual action plans.
- Promote and Co-ordinate meetings, conferences, and events, liaising with host-countries.
- Co-ordinate and maintain ties to other partner organisations (including other ARINs and IOs.).
- Facilitate initial contact with other ARINs on behalf of requesting members seeking information outside of the respective ARIN network of coverage.

77. Not included in the specific functions are also other time-consuming tasks that some ARINs must undertake, which include grant-request writing and reporting-back to donors. In other situations, this reporting may be also to the parent administrative body in which the ARIN is located, to provide periodic updates to the wider administration. This would be the case, for example, in RRAG, which reports to the GAO within GAFILAT. Similarly, the CARIN network secretariat also provides reporting to EUROPOL.

78. ARINs also rely on countries' in-kind contributions for executive leadership and membership participation. Member states, host countries or donors that are assisting in the co-ordination of these meetings typically bear the costs, including travel to and from meetings. For example, ARINs typically require one Chair/President¹³ and Vice-Chair/President to co-ordinate meetings and deliver on strategic objectives. Estimates from information collected suggest that each President and vice President can expect to dedicate 3 months (0.25 FTE, respectively) to the ARIN work. Meanwhile, focal or contact points (ARIN Members working on an operational basis) can expect to

¹³ Not all ARINs have president functions. As RRAG is located within GAFILAT's administration, the President of GAFILAT assumes presidency over the RRAG. Argentina and Costa-Rica assume co-chair positions due to their continuous (in-kind) support for secretariat and secure website service provision functions (respectively).

spend one month (0.8 FTE) contributing to ARIN-related work, including participating in relevant meetings and trainings.

79. Typically, ARINs host one annual general meeting (AGM) per year, which serves as a high-level conference of stakeholders to discuss the ARIN' work programme and exchange on operational matters bi-laterally or multi-laterally. These meetings serve multiple purposes, including exchanging sensitive information, trust-building, training, and awareness raising among participants. However, several ARIN secretariats noted that the costs of hosting and membership travel to meetings are not covered in their budgets, which makes participation challenging for some countries, and particularly lower-capacity jurisdictions. Several respondents noted that this budget gap precludes a more comprehensive number and level of participation in meetings and limited the number of in-person discussions and exchanges that ARINs could host.

C. ESTIMATING THE RETURN ON INVESTMENT OF ARINS

80. Many countries appear to have a limited understanding of the success rates of their asset recovery systems. Countries rarely know how many requests are sent and received, the types of assets and crimes they were associated with, and which assets were ultimately confiscated and recovered. This makes it difficult for policymakers to understand the strengths and weaknesses in systems, with few countries being able to provide statistics or case studies on cross-border asset recovery-related successes and failures.

81. As noted in the below chapter on data collection and performance reporting, often, single cases facilitated by ARINs can lead to the recovery of assets that far exceed the annual budget of these networks. For example, in one single case, ARIN-SA helped recover USD 13 billion in assets, while CARIN facilitated the repatriation of EUR 2.4 million in another case. However, it remains particularly challenging to establish the ARINs role and contribution to the process, not in the least because it can take several years between the initial contact via the ARIN and the subsequent recovery. It is therefore difficult to directly attribute recoveries to ARINs and trace the exact return on investment.

82. The value of ARINs can be substantiated to some extent by the qualitative feedback from Member countries. For example, RRAG conducted a survey among its members; all respondents considered that the network's activities were consistent with RRAG's objectives. Ninety-three percent of LEA members who responded found it to be a useful network for their work. Meanwhile, 79 percent of contact points that responded considered that RRAG will remain relevant in the coming years (the remaining 21 percent indicated that it would be of some relevance). These results, as well as broader consultation with Member countries suggest that countries are broadly supportive of ARIN work and support the continued reliance on these networks for future co-ordination.

D. DETAILS ON FUNDING MODELS

83. There are various funding models present in ARINs. Several of the ARINs (e.g., ARIN-WA; CARIN; ARINSA) reported that their primary source of funding was a direct contribution by a single Member country or partner organisation. In such cases, it is often the contributing country that is responsible for hosting and providing the office space for the ARIN in question. For instance, ARIN-WA does not have an annual budget, but relies on the Government of Côte d'Ivoire for funding of

operating costs, including office space and IT support and through in-kind¹⁴ contributions including for several Secretariat posts. In South Africa, the South African National Prosecution Authority (NPA) oversees the management of the ARIN and UNODC provides support to the ARIN in the form of secretariat functions and responsibilities.

Table 4.1: Overview of ARIN Funding and Support Systems

BODY	CORE SECRETARIAT STAFF	ANNUAL BUDGET	ADDITIONAL SUPPORT	FUNDING SOURCE
CARIN	1	EUR 500 000 ¹⁵ (two years)	Europol hosts secretariat	ISF funding applied for by an EU MS in the Steering Group provides for 2-year funding of CARIN activities excluding an operational IT platform.
ARIN-AP	1	USD 83 0000	Some member states or UNODC support funding for workshop, held after AGM.	The government of the Republic of Korea funds the budget. In addition, some member countries or UNODCs provide support for the workshop.
ARIN-CARIB	4	Subsumed under budget for Regional Security System Asset Recovery Unit	Limited funding for subject matter experts through CARICOM-IMPACS	Subsumed under the budget of the RSS ARU.
ARIN-EA	3 – temporary: Gen Sec, Admin Officer, IT Officer	USD 344 000	German cooperation provides support via GIZ.	Through the Eastern Africa Association of Anti-Corruption Authorities and development partners.
ARINSA	0 ¹⁶	varies	In-kind contributions through assisting in the capacity building of their neighbours. ¹⁷ The Southern African Development Community (SADC) is also jointly funding some ARINSA training activities.	Through the funds raised by the UNODC, in-kind through officers of the NPA providing training services for free.
ARINWA	7 ¹⁸	None - an annual budget	ARINWA benefits from the technical and financial support of UNODC and GIZ.	ARINWA does not have a budget. All its activities are financed by 1/ the technical and

¹⁴ An in-kind contribution is a non-monetary contribution. Goods or services offered free or at less than the usual charge result in an in-kind contribution. Similarly, when a person or entity pays for services on the entity's behalf, the payment is an in-kind contribution.

¹⁵ The upcoming 3-year cycle for CARIN will be EUR 1m for a three-year period.

¹⁶ ARINSA does not have dedicated staff; the staff of the UNODC and the National Prosecutions Authority of South Africa provide secretarial services for ARINSA; these include IT services, Monitoring and Evaluation, training and capacity building and project management.

¹⁷ E.g., though the FIU Placement Program, Malawi, Kenya, and South Africa are hosting visiting analysts from other countries this year to assist them in strengthening their skills.

¹⁸ The Permanent Secretariat of ARINWA is in the premises of the State Judicial Agency and part of the Agency's staff, seven (07) in number including the Judicial Agent of the State itself, are dedicated to the activities of the Network. The Permanent Secretariat shall benefit from the administrative and financial resources of the Agency necessary for the performance of its tasks.

