



Cooperation Programme between
Latin America, the Caribbean
and the European Union on
Drug Policies

Recovery, administration and allocation for public, social and community use of assets confiscated from drug traffickers and organized crime



Experiences from Latin America and Europe





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September 2024

This publication has been funded/co-funded by the European Union. Its content is the sole responsibility of the FIIAPP and does not necessarily reflect the opinions of the European Union.

This document is the result of the International Seminar on the Recovery, Management, and Allocation for Social and Community Use of Assets Seized from Drug Trafficking and Organized Crime (Buenos Aires, May 30-31, 2024), organized by the COPOLAD III program in collaboration with GAFILAT and the Italian organization LIBERA.

COPOLAD III is a consortium formed by:



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1. Program Description

COPOLAD is a program funded by the European Union (EU) within the framework of the principles underlying the new drug strategy. The program accompanies Latin American and Caribbean countries in improving their drug policies. Its objective is to support the achievement of better results in relation to the promotion and defense of human rights, gender equity, public health, citizen security and other dimensions of sustainable development.¹

In 2021, the third edition began, led by the Fundación Internacional para Iberoamérica de Administración y Políticas Públicas (FIIAPP)², in consortium with the International Italo-Latin American Organization (IILA)³, and in coordination with Die Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH⁴ and the European Union Drugs Agency (EUDA)⁵.

This third phase of the COPOLAD program, in the component dedicated to supply control, has placed the fight against money laundering at the centre of its implementation strategy, since actions to combat organized crime are more effective when the legal system contemplates measures to attack illegally accumulated wealth.

These measures are generally carried out in two distinct phases. The first phase focuses on asset recovery and refers to investigations for the identification, seizure and forfeiture of criminal wealth. The second phase is based on the destination of assets and wealth for public/social purposes. When assets seized from organized crime are

1. What is Copolad - [Copolad](#)

2. International and Ibero-American Foundation for Public Administration and Public Policy - [FIIAPP](#)

3. Home - [IILA](#)

4. Startseite - [giz.de](#)

5. EUDA home page | www.euda.europa.eu



returned primarily to the community to be reused for institutional and social purposes, they are put to efficient use and contribute to the construction of a culture of legality.

For this reason, the COPOLAD III program collaborates with national and regional institutions in Latin America and the Caribbean to strengthen financial and asset investigations, forfeiture or non-conviction-based forfeiture processes, the effective management of seized and forfeited assets, and their use for public, social, cultural and community purposes.

The EU/CELAC Mechanism for Coordination and Cooperation on Drugs is an institutionalized space for bi-regional dialogue, made up of the 33 CELAC⁶ countries and the 27 EU countries. It is based on the principle of common and shared responsibility. Its functioning includes rotating European and Latin American co-presidencies, annual High Level Meetings (HLM) and Technical Committees every six months, as well as joint Political Declarations every five years.

In addition, it is important to note that among the strategic partners of the program is GAFILAT, which has among its main objectives the promotion of the effective application of AML/CFT/CFP standards and the deprivation of criminals from criminal assets. Accordingly, FIIAPP, IILA and GAFILAT have signed a memorandum of understanding to support the strengthening of illicit asset recovery, which has been a strategic objective under the FATF and GAFILAT presidencies of the last period.

Another important strategic partner is the LIBERA⁷ Association ; an Italian organization dedicated to the fight against mafia and organized crime; founded in 1995 by Luigi Ciotto, its main objective is to promote social justice and a culture of legality. Specifically on the issue of the social use of confiscated assets, the association has been active in supporting countries by reforming their national legislation for the social and community use of confiscated assets.

6. Community of Latin American and Caribbean States, The Community of Latin American and Caribbean States (CELAC) is a mechanism for regional consultation and integration created on December 3, 2011, in response to the need to make efforts among the States of Latin America and the Caribbean in order to advance unity and political, economic, social and cultural integration;; increase social welfare, quality of life, economic growth in the region, and promote independent and sustainable development, based on democracy, equity and the broadest social justice.

The central themes of the CELAC agenda are: Food Security;; Family Agriculture;; Women's Empowerment and Gender Equality;; Population and Development;; Afro-descendants;; Prevention and Fight against Corruption;; Migration;; Labor;; Global Drug Problem;; Education;; Culture;; Science, Technology and Innovation;; Sustainable Development;; Environment and Climate Change;; Disaster Risk Management;; Infrastructure;; Energy;; Productive and Industrial Development;; Cooperation;; Regional and Sub-regional Integration Mechanisms and Organizations;; Extra-regional Relations.