BODY	CORE SECRETARIAT STAFF	ANNUAL BUDGET	ADDITIONAL SUPPORT	FUNDING SOURCE
		allocation. ¹⁹		financial partners that are UNODC and GIZ, 2/ Côte d'Ivoire which covers the operating costs of the Permanent Secretariat and 3/ the Member States which host, on an ad hoc basis, the annual general meetings.
ARIN-WCA	2 ²⁰	No annual ARIN-WCA budget. ²¹	No additional support. Secretariat with support of UNODC and other donors trying to develop it.	The Secretariat is composed of staff from the GPO Academy. They are prosecutors, who carry out the functions of the Secretariat as part of their day-to-day role within the Academy. Staff are not paid separately for their work in the Secretariat. Events are organised with the support of UNODC and its advisors. However, there is currently a problem with the funding of the network website. ARIN-WCA would like to hire a person to manage it.
RRAG	4 ²²	No defined budget.	Financial support from organizations for RRAG's activities such as the meetings and other projects.	Financial support from organizations for RRAG's activities such as the meetings and other projects.

Source: FATF

¹⁹ In theory, its activities are financed by voluntary contributions from member countries, donations, hosting of meetings by voluntary member countries, support from technical partners and financial contributions from participants in certain trainings. However, in practice only the hosting of meetings by voluntary member countries and the support of technical and financial partners constitutes its current resources to which should be added the assumption of the operating costs of the Permanent Secretariat by the State of Côte d'Ivoire.

²⁰ The Secretariat of ARIN-WCA is located at the Academy of General Prosecutors office of Uzbekistan and two operational staff are providing a permanent Secretariat function. The Secretariat may draw on the administrative resources of other bodies as is necessary for the performance of its tasks.

²¹ The UNODC has secured funding each year for ARIN-WCA members to meet for all SG, AGM, and capacity building events.

²² Secretariat: represented by the Deputy Executive Secretary and a Technical Expert from GAFILAT. Their role is to support the co-chairs with the implementation of the activities carried out by the RRAG and to follow up on the contact points. Also is the link between RRAG and GAFILAT. Co-chairs: represented by two contact points. Costa Rica is a permanent co-chair since they manage the platform. The Secretariat and Co-chairs must monitor the contact points, define the guidelines to be followed, their procedures and implement the relevant tools for the improvement and optimization of international cooperation with the RRAG and other ARIN.

84. Given the list of required contributions from both members and secretariats that are outlined in the mandate, the ARINs are currently not properly resourced for their expected levels of activity. The gap in resourcing also undermines any further effort to develop a more comprehensive compliance framework among ARINs, (which would also require dedicated time and resource from secretariat and countries).

85. It is clear from the different financing and contribution approaches indicated in the table above that there is a multiplicity of ways that the ARINs achieve basic funding levels. Still, some ARINs are funded in a more precarious way than others.

86. The below model, adopted by CARIN, provides an overview of a typical ARIN funding model, and highlights some of the challenges involved in maintaining funding over a long-term period:

Box 4.1: CARIN Funding Model

CARIN Secretariat is located within the Europol European Financial and Economic Crime Centre - EFCEC. During 2021-2023, CARIN had an annual budget of just over USD 270 000, which is approved generally over a multi-year period and financed by the EU's The Directorate-General for Migration and Home Affairs (DG HOME). The budget was recently approved (2023) for the next triennium. In addition, the country that holds the Presidency contributes five percent to the budget via in-kind contributions.

The budget is largely dedicated to travel and co-ordination of annual general meetings (AGM) and the meetings of the Steering Group. Currently the permanent secretariat is hosted within Europol and there are no direct costs for CARIN for IT, facilities.

Source: CARIN

E. KEY CHALLENGES

87. Below are some of the key challenges summarised in this chapter:

- **Challenge:** ARIN funding is often constrained, and generally not adequate for their broader mandate, which includes additional network-building, training, and facilitating cases. ARINs are also not able secure long-term funding. This impedes broader and longer-term planning.
- **Challenge:** ARINs continue to struggle in how to demonstrate their return on investment.

CHAPTER 5: DATA COLLECTION AND PERFORMANCE REPORTING FROM ARINS

88. Measuring the impact of ARINs on global asset recovery efforts is an essential requirement for ensuring the improvement and long-term success of these networks. However, collecting, and compiling data on the overall performance of ARINs can be a big challenge. This project's experiences studying ARINs has shown that they struggle to compile the numbers of exchanges and the numbers of assets and cases in which they assist.²³ This is regrettable, as ARINs' positive impact on global asset tracing and confiscation efforts are now not easily visible. Structured and harmonized data collection could provide valuable information about the implementation and impact of ARINs. Achieving such data collection can be challenging for most ARIN secretariats and Members. Still, they should prioritise performance measurement because it gives members an understanding of the return on their investments and greater visibility to the positive achievements of ARINs.

89. ARINs typically set a series of strategic objectives and priorities to improve the ARIN's functioning and effectiveness. Many have "improving data collection" as one such objective. However, as this chapter finds, countries could do more to achieve these strategic objectives. Additionally, there are ways to enhance the objectives to meet the specific needs of ARIN-members, notably by reflecting relevant findings on asset recovery, including, for instance, the aggregate findings in FATF Mutual Evaluations, their analysis of country risks and their recommendations.

A. PERFORMANCE EVALUATION

90. Performance evaluation serves multiple purposes, such as understanding the extent to which the ARINs support the needs of members, whether it is raising awareness and whether advocacy initiatives are working. Performance assessments also help to understand where further capacity building and development is needed. This can help identify the costs and benefits of initiatives, and how these costs and benefits are distributed across members.

91. Globally, performance around asset tracing and asset recovery is poor, particularly when there is a cross-border element involved (and in spite of the growing cross-border risks reported). There are a limited number of successful cases of cross-border asset recovery.²⁴ Despite the general understanding across countries that performance is low, the methods of evaluation and measuring cross-border exchanges is still inadequate, particularly in the field of informal law-enforcement cooperation. Informal exchanges are difficult to measure and are often under-reported and their impact on investigations is misunderstood. Policymakers as well as law enforcement agencies face important challenges in addressing these requirements to improve measurement and evaluation.

92. Several ARINs have conducted evaluations of performance in their annual reports. The evaluation process of these entities appears to rely on self-appraisal and self-assessments, rather than peer-reviews or external third-party assessments of these ARINs. This report represents one of the first external third-party review of the ARINs. The evaluation processes and methods of

²³ This stems from the finding that many countries appear to have a limited understanding of the success rates of their asset recovery systems – in particular the requests sent and received and the types of assets and the crimes they were associated with, and which are ultimately confiscated and recovered. The tangible impact of informal assistance on the outcome of an investigation can also be difficult to express in quantitative or even qualitative terms.

²⁴ While there are examples of successful recent cases, they have also required significant time resource and effort, and often only recover a fraction of misappropriated funds after a number of years.

reporting of the various ARINs are diverse, and each network has its own system of providing updates to Members and donors on annual performance. Broadly, evaluations of ARIN performance are quantitative and qualitative.