7. [Libera, Associazioni, nomi e numeri CONTRO LE MAFIE](#)



2. Introduction

The continued and diverse use of financial and economic systems in Latin America, the Caribbean and the European Union by international drug trafficking networks to legitimize illicit profits highlights the need to strengthen strategies to impact the finances and assets of criminal organizations as the most effective way to reduce their power and capacity to generate economic, political and social influence.

In this sense, organized crime has been strengthened thanks to the links between criminal organizations and the methods they have adopted and used to hide the illicit origin of their assets, which is why the fight against this new crime, from a criminal perspective, has focused on recent times mainly on the application of two fundamental legal instruments, such as: the criminalization of money laundering and the confiscation of assets of criminal origin.

For this reason, international trends in criminal policy in the fight against national and international organized crime, money laundering and corruption, have been reoriented to reduce criminal activity from an economic perspective, seizing not only the instruments and means used or intended for the development of illicit activities, but also extending to the identification and tracing of the products or profits obtained by these groups through their illegal activities.

In this sense, and as an integral response to the criminal phenomenon, some Latin American countries have adopted legislation on non-conviction based forfeiture, among which the laws of forfeiture, extinción de dominio, special, autonomous, full or emerging capital forfeiture have stood out.

This taking into consideration the International Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna, 1988), against Transnational Organized Crime (Palermo, 2000) which promotes the seizure and confiscation of the assets of these criminal activities and the Convention against Corruption (Merida, 2003), which adopts, in addition to the two previous ones, non-conviction based forfeiture and the recent modifications of recommendations 4 and 38 of the Financial Action Task Force.



For this reason, in addition to the application of this special type of legislation for asset recovery, countries have created national agencies specialized in the administration of seized and confiscated assets.

Currently, the emerging creation and development of these specialized agencies in the administration of assets in Latin America, constitutes an effort of the States in compliance with the different international recommendations issued by the Financial Action Task Force (FATF)⁸, the Model Regulations on Money Laundering Offenses Related to Illicit Drug Trafficking, and other serious crimes of CICAD/OAS⁹, the United Nations Model Law on Extinction of Domain¹⁰, as well as the studies and analysis carried out by the BIDAL Project of CICAD/OAS in the documents entitled *“Document of Good Practices on the Administration of Seized and Forfeited Assets”* and *“Regulatory Aspects for the Creation and Development of Specialized Bodies for the Administration of Seized and Forfeited Assets”*.

In this sense, it has been promoted that the administration of the assets be in charge of efficient and transparent specialized agencies; and that the custody and management of the assets should not constitute a cost for the States, but a way of responsible administration of the seized and confiscated assets that allows the conservation and value of the assets until the corresponding jurisdictional decision is made.

That is why, once seized, international best practices indicate the importance of allocating a portion of the seized assets to the institutional strengthening of law enforcement agencies and another to the social and community reuse of the assets, in order to maximize the public benefit as a way of repairing the damage to the social fabric caused by crime, generating a significant positive impact in terms of social development, public safety and justice.

All these aspects underscore the need for and importance of strengthening cooperation and joint work between Latin America, the Caribbean and the European Union to achieve significant results in the fight against national and transnational organized crime.

8. Particularly those related to recommendations 4 and 38

9. Article 7, Administration of Seized Property

10. Chapter VII, Administration and Destination of Assets



3. General Objective

The identification and seizure of assets resulting from criminal activities have become fundamental to an effective strategy in the fight against drug trafficking and organized crime. By recovering these illicit assets and capital, authorities aim to weaken the financial arm of criminal organizations and use the assets for institutional strengthening, as well as for their use or reuse for social purposes. The objective of this policy paper is to disseminate at the international level the importance of creating and developing the capacities of asset management agencies to achieve the successful use of confiscated assets and their positive impact on the judicial, economic, political, social and cultural dimensions. To achieve this objective, challenges, perspectives and risks related to the management of confiscated assets and their use for public, social and community purposes in the countries will be analysed, taking into consideration some good practices identified in Latin America, the Caribbean and the European Union.