B. ARIN REPORTING AND STRATEGIC OBJECTIVES

93. ARINs typically set strategic objectives or priorities. These are agreed and reviewed at AGM meetings, and often feature objectives in the following categories:

- Developing expertise and improving services-delivery of the ARIN
- Maintaining network contacts and setting network expansion goals (in both scope and depth), including co-operation with other ARINs, and external members and partners
- Strengthening the quality and quantity of exchanges
- Working with Members on overcoming legal and institutional barriers to ensure seamless sharing and fewer barriers to co-operation

94. The nature, ambitiousness and complexity of action plan timelines depend on the capacities of member jurisdictions. Action plans and strategies may also depend on how recently the member countries established the ARIN. In some situations, the action plans are driven by external (e.g., donor country) reporting requirements and objectives. Donors may provide assistance and oversight to the ongoing advancement of the ARINs in certain regions. In lower capacity jurisdictions, action plans target issues such as the lack of contact points; gaps in political will among members; barriers such as language and cultural barriers; and absence of adequate legal and institutional frameworks to properly conduct international co-operation for asset tracing and seizure on behalf of Members.

95. Measuring performance is an important challenge for ARINs. The informal nature of exchanges, coupled with the low (or uneven) staffing and resourcing levels within the ARIN secretariats often means that performance reporting on elements such as confiscations, numbers of exchanges, or average response times can be difficult. Additionally, ARINs may not be privy to information exchanged, and requests for data inputs often go unanswered. For this reason, figures and reports on performance, including numbers of exchanges, assets identified (by value and volume) and assets recovered, were not readily available across most ARINs. The below analysis attempts to piece together some of the performance metrics available from select ARINs to draw out some basic conclusions on the varying levels of ARIN performance.

96. ARIN-SA, CARIN and RRAG have been able to report on select performance metrics, the boxes below highlight their performance:

Box 5.1: Select ARIN Reports on Performance

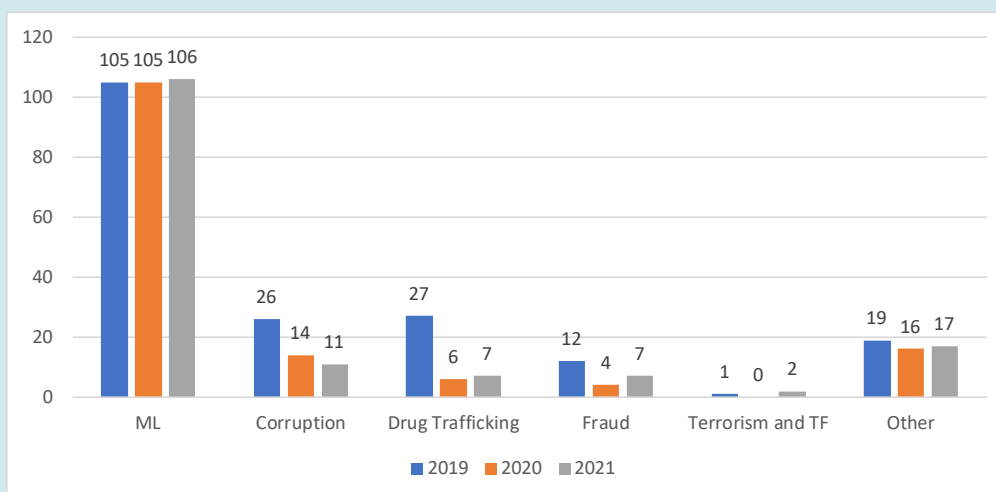
1. ARIN-SA Performance Reporting (2017-2022)

Since 2017, ARIN-SA has reported that it has facilitated request and exchanges that have led to confiscations worth USD \$13.4 billion in assets. The ARIN-SA secretariat noted that most of these funds related to a single country. Over the past year (2022), ARIN-SA has sent and received on behalf of Members 24 requests (16 requests received from external ARINs and eight sent to outside ARINs). However, it is not clear if these figures also account for ARIN-SA to ARIN-SA members.

2. RRAG Performance reporting (2019-2020)

RRAG conducts annual performance reporting and delivers these reports to the GAFILAT Secretariat and Members of the ARIN Secretariat. On average, RRAG facilitated 162 exchanges per-year (2019-2020). Between 2016-2019, RRAG facilitated the exchange of information that led to the identification and tracing of USD \$145m in assets between its own members, and USD \$11m with other ARINs.

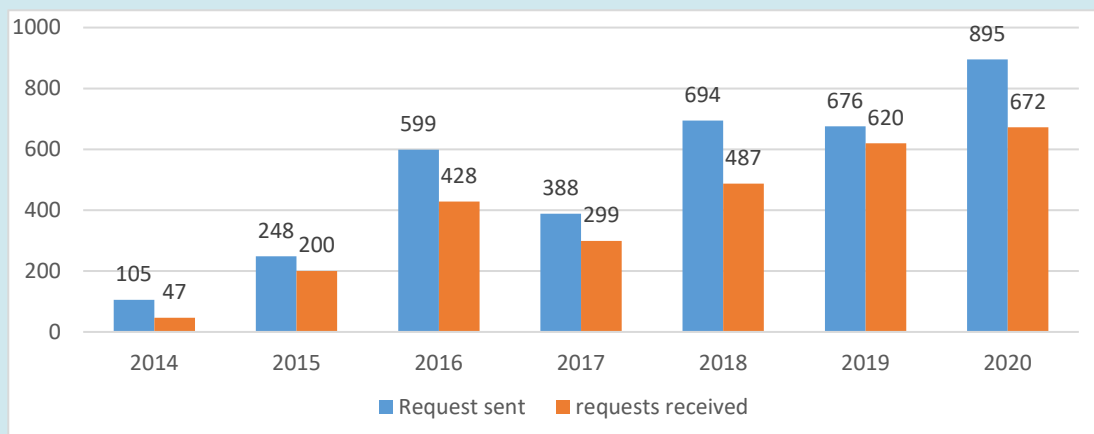
The below figure provides a breakdown of the number of exchanges per year and the suspected underlying offences:



Source: RRAG annual reporting

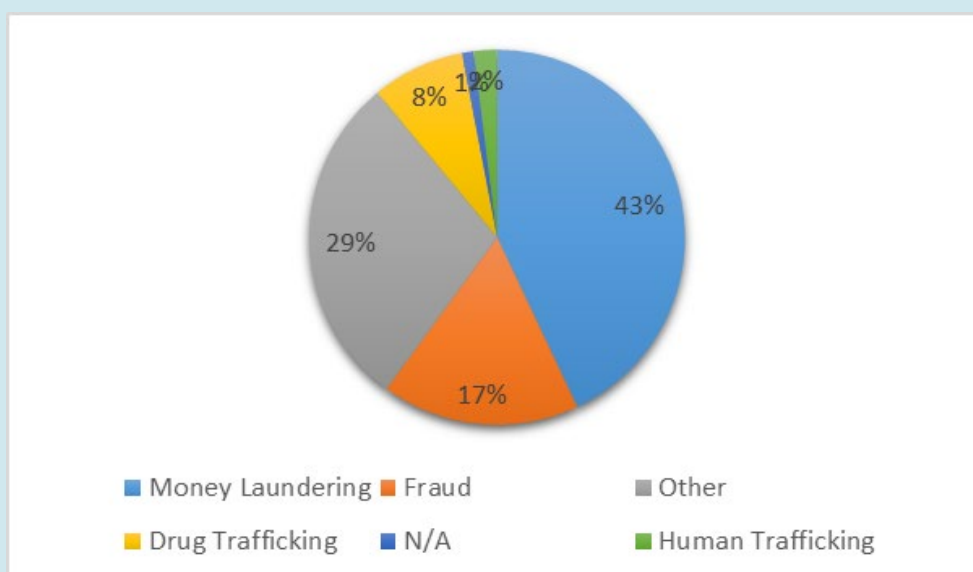
1. CARIN Exchanges from 2014-2020

In its annual reports, CARIN highlights the growth of the number of exchanges facilitated through its asset recovery network contact points. As the figure below highlights, there has been a considerable growth in the number of exchanges year-over-year (2014-2020), from just over 150 total exchanges in 2014 to over 1500.



Source: CARIN Annual Report (2020)

In addition, CARIN provides reporting on the nature of the suspected offences in the requests that are sent from its constituent members. these exchanges. The below chart shows the breakdown of offences by suspected crime-type. As highlighted in the RRAG reporting, suspected ML also accounts for most exchanges (43 percent) followed by Fraud (17 percent) (with “other” crimes accounting for 29 percent of the total).



97. ARINs conduct data-keeping with varying levels of detail, so cross-sectional analysis across all ARINs is difficult. Data submission across all ARINs are also often incomplete which means that data-based comparative analysis across ARINs is not possible. However, from the limited statistics provided, there are obvious signs of varying levels of performance and use of ARINs. For example, CARIN facilitates well over one thousand exchanges yearly; meanwhile, another ARINs reported around forty-five requests exchanged in the past year, and another just ten. This reflects the various stages of development of ARINs and the capacities of Members.

98. Most ARIN respondents cited data collection as a major and overarching challenge for performance reporting. For example, in their 2022-2026 Strategic Action Plan, ARIN-WA recognized the important challenge of recording and reporting on statistics for performance. However, the ARIN report also recognized that this is a considerable challenge, notably the requirement that all stakeholders (i.e., ARIN contact points) will need to collect and submit data on a quarterly and annual basis. Similarly, other ARINs cited this “data challenge” of stakeholder buy-in and engagement to be an important obstacle to understanding overall performance.

99. Nevertheless, as the figures in the boxes above highlight, when deployed and recorded effectively, ARINs clearly play a key role in expanding the global framework for asset recovery.

C. QUALITATIVE EVALUATIONS: CASE STUDIES ON ASSET TRACING AND SEIZURE

100. Qualitative indicators, such as case studies or handbooks featuring examples, can assist policymakers in assessing the impact of ARINs, particularly when extensive quantitative data is not available. These may also help asset recovery contact points understand the role and impact of ARINs and how they can assist for future cases. In several instances, ARINs provide their member countries with case examples. These have helped to highlight some of the outputs that the networks generate. Selecting and keeping case studies offers a way of appreciating the role and impact of ARINs on a case-by-case basis. Several of these case studies are listed below:

Box 5.2: Compilation of case studies showing the role of the ARINs

1. RRAG Case study on Drug Trafficking

In a case of money laundering from transnational drug trafficking with high institutional significance and multiple international ramifications, in June 2019, a request was made to country A for asset information through the RRAG. A few days later, country A provided quality information on assets and corporate shareholdings of the persons subject to the request. Based on the information collected, the requesting country sought and obtained a freezing order for one of the properties identified by country A, because of which in July 2020, a mutual legal assistance request was issued to that country for the purpose of freezing the identified asset, which was in the process of being executed

Source: RRAG Annual Report (2020)

2. CARIN Case study on Covid-related Fraud Schemes

In April 2020, CARIN played a key role in a 2.4 million face mask scam investigation supported by Interpol. The German authorities needed support from Poland related to the first layer bank transfer. Within 30 minutes, the Polish CARIN point of contact informed that the money had been transferred to Hong Kong. The money was further sent to Singapore and onwards to the UK with destination in Nigeria. The CARIN and ARIN-AP contact points from these jurisdictions all became involved. Their quick reactions and exchanges led to the identification of a larger scam. Within two months, the assets were frozen and two Nigerian citizens were arrested. This is only one example of COVID related fraud schemes whose investigations were supported by CARIN in 2020. In another case, contacts were activated within 2 hours between an EU and an African jurisdiction to help recover part of a EUR 2 million transfer that had bounced between multiple accounts. In a third case, CARIN secretariat helped track a EUR 6 million transfer by activating contacts with a member of ARIN-AP within one (weekend) day.

Source: CARIN Annual Report (2020)

101. These are useful for illustrative purposes, but these case studies do not reflect the everyday performance or exchanges facilitated by ARINs. Nevertheless, quantitative data is still important as a feature for performance monitoring and measurement.

D. KEY CHALLENGES

102. Below are some of the key challenges summarised in this chapter:

- **Challenge** of ARINs to set objectives in a way that is aligned with the reporting of the FATF and FSRBs on their member countries, and to develop more specific recommendations that align with the (e.g.) recommended and priority actions of the FATF Global Network's Mutual Evaluations and Review processes
- **Challenges** in ability to collect data on a systematic basis to measure performance, and record or report results from facilitated exchanges (as the ARINs are often excluded from the subsequent information exchange).

CHAPTER 6: LEGAL AND INSTITUTIONAL BARRIERS TO INFORMATION EXCHANGE

103. ARINs can help reduce delays and times for international co-operation, however they have great potential to do even more. ARIN secretariats and member countries frequently report that efforts to exchange information across borders can be frustrated by legal and institutional hurdles. “Mismatched” or “incompatible” legal frameworks are the most referenced challenge. Despite this, the legal basis that enables international co-operation and the underlying legal instruments (e.g., treaties and conventions) does not have to be an impediment to co-operation across borders. This is because countries can, in principle, exchange most information necessary for successful cases.

A. IMPACT AND LIMITS OF ARINS ON INFORMAL CO-OPERATION

104. ARINs have made important steps in reducing the transaction delays (and costs) for information exchange. For example, several of the ARINs collect and maintain a Matrix of the information that can, and cannot, be shared by which countries and under what conditions. ARIN secretariat members often have deep institutional knowledge and experience on exchanges, and they can judge at the outset whether information can or cannot be exchanged. The knowledge and guidance that some CARINs share can be essential for deciding whether to proceed with exchanges.

105. Nevertheless, ARINs can be limited in their functions. Importantly, as noted in the earlier chapter of this report, ARINs often lack the resourcing to provide this sort of expertise and guidance to all requesting countries. In addition, ARINs do not necessarily have access to strategic or technical documentation such as guidelines for international (and mutual) legal assistance, which could also help ARINs to give clarity on whether a request can be obliged²⁵. Finally, ARINs are mostly informal exchange bodies, and receiving jurisdictions may not treat requests with the same level of importance as formal requests.

B. MOVING FROM INFORMAL TO FORMAL (MLA) INFORMATION EXCHANGE

106. Often, successful investigations depend on good informal exchanges, but in some instances, can also require the conversion of this information into usable evidence that assists in the prosecution of suspects (in the form of MLA). However, experiences of ARINs indicate that informal exchanges do not guarantee a successful conversion of information to MLA. This stems from the fact that it becomes difficult or impossible for LEAs or relevant authorities to exchange information for the prosecution phase of a case (or judicial investigation²⁶)²⁷. (see also Box 7.1: Example of Synergies between StAR and ARIN' for additional information on the MLA exchange).