Photo: (COPOLAD, 2024)



4. Expected Results

Strengthened the issue of “Recovery, administration and destination for social and community use of assets confiscated from drug trafficking and organized crime”, integrated into the regional agenda of GAFILAT (Financial Action Task Force of Latin America) and CFATF (Financial Action Task Force of the Caribbean); provided technical elements for political dialogue within the framework of the EU-CELAC Mechanism on drugs, considering that the social and community use of confiscated assets is one of the priorities of the 2024/2028 Mechanism’s Declaration.

Since its inception, COPOLAD III has developed a technical support to the Mechanism, in permanent coordination with the EU Council, the European Commission, the European External Action Service, the CELAC Diplomatic Missions in Brussels and other key actors. This positioning favours the alignment of the Program’s actions with high-level bi-regional political commitments on drugs.

COPOLAD III aims to support the challenges faced by the Mechanism in fulfilling its function as a technical-political space for discussion. The program contributes to facilitating the participation of CELAC countries in particular and conducts dissemination and external communication actions for the Mechanism. Likewise, the technical reports prepared by COPOLAD III provide technical inputs for the Mechanism’s debate.



5. International Recommendations

International recommendations are guidelines, norms or standards developed by international organizations to promote harmonization and uniformity in different areas, whether at the technical, scientific, economic, social or political level, which are intended to promote good practices that provide guidelines based on research and global experiences of experts to improve processes and ensure effectiveness and efficiency in certain areas. They can serve as a guide for the implementation of national and international policies, and many countries adopt them as a reference to develop their legislation and internal regulations.

The following are some international best practices and recommendations from regional organizations involved in the fight against organized crime, money laundering and recovery of illicit assets:

5.1. Manual of Best Practices on the Management of Seized and Forfeited Assets, BIDAL CICAD/OAS Project

The Forfeited Assets Latin America (BIDAL) Project, promoted by the Inter-American Drug Abuse Control Commission of the Organization of American States (CICAD/OAS), compiled information from regional systems on the administration of illicit assets in the region, through the contributions made by the delegates of the countries that made up the Forfeiture Subgroup within the Group of Experts for the Control of Money Laundering (GLAVEX) sharing practical and operational experiences in the application of efficient methods related to asset management. This process also allowed for an exhaustive technical and legal analysis of the legislation and regulations of the different countries and the preparation of the *“Manual of Best Practices on the Administration of Seized and Confiscated Assets”*. This regional document was approved at the meeting of experts for the Control of Money Laundering in Montevideo, Uruguay, held from August 31 to September 2, 2009, and at the 46th CICAD Plenary Meeting, held in Miami, United States from November 18 to 20 of the same year.



The purpose of the text is to guide the legal systems of the states to promote the creation and strengthening of centralized and specialized asset management units, as well as the adoption of efficient mechanisms for the management of illicit assets such as: the anticipated sale, the figure of abandonment, appropriate resources for the maintenance of seized assets, a special account for seized and forfeited monies, as well as special provisions on asset management, among other issues of transcendental importance.

Additionally, the BIDAL Project published a second study entitled *“Asset Management Systems in Latin America, with special reference to the legal evolution of the figure of confiscation and asset recovery agencies in Europe”*, which refers to the study of comparative legislation of asset management systems in the Americas, developed by the Spanish jurist and professor, Isidoro Blanco Cordero, who analyses and develops several international recommendations, mainly made by the G-8 and the Financial Action Task Force (FATF) regarding the creation of these asset management agencies and conducts a study of comparative legislation between asset management agencies in Latin America and Europe.

5.2. Model Regulations on Money Laundering Offenses related to Illicit Drug Trafficking and other serious crimes. CICAD / OAS

The Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS) has a group of experts on money laundering control called GLAVEX, which brings together specialists in money laundering and confiscation from member countries of the organization.

Through this group of experts, CICAD drafted and approved in 1992 the *“Model Regulations on Money Laundering Offenses Related to Illicit Drug Trafficking and Other Serious Crimes”*, with the purpose of serving as a legal guide for designing or modifying the domestic legislation of each country related to money laundering. This text has undergone several modifications since its creation due to the development of the states in the fight against this type of scourge.

In one of these amendments and recognizing the importance of the administration of seized and forfeited assets within the value chain of the fight against organized crime, the experts added to the text the Article 7 titled *“Administration of Seized Assets”*, developing a series of paragraphs to improve the management of illicit assets, such as the creation of a body for the administration, inventory and reasonable preservation of assets of economic value placed at their disposal and that have been subject to precautionary measures, as well as some general acts of administration and disposal of illicit assets.