107. To illustrate, *Country A* could share publicly available information of a person’s company with a requesting *Country B*, but when a suspect is charged; then, *Country B* may still have to submit an MLA request for the same information back to *Country A* to ensure that it is admissible in court.

²⁵ An example of a guideline document is the Jamaican authorities’ ‘Guidelines for Authorities outside of Jamaica’, which provides the reader with a synopsis of how to conduct mutual legal assistance and to engage with Jamaican authorities on matters relating to investigations.

²⁶ In common law jurisdictions, for criminal cases, investigators hand the case to prosecutors, who then gather evidence for use in court. In civil law jurisdictions, the formal evidence gathering for cases occurs during the judicial investigations phase, conducted by judicial commissioners (prosecutors).

²⁷ www.unafei.or.jp/publications/pdf/GG9/14_GG9_IP_Indonesia1.pdf

However, *Country A* may run into legal and institutional barriers that prevent the timely sharing of information, based on a range of factors (e.g., lack of a legal basis for international co-operation, dual criminality, inadequate description of rationale, evidentiary requirements, etc.). Consequently, without admissible evidence, prosecutors in *Country B* may be limited in their options on how to charge a suspect or must reach their conclusions using a parallel means.

Box 6.1: RRAG: LEA Informal Consultations and MLA

In the RRAG Network (the ARIN responsible for contact points across Latin America), the secretariat reported that between 2016-2019, the network facilitated around 580 contact point consultations during this four-year period. However, the number of follow-up MLA requests that were connected to these exchanges and enquiries was considerably lower. In its 10th anniversary report, the RRAG reported that, in this same four-year period, countries subsequently exchanged 17 MLA requests because of these 580 exchanges. This figure accounts for just three percent of all consultations, and sheds light on the potentially low level of MLA that follows from these exchanges.

Note: this is a basic estimation for illustrative purposes, notwithstanding challenges for data collection experienced by the RRAG secretariat.

Source: RRAG 10th Anniversary Report (2020).

C. KEY CHALLENGES

108. Below are some of the key challenges summarised in this chapter:

- **Challenge:** ARINs are specialised in informal co-operation for initial investigations into asset tracing and identification. As a result, there is often no guarantee that the information can then be exchanged and used in an impactful manner for prosecutions, including for confiscations. ARINs also have generally low visibility and expertise about the subsequent use of formal channels to conclude information sharing exchanges for prosecution phase.
- **Challenge:** Certain ARINs face difficulties in compiling and maintaining comprehensive lists of the types of information that countries are authorised to exchange, which can also complicate the process of legal evidence exchanges.
- **Challenges** in general co-ordination and trust-building across the ARINs and difficulties in arranging exchanges between Members of separate ARINs (both across peers and for technical assistance).
- **Challenges** with language barriers and interpretation for adequate and timely transmission of information and request

CHAPTER 7: CO-OPERATION WITH OTHER INTERNATIONAL ORGANISATIONS ON ASSET RECOVERY

109. There are a wide range of international bodies active in the asset recovery sphere.²⁸ The Egmont Group helps facilitate FIU-to-FIU information sharing²⁹, and Interpol does so for LEA-LEA information sharing. The StAR initiative has also been involved in supporting the recovery of the proceeds of corruption. The Global Operational Network of Anti-Corruption Law Enforcement Authorities (the GlobE Network), established under the auspices of UNODC, supports building the connections between operational anti-corruption authorities to enable collaboration on transnational corruption cases.³⁰ However, these bodies are focused on differing but overlapping aspects of the asset recovery process, and overall, the bodies and networks lack coordination. In addition, global outcomes in performance as measured by ratings in Mutual Evaluation Reports, discussions with relevant authorities and responses to the questionnaire for this project show that more needs to be done to provide operational authorities with the support they need in cross-border cases.

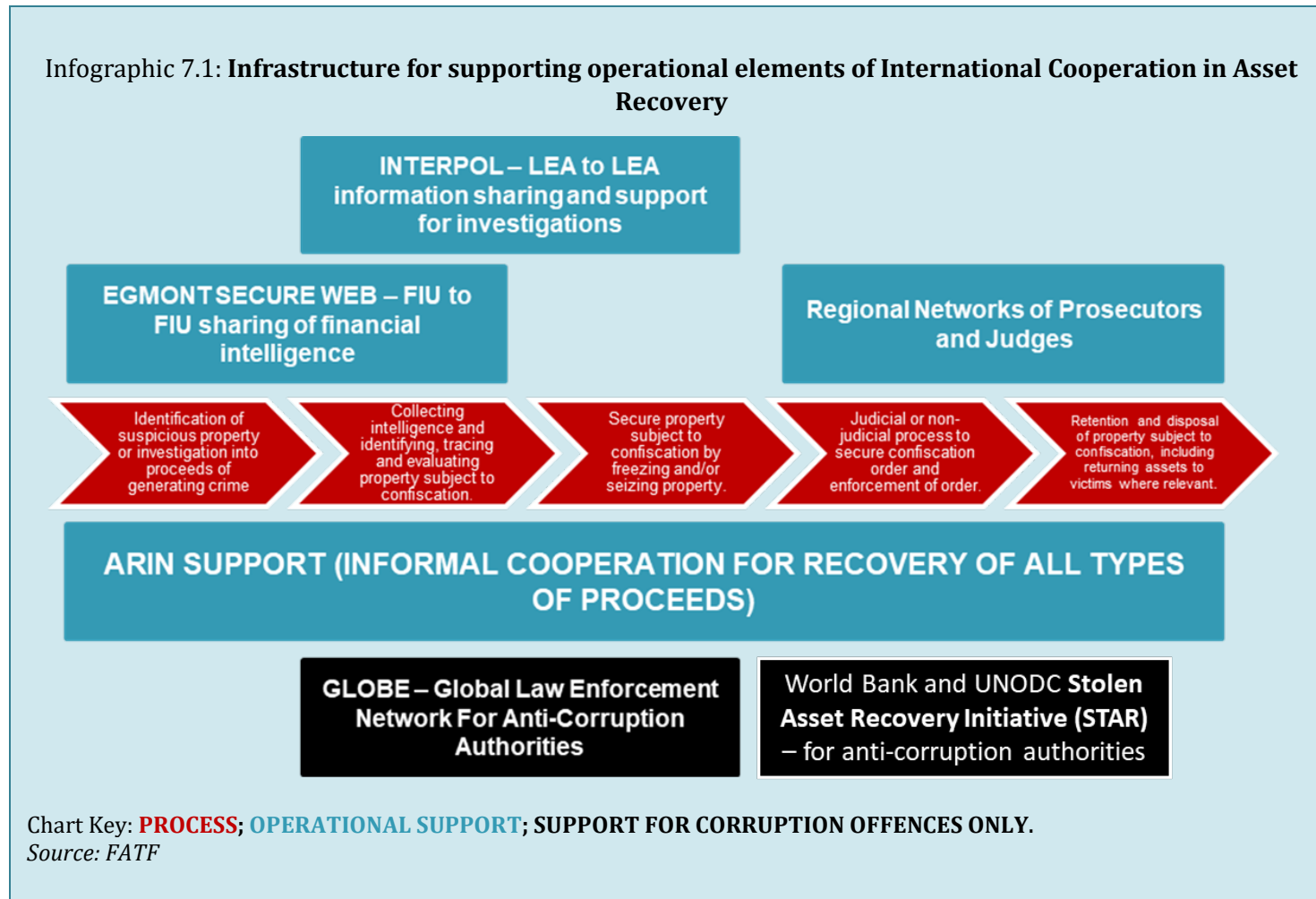
110. Given the number of other platforms and organisations working in this area, it is important that any further work in this area factors in the roles of other key bodies that play a role in supporting international cooperation in asset recovery, so that competent authorities have more closely connected and coordinated infrastructure to support their requests. The diagram below provides a schematic representation of the bodies providing operational support at different stages of the asset recovery process, and how they fit together.

²⁸ The scale of cross-border risks all countries face, relative to countries' capacities to successfully execute asset recovery for cross-border requests confirms that there is a need for substantially more developed international operational support for competent authorities.

²⁹ Once shared across FIUs, they can share information with Asset Recovery Offices as needed.

³⁰ Several platforms that have been developed specifically to aid international cooperation in relation to corruption offences that also aim to facilitate the confiscation of the proceeds of corruption offences in various ways. The Interpol Global Focal Point Network provides a separate network for points of asset recovery experts for corruption cases, (although it needs updating), and the International Anti-Corruption Coordination Centre (IACCC) provides a network of specialist law enforcement officers in seven countries to support cases of grand corruption. UNODC supported the establishment of the Global Operational Network of Anti-Corruption Law Enforcement Authorities (GlobE Network) in June 2021, with membership made up of 149 anti-corruption law enforcement authorities from 84 countries, which now provides a secure channel for communication for the exchange of relevant information between its members. Other bodies such as the Arab Forum and Global Forum on Asset Recovery have provided ad hoc assistance by facilitating co-operation on specific corruption cases, as has the StAR initiative through asset recovery forums in specific countries and in the MENA region.

Infographic 7.1: Infrastructure for supporting operational elements of International Cooperation in Asset Recovery



A. ARINS AND FIU TO FIU INFORMATION SHARING THROUGH EGMONT SECURE WEB

111. FIU to FIU information sharing offers some potential insights into how operational agencies can share relevant information on a secure basis and how informal exchanges can be enhanced. Nevertheless, while FIUs and tools such as the Egmont Secure Web (described below) are useful for exchanges (including with some domestic AROs) they cannot be used for wider investigative purposes. As such, they are complimentary and do not replace the need for informal exchanges between investigating law enforcement agencies. It should be emphasized that they are not a replacement for direct exchanges between law enforcement practitioners, who must continue to exchange throughout the investigation and prosecution.

112. The Egmont Group has developed a report on asset recovery and the role of FIUs. This report provides a useful overview of the roles that and FIU can play in communicating important information across borders to facilitate the identification, tracing and (in some cases) seizing of assets³¹. According to a recent survey conducted by the Egmont Group, more than 60 percent of FIUs have the capacity to search, trace assets, and postpone transactions. This means that FIUs can have two roles in international asset tracing and recovery. First, in the tracing and identification of relevant assets; second, FIUs can have a role in the actual seizing of assets for eventual confiscations.

113. The Egmont Group explores the role of the FIU in engaging with relevant AROs and finds that the AROs (who engage with counterparts via ARINs) are not properly engaged with their domestic FIU. This domestic co-ordination gap prevents more positive outcomes that could follow from closer co-ordination with FIUs.

114. FIUs are useful partners in asset tracing because they have access to a wide range of data and can access secure information exchange through the Egmont Secure Web. Indeed, FIUs can trace assets domestically using access to databases such as bank accounts, real estate registries, beneficial ownership information and others. When there is no secure exchange platform between ARIN counterparts, they can also facilitate secure information exchanges between FIUs, who can then transmit this information to relevant AROs (given proper legal authorities).

B. ARINS AND UNODC

115. UNODC is an active partner in the asset recovery sphere. It is an observer in, or actively engaged through several ARINs. UNODC is also working in the development and creation of new ARINs in the MENA and Central African regions. UNODC also participates in other asset recovery initiatives in relation to corruption, notably the StAR and GLOBE initiatives. Altogether, the UNODC provides guidance to certain lower-capacity jurisdictions, particularly in cases where the legal and operational landscape is not yet adequately developed.

116. In both South and West African ARINs, UNODC has played a central role in the creation, development and technical support of the ARINs. In ARIN-SA, the secretariat functions are shared between the United Nations Office on Drug and Crime Regional Office of Southern Africa (UNODC-ROSAF) and the Republic of South Africa National Prosecuting Authority (NPA). In West-Africa, UNODC officers have provided technical support in the development of the Strategic Plan of the ARIN-WA, and work directly within the structures of the ARIN-WA and co-ordinate with the

³¹ Egmont Group: 'Asset Recovery: the Role of FIUs', www.egmontgroup.org/news/public-summary-asset-recovery-the-role-of-fius/

authorities of Cote-d'Ivoire and donors (including for the German-funded GIZ) for donor related deliverables, training programmes and meetings and asset recovery matters.

117. Where it can, UNODC also conducts advocacy for the ARINs, and can act as a “go-between” to establish trust among ARIN members. It also seeks sources of financing and uses its expertise to provide reviews and helps the ARINs to set strategic objectives. It can liaise more closely with the FSRBs as well as with certain donor countries to co-ordinate efforts and avoid duplication. In the case of ARIN-WA, the UNODC makes regular contact with GIABA and sets up co-ordinating meetings.

118. In other regions, such as in Asia-Pacific, the UNODC has an observer role in the ARIN-AP network. There, it tables suggestions and provides members with broader visibility on the other active regional bodies and liaises closely with members on asset recovery initiatives and priorities. Within the region, UNODC focuses closely on countries in Southeast Asia that have a lower international co-operation footprint in order to assist them with providing and responding to informal international co-operation requests. In the region, the UNODC also works with ASEAN, as well as the Southeast Asia Justice Network (SEAJUST) to develop judicial co-operation for MLA requests (as needed).

119. With this large global footprint in several regions, UNODC is an important partner and active member in asset recovery networks. It has expertise and provides training to relevant law enforcement practitioners and can also provide operational facilitation for lower capacity jurisdictions.

C. ARINS AND INTERPOL

120. Interpol co-ordinates and hosts general LEA to LEA information-sharing. This body, (like several others) covers overlapping aspects in regard to asset-tracing. However, it appears that LEAs generally tend to rely on ARINs instead of Interpol for the specific task of information exchange for asset tracing and seizure. Interpol uses tools, such as the I-24/7 system to exchange information securely on operational and tactical investigative information³².

121. In 2015, Interpol created a new category of notice, specifically dedicated to the tracing and recovery assets, known as the “silver notice”. This form of request would be facilitated through Interpol National Contact bureaus. At the time of this report, silver notices remained a project under development. Nonetheless, any further implementation work in this area would benefit from being closely coordinated with ARINs, whose asset tracing and recovery efforts closely align with the desired outcomes of the Silver Notice program.

122. In 2020, CARIN’s annual report prepared several recommendations, including to Interpol and Europol. They recommend that, “when supporting asset recovery operations, Europol and Interpol should systematically reach out to the CARIN Secretariat so contacts with practitioners in the various ARINs can be facilitated. Such cooperation is essential to ensuring the quick and effective identification of second- and third-layer transfers, the timely freezing of bank accounts, the return of the money to victims as well as the swift arrest of the perpetrators”. Interpol has also co-hosted and organized several meetings in conjunction with ARINs. This includes sessions on combatting specific types of financial crimes, including financial fraud, or cyber-enabled fraud.