It is worth mentioning that this document in turn develops the seizure of goods, products and instruments and their corresponding destination.¹¹

5.3. Hemispheric Plan of Action on Drugs CICAD / OAS

The CICAD Hemispheric Plan of Action on Drugs 2021-2025¹², in the section on “Measures to control and counteract the illicit cultivation, production, trafficking and distribution of drugs and to address their causes and consequences”, includes as one of its objectives -number 8-, the following:

“Create and/or strengthen bodies to administer and allocate assets seized and/or forfeited in cases of illicit drug trafficking, money laundering and other related crimes, in accordance with applicable international laws and relevant standards, such as FATF recommendations and recommendations on preventive freezing of assets.”

In order to achieve this objective, four priority actions are identified: (i) establishment or strengthening of national agencies responsible for the administration and disposal of assets linked to drug trafficking, money laundering and other related crimes; (ii) establishment of specialized agencies and adequate and transparent mechanisms for the administration of seized and forfeited assets; (iii) development and implementation of specialized and continuous training programs in this area; and (iv) application of legislative and regulatory measures to facilitate the seizure, forfeiture and administration of assets, instruments or proceeds of illicit drug-related activities.

5.4. UNODC Model Law on Extinción de Dominio

In 2011, in view of the need for Latin American countries to have a guide for the adoption and implementation of non-conviction-based forfeiture, the Legal Assistance Program for Latin America and the Caribbean (LAPLAC) of the United Nations Office on Drugs and Crime (UNODC) in Bogotá, Colombia, brought together a series of international experts in order to create the “*Model Law on Extinción de Dominio*”¹³ and thus collaborate with the structural and procedural design of a legal institute that allows the adoption of tools that make the fight against drug trafficking, organized crime, corruption and the financing of terrorism effective.

11. Articles 9 and 11 accordingly.

12. Available at: http://www.cicad.oas.org/Main/AboutCICAD/BasicDocuments/Plan_de_Accion_Hemisferico_sobre_Drogas_2021-2025_ESP.pdf

13. https://www.unodc.org/documents/legal-tools/Ley_Modelo_Sobre_Extincion_de_Dominio.pdf



In this sense, this modern legal institute seeks to weaken and dismantle criminal structures from a patrimonial and financial perspective, focusing exclusively on the tracing and identification of all types of assets derived from criminal activity.

Given the importance of the administration of seized and forfeited assets, the Model Law includes a chapter that outlines the purposes and rules of administration that should prevail in the management and allocation of illicit assets, as well as the adoption of mechanisms such as the anticipated sale of assets when they are at risk of perishing, deteriorating, devaluing or whose conservation would cause damages or expenses disproportionate to their value or administration.

Currently, and starting with the commemoration of the 10th anniversary of the Model Law on Extinción de Dominio, the UNODC in Colombia has dedicated itself to initiating a joint updating process with the contribution of experts from the region¹⁴.

5.5 White Paper on Asset Recovery, CEART Project European Union.

Within the framework of the European Community's CEART Project, a compendium called "*White Paper on Asset Recovery*"¹⁵ was prepared, which allowed the exchange of effective best practices in the field of cooperation between asset recovery agencies of the European Union Member States and the United States and Canada, in the tracing and identification of proceeds of crime or other crime-related property, a regulation that constitutes one of the cornerstones in the field of asset recovery in the European Union.

This text addresses as an integral part of the asset recovery value chain the issue of asset management offices, pointing out some of the international recommendations regarding the creation of a body entrusted with this task, known in some English-speaking countries as AMO¹⁶ and adopting best practices aimed at ensuring efficient and cost-effective asset management and with the authority to custody, administer, maintain and dispose of seized assets. This designated body can also advise on forfeiture operations.

14. UNODC commemorates ten years of the Model Law on Extinción de Dominio, <https://www.bing.com/search?q=ley+modelo+de+extinción+de+dominio+actualización+UNODC+Colombia&form=ANSPH1&refig=B6C10A4A0B94436D826C54E09CA1E746&pc=U531>

15. <https://www.interior.gob.es/opencms/pdf/archivos-y-documentacion/documentacion-y-publicaciones/publicaciones-descargables/seguridad-ciudadana/Libro-blanco-de-mejores-practicas-sobre-recuperacion-de-activos-NIPO-126-12-072-5.pdf>

16. Known by its acronym in English as Assets Management Office.



In addition, in terms of best practices, the document addresses a series of issues such as the importance of planning prior to the application of the precautionary measure between transferring authorities, with the purpose of anticipating expenses and making informed decisions for its correct, efficient and cost-effective administration, as well as the development of adequate control and information management systems that allow for a correct inventory of seized and forfeited assets, allowing for the transparent administration of the assets.

Finally, the basic principle is the conservation of assets, without prejudice to the need to adopt in the domestic legislation of the states, mechanisms that allow for the early sale of perishable or rapidly depreciating assets, as well as those that are costly to maintain.

5.6. Asset Recovery Handbook, A Practitioner's Guide, Stolen Asset Recovery (StAR) Initiative, World Bank and UNODC.

The World Bank and UNODC through the StAR Initiative provides extensive information on practical experiences on issues of global concern related to anti-corruption and illicit asset recovery efforts. In this context the *"Handbook for Asset Recovery"*¹⁷ was published in its second edition in 2020, emphasizing the need to use innovative strategies and technical tools, including in the context of international cooperation. This document is intended as an instruction manual and guide for practitioners facing strategic, organizational, investigative and legal challenges in recovering assets that have been stolen by corrupt leaders and hidden abroad. This document provides common approaches to recovering stolen assets located in foreign jurisdictions and identifies the challenges practitioners are likely to encounter and introduces best practices in this area.

This Manual includes a complete chapter on the administration of seized and forfeited assets, analysing practical and operational issues such as the need for specialized asset management and administration agencies, pointing out the powers they should have, as well as their adequate funding for the preservation of assets. It also analyses specific management problems related to certain types of assets, the need to keep records and inventories, and the process of liquidating them.

17. https://star.worldbank.org/sites/default/files/2022-08/ARH_Spanish.pdf



In this regard, the document states that the starting point for establishing a functional asset management system is an appropriate legislative framework with adequate regulations to maintain assets and preserve their economic value in an efficient, transparent and flexible manner. Establishing such a system will require, among other things, allocating a sufficient amount of appropriate resources. This often involves designating a competent centralized authority to manage and control the assets and appointing senior staff with the necessary administrative and managerial skills to oversee the program, as the law enforcement structure may lack adequate skills and resources¹⁸.

5.7. Effective management and disposal of seized and forfeited assets, UNODC

The United Nations Office on Drugs and Crime (UNODC) in accordance with resolution 5/3 of the Conference of the States Parties, on the management, use and disposal of seized and confiscated assets, brought together 72 experts from 35 countries worldwide and seven international organizations with experience and expertise in the management, use and disposal of frozen, seized and confiscated assets between 2014 and 2017.

The purpose of these meetings was to discuss international best practices, with a view to developing tools and guidelines for dealing with seized and confiscated assets, both domestically and with experiences in asset recovery in international cases. This led to a series of conclusions and recommendations that were set out in the document entitled "*Effective management and disposal of seized and confiscated assets*" and advanced the work of the international community in: (i) international cooperation to identify, seize and confiscate criminal assets, in particular those of criminal organizations linked to the Mafia; (ii) the management, use and internal disposal of seized and confiscated assets; and (iii) the management of assets returned in asset recovery cases.

The discussions during the two meetings of the group became the genesis of the study reflected in this document, which UNODC initiated to consolidate important issues that countries should consider when designing their legal and institutional frameworks and building operational capacities for the management and disposal of seized and forfeited assets.

18. Asset Recovery Manual, Second Edition, Management of Assets Subject to Forfeiture, p. 181 and 182.

19. https://www.unodc.org/documents/corruption/Publications/2017/17-07000_ebook_sr.pdf



This study represents the experience of 64 countries on the management and disposal of seized and confiscated assets and captures the experience of all geographic regions, different legal systems and countries at different levels of development. The study presents previous experiences to assist anyone charged with developing policy and legislative frameworks and/or responsible for the day-to-day management of seized and forfeited assets in knowing how to avoid or better manage the associated risks and challenges, as well as evolving recovery policies and considerations for establishing an institutional infrastructure to manage and dispose of seized and forfeited assets.

The remaining chapters extend to the mechanisms employed during an interim management phase and the disposition of confiscated assets. The study then addresses the institutional arrangements adopted by States to manage and dispose of illicit assets and briefly discusses issues associated with international cooperation and the return of stolen assets.