³² While there are many benefits to these systems, there are also some natural limitations, for example as there are often processes required for law enforcement to access these systems (e.g., they have to go through a central point of contact at the FIU or another LEA), affecting efficiency, and they are also focused on the tracing and intelligence gathering stages.

D. ARINS AND THE STOLEN ASSET RECOVERY INITIATIVE (STAR)

123. The StAR initiative is co-ordinated by the World Bank Group and UNODC, and supports international efforts to recover funds from corruption³³. It provides guidance and assistance, such as training and technical assistance for countries that request help in relation to either specific cases or general training on recovering assets stolen via corruption. Established in 2007, StAR has already produced a wide range of publications to assist LEAs in cross-border asset identification. In addition, while the work of StAR is focused on corruption, its guides are also applicable (in many cases) to other situations involving asset recovery³⁴.

124. In discussions with the ARINS and with StAR, there is some practical and technical overlap in the work of both networks. StAR's products can be useful resources for practitioners and ARINs, particularly when MLA requests are expected at the "other end" of the pipeline.

Box 7.1: Example of Synergies between StAR and ARIN

Law enforcement officials and other practitioners often have difficulty in transitioning from the informal exchange of information on e.g., assets towards the formal exchange of information to (for example) seize and confiscate on behalf of a requesting jurisdiction.

StAR has prepared a guideline to LEAs and practitioners on direct and indirect enforcement of foreign restraint and confiscation decisions.³⁵ While the report is initially intended for use in enforcing corruption cases, it can also serve as a guideline to offer an understanding of the international legal framework, the "next steps" and a practical guide to LEAs and prosecutors. The guide is available publicly and offers a series of country examples and typical challenges that practitioners may face when attempting to re-patriate stolen assets.

Guides such as this one, which are available on the StAR website, are useful tools for ARIN members. StAR's wealth of knowledge could be shared more widely across ARINS. Conversely, ARINs are useful trust and knowledge-building forums that can then lead to strengthened contacts necessary for MLA-style exchanges. As noted by StAR: "*Direct and personal connections contribute to build trust among involved parties*"³⁶. Participation of countries through ARIN channels helps to lay the initial groundwork to help requesting jurisdictions gain a better understanding of the legal frameworks among partners, and how the system "works".

Source: World Bank, UNODC. *Stolen Asset Recovery Initiative (StAR)* www.StAR.worldbank.org/

³³ See www.star.worldbank.org/

³⁴ StAR publications can be found here: www.star.worldbank.org/publications

³⁵ StAR, *Orders without Borders: Direct Enforcement of Foreign Restraint and Confiscation Decisions* www.StAR.worldbank.org/publications/orders-without-borders-direct-enforcement-foreign-restraint-and-confiscation-decisions

³⁶ Ibid.

E. KEY CHALLENGES:

125. Below are some of the key challenges summarised in this chapter:

- **Challenge:** There are several international organisations active in the numerous initiatives focused on asset recovery, corruption, formal and informal co-operation across borders. Some of these initiatives are regional, others global or topic focused (e.g., on corruption). This creates a challenging co-ordination environment with higher risks of overlap, and gaps in co-ordination.

CHAPTER 8: ARINS, THE FATF GLOBAL NETWORK AND MUTUAL EVALUATIONS

126. This chapter takes stock of the relationship between ARINs and the FATF and Global Network, vis-à-vis their role and presence within the framework of the mutual evaluation process, and the intersection and contribution of ARINs within the broader work of the Global Network. The chapter provides greater specificity as to the areas where further work could be undertaken.

127. This analysis touches on two areas of work the FATF: the FATF and Global Network's interactions with ARINs, (including high-level outreach through ministerial and other high-level commitments) and the FATF Mutual Evaluation Process.

A. OVERALL ENGAGEMENT BETWEEN THE GLOBAL NETWORKS

128. In several instances, ARINs attend the plenary or working group meetings of the FSRB members, and the participation and engagement levels appear to be increasing with greater recognition of the role and impact of ARINs. Still, except for the RRAG network in Latin America (which is located within the GAFILAT FSRB), ARIN secretariats reported that their overall level of communication and engagement with the relevant FSRBs is still insufficient. Several ARINs and practitioners noted that there is room for the FSRBs to host training and awareness-raising sessions on the use of ARINs and their broader impact on asset recovery. Conversely, ARINs can share their knowledge and potentially develop joint trainings to address shortfalls identified in the (aggregate ratings of) mutual evaluations of the FSRB Members.

B. THE FATF METHODOLOGY AND ARINS

129. The FATF Methodology for assessing technical compliance and effectiveness addresses international co-operation and asset recovery. This is captured mainly in Immediate Outcome 2 (International co-operation) and Immediate Outcome 8 (Confiscation of Instrumentalities or Proceeds of Crime)³⁷. Here, outcomes and effectiveness can be impacted by a country's participation in, and use of asset recovery networks:

130. **Immediate Outcome 2** requires that a country demonstrates how it has sought and provided timely informal co-operation (see Core Issues 2.3 and 2.4, respectively). Additionally, Examples of information that could support conclusions on core issues also include (para 3.) "Types and number of co-operation agreements with other countries" and Examples of Specific Factors include (para 11.) how 'details of the contact persons and requirements for international co-operation requests are clear and easily available to requesting countries'. These elements and factors supporting conclusions in evaluation speak directly to some of the outcomes that ARINs can assist in improving.

131. **Immediate Outcome 8** looks at how well competent authorities are confiscating proceeds of crime, including through "*repatriation, and sharing, including for proceeds which have been moved to other countries*" (see Core Issue 8.2). Examples of information supporting conclusions on core

³⁷ For more information on the FATF Methodology for assessing compliance with the FATF Recommendations and the effectiveness of AML/CFT systems, see: www.fatf-gafi.org/en/publications/Mutualevaluations/Fatf-methodology.html

issues also include information such as the amount of proceeds of crime restituted (para 2.), and cases that involve foreign offences (para 1.). In the examples of specific factors that could support conclusions on core issues, countries may also demonstrate “*what are the measures and approaches (...) to target proceeds and instrumentalities of crime (including major proceeds-generating crimes and those that do not originate domestically or have flowed overseas)*”. These elements and factors can also be positively impacted by a country’s informal co-operation through ARINs and other international co-operation frameworks.

Box 8.1: Example of Referrals to ARINs in MERS: France and New Zealand

Example 1: Mutual Evaluation of France

For technical compliance, France’s Mutual Evaluation Report describes the country’s membership in the CARIN network in Recommendations 38 (Mutual Legal Assistance: Freezing and Confiscation) as a channel through which authorities transmit requests for international asset identification (Criterion 38.1); and 40 (other forms of international co-operation) as one of several institutions that it relies on as a means of police co-operation for major proceeds generating offences (Criterion 40.17).