5.8. Financial Action Task Force (FATF)

The Financial Action Task Force (FATF) is an intergovernmental body established in 1989 by ministries and their member jurisdictions. The FATF's mandate is to set standards and promote the effective implementation of legal, regulatory and operational measures to combat money laundering, terrorist financing and proliferation financing and other threats to the integrity of the international financial system²⁰.

FATF has therefore developed 40 Recommendations that constitute a comprehensive and consistent framework of measures that countries should implement to combat money laundering and terrorist financing, as well as the financing of the proliferation of weapons of mass destruction.

In this framework, recently in November 2023²¹, FATF made some changes, which focus on two specific issues linked to this document: i) Revision of asset recovery standards and glossary definitions related to asset recovery Recommendations No. 4 - Confiscation and provisional measures, ii) No. 38- Mutual legal assistance: freezing and confiscation and their respective interpretative notes, which state the following:

20. Financial Action Task Force of Latin America (GAFILAT), International Standards on Combating Money Laundering, Terrorist Financing, and the Financing of the Proliferation of Weapons of Mass Destruction. Updated December 2023.

<https://www.gafilat.org/index.php/es/biblioteca-virtual/gafilat/documentos-de-interes-17/publicaciones-web/4692-recomendaciones-metodologia-actdic2023/file>

21. The FATF Recommendations,

https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.html?trk=article-ssr-frontend-pulse_little-text-block



Recommendation 4:

“Countries must ensure that they have policies and operational frameworks in place that prioritize asset recovery in both the domestic and international contexts.

Taking into account the Vienna Convention, the Palermo Convention, the United Nations Convention against Corruption and the Terrorist Financing Convention, countries should have measures in place, including legislative measures, to enable their competent authorities:

- a. identify, trace and evaluate criminal assets and assets of equivalent value.
- b. suspend or withhold consent to a transaction.
- c. take appropriate investigative measures.
- d. promptly apply provisional measures, such as freezing and seizure, to prevent any dealing, transfer or disposal of criminal property and property of equivalent value.
- e. confiscate criminal property and property of equivalent value through conviction-based forfeiture.
- f. seize criminal assets through non-conviction based forfeiture.
- g. enforcing a resulting forfeiture order; and
- h. ensure the effective management of frozen, seized or forfeited assets.”**

The interpretative note to recommendation 4, as relevant, states that:

“F. Administration of assets, return and disposal of assets

14. Countries should have effective mechanisms in place to manage, preserve and, where necessary, dispose of frozen, seized or confiscated property. Preservation of property value should include the sale of property prior to confiscation, where appropriate.

15. Countries should consider establishing an asset recovery fund into which all or part of the confiscated assets will be deposited for law enforcement, health, education or other appropriate purposes.

16. Countries should ensure that they have measures in place to enable them to enforce a confiscation order and realize the property or securities subject to the confiscation order, leading to the permanent deprivation of the property or securities subject to the order.

17. Countries should have mechanisms in place to return confiscated assets to their rightful owners or use them to compensate victims of crime.



Recommendation 38:

Countries should have measures in place, including legislative measures, to take expeditious action in response to requests from foreign countries seeking assistance in identifying, tracing, assessing, investigating, freezing, seizing and confiscating criminal property and property of corresponding value. These measures should also enable countries to recognize and enforce foreign freezing, seizure or confiscation orders. **In addition, countries should be able to manage property subject to confiscation at all stages of the asset recovery process and to share or return confiscated assets.**

Countries should have the widest possible range of treaties, arrangements or other mechanisms to enhance cooperation in asset recovery.

In addition, the interpretative note to recommendation 38, as relevant, states that:

“5. Countries should have effective mechanisms in place to manage, preserve and, where necessary, dispose of frozen, seized or confiscated assets, as set out in Recommendation 4.”

5.9. Financial Action Task Force of Latin America (GAFILAT)

GAFILAT is a regional intergovernmental body that brings together 18 countries in the Americas and focuses on combating money laundering and terrorist financing in Latin America and the Caribbean. It was established in 2000 and is modelled after the Financial Action Task Force (FATF), an international body dedicated to setting standards and promoting policies to combat money laundering and terrorist financing globally.