Regarding effectiveness, France’s mutual evaluation refers to asset recovery networks in Immediate Outcomes 8, and 2. In immediate outcome 8, on asset recovery, the report notes that CARIN and other networks such as ARIN-CARIB are an important channel for asset search requests that the authorities rely upon for identifying assets relating to cases that they are prosecuting: *“The [prosecuting authority] sends an asset search request to its counterparts abroad via the Asset recovery office (ARO) and/or CARIN networks, or the ARIN-CARIB for cases relating to the French West Indies”* (Core Issue 8.2, para 275). In immediate outcome 2, for providing and receiving informal co-operation, LEAs *“Together with [asset seizure and management office], the [prosecuting authority] represents France in the European network of ARO and the CARIN network. In 2020, the [prosecuting authority criminal asset identification platform] received 183 requests, mainly from EU members and through AROs and Interpol channels.”*

(France received *“high”* effectiveness ratings for both IO.8 and IO.2.)

Example 2: Mutual evaluation of New-Zealand

Regarding effectiveness, in Immediate Outcome 8, New Zealand is active in the identification *“tracking of assets through employing a range of international co-operation channels such as mutual legal assistance, Egmont, Interpol, ARIN-AP, and through New Zealand liaison officers stationed in countries of a strategic importance with regional responsibilities”* (Core Issue 8.1, para. 236)

In Immediate Outcome 2, for exchanging (seeking and providing) other forms of international co-operation, the report notes that New Zealand *“Police participates in various police-to police networks, such as the Five Eyes Law Enforcement Group and Heads of FIU, ARIN-AP and CARIN.”* (Core Issues 2.3-2.4, para 517).

(New Zealand received *“high”* effectiveness ratings for both IO.8 and IO.2.)

Source: FATF (2021) *Mutual Evaluation of New Zealand* www.fatf-gafi.org/en/publications/Mutualevaluations/Mer-new-zealand-2021.html

FATF (2022) *Mutual Evaluation of France*, www.fatf-gafi.org/content/fatf-gafi/en/publications/Mutualevaluations/Mer-france-2022.html

CONCLUSION

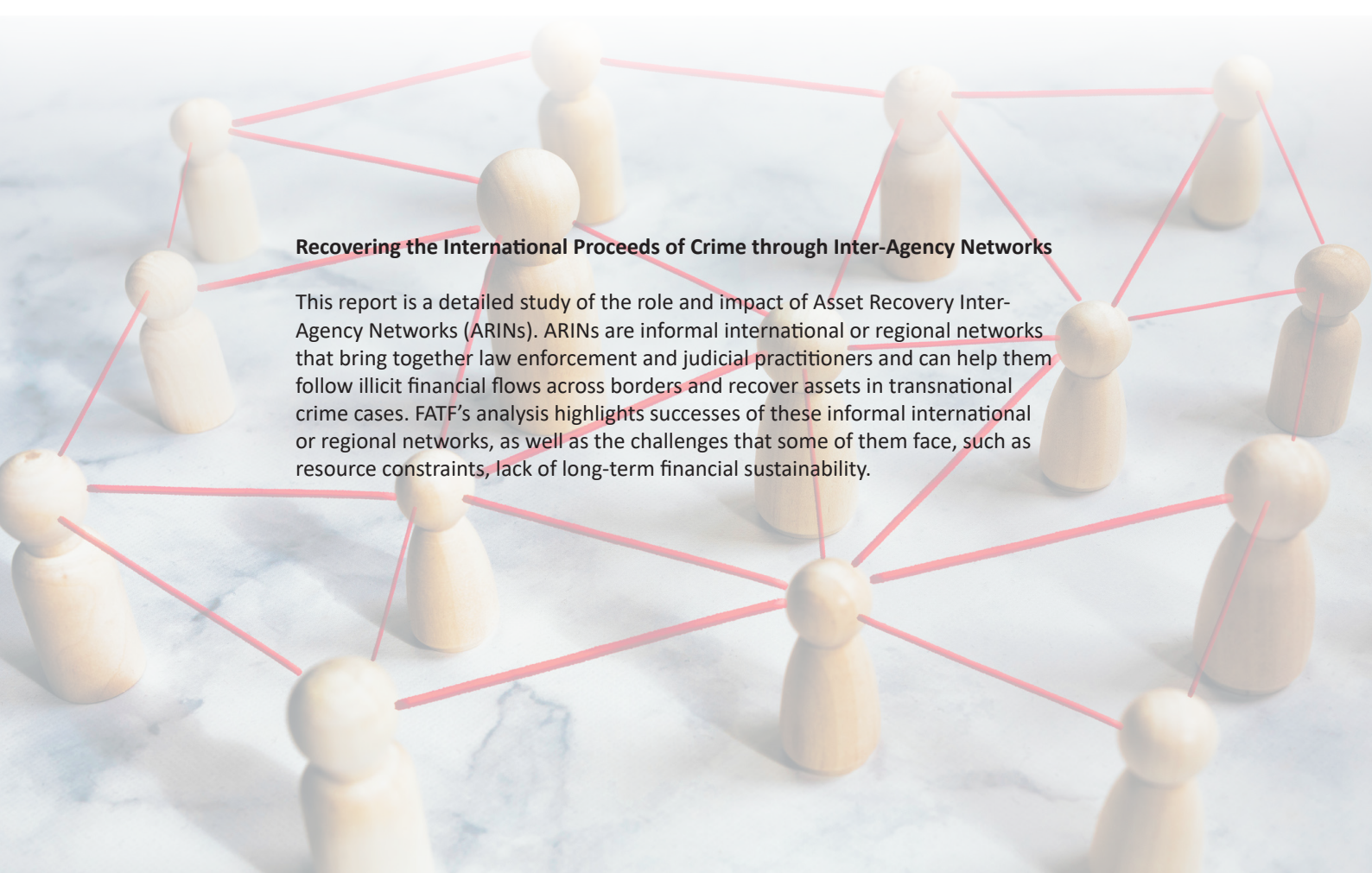
132. This report has provided a detailed overview of ARINs, and the global system of international co-operation in which they operate. In doing so, the report casts light on the many challenges that these asset recovery networks face, particularly in regard to resourcing and funding, governance, performance reporting, and their ties to other international bodies active in asset recovery. However, the asset recovery challenges that ARINs, countries and the FATF and Global network face are not insurmountable. The global policy community, including the FATF and Global Network, can continue to contribute to improving global asset recovery by strengthening its collaboration with asset recovery networks. To achieve this, policymakers are strongly encouraged to use this report as an important reference document to guide any further considerations and recommendations as they work together to find ways of improving the global systems for asset recovery and confiscation.

The FATF logo is a red shield-shaped emblem. At the top, the letters 'FATF' are written in white, bold, sans-serif font. Below the text is a stylized white graphic consisting of three curved, overlapping shapes that resemble a globe or a network of connections.

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A network diagram is overlaid on a background of wooden figures on a marble surface. The figures are connected by red lines, forming a complex web of relationships. The text is centered over this network.

Recovering the International Proceeds of Crime through Inter-Agency Networks

This report is a detailed study of the role and impact of Asset Recovery Inter-Agency Networks (ARINs). ARINs are informal international or regional networks that bring together law enforcement and judicial practitioners and can help them follow illicit financial flows across borders and recover assets in transnational crime cases. FATF's analysis highlights successes of these informal international or regional networks, as well as the challenges that some of them face, such as resource constraints, lack of long-term financial sustainability.