GAFILAT's main functions include the evaluation of its member countries to ensure compliance with international standards on the prevention of money laundering and terrorist financing, as well as promoting regional cooperation and technical assistance to strengthen national systems in this area. GAFILAT works in close collaboration with other international and regional organizations to promote effective and coordinated practices in the fight against these financial crimes.

In this regard, the results of the Fourth Round of Mutual Evaluations of GAFILAT reflect serious operational challenges for the countries of the region to have effective asset recovery systems. The evaluation reports reveal that there is a great asymmetry between the amount of assets identified and seized and those that are finally confiscated.



There are also challenges in the administration and disposal of seized and forfeited assets, generally due to the lack of resources and specialization of the entities in charge of such matters.

In November 2023, high-level GAFILAT authorities held a meeting to discuss asset recovery policies, and signed the document entitled “ Declaration of Cartagena de Indias: A Call to Strengthen Regional Asset Recovery Commitment and Action ” , which covers various asset recovery issues, including the management and disposition of seized and forfeited assets.

Paragraph 25 of the Cartagena Declaration refers to the administration, disposal and destination of confiscated assets. In particular, it states: *“We highlight the importance of our countries having regulatory and operational frameworks in place to ensure the effective management of frozen, seized or forfeited criminal assets. In particular, we believe that countries should consider establishing a fund for recovered assets, in which the confiscated assets, or a portion thereof, as well as the resources obtained from their disposal by the State are allocated to law enforcement, health, education or other appropriate purposes. We also consider it important for countries to have effective mechanisms to return confiscated assets to their legitimate owners or to use them to compensate victims of crime.*

In this regard, GAFILAT stressed the importance adjusting national legislations and making efforts to implement policies towards the recovery of illicit assets; this has become a crucial component in the fight against organized crime and corruption in Latin America.

With the support of COPOLAD III, GAFILAT has developed some important documents to support the investigation and recovery of illicit assets such as the *Regional good practice guide for the development of parallel financial investigations* and the *Good practice guide on forfeiture and non-conviction based forfeiture* , in addition to the guide on relevant aspects and appropriate steps for the investigation, identification, seizure and forfeiture of virtual assets²⁵.

22. GAFILAT, Available at: [Declaracion-de-cartagena-de-indias.pdf \(gafilat.org\)](#)

23. Available at: [Guía-de-Buenas-Prácticas-sobre-Investigaciones-Financieras-Paralelas-1.pdf \(gafilat.org\)](#)

24. Available at: [Guía-de-Buenas-Prácticas-sobre-Extinción-de-Dominio.pdf \(gafilat.org\)](#)

25. Available at: <https://biblioteca.gafilat.org/wp-content/uploads/2024/04/Gui%CC%81a-de-Buenas-Pr%CC%81cticas-sobre-Investigaciones-Financieras-Paralelas-1.pdf>



This effort not only seeks to dismantle the financial structures of criminal organizations, but also to incorporate a systemic and dynamic vision to reuse confiscated assets for social and community purposes, generating a positive impact on the societies affected by these crimes. To this end, it is necessary to develop efficient and effective systems for the administration and destination of assets, in accordance with international best practices and recommendations, as well as compliance with FATF standards for the next round of mutual evaluations.

In this regard, GAFILAT affirms that in terms of technical compliance, most member countries meet the standard set out in Recommendation 4 on confiscation; however, in terms of effectiveness, 60% of the countries do not meet the expected results.

These results are reflected in the absence of defined policies to prosecute the proceeds of crime, limited resources available to the authorities and, ultimately, few confiscated assets. Therefore, defining a national strategy for the recovery, administration and social allocation of illicit assets would ultimately improve the results of the evaluations.

Challenges for the fifth round of mutual evaluations evaluations will focus on recent changes in the international standard of recommendations regarding the application of non-conviction based forfeiture, equivalent value forfeiture, asset management, custody, maintenance, preservation and disposal of assets, as well as international cooperation for the recovery of illicit assets.

5.10. European Union

The European Union (EU) is a political and economic organization composed of 27 European countries. It was created to foster economic, social and political integration among its members, promoting peace, stability and prosperity in Europe.

European Union directives are legislative instruments that set objectives that member states must meet. Directives impose on EU member states the achievement of a certain result, giving them the freedom to choose the means. To achieve the objectives set by each directive, EU countries must adopt measures to transpose it into national law (transposition). The national authorities are obliged to communicate such measures to the European Commission.

Transposition into national law must take place within the deadline set out in the directive itself (usually two years). In the event that a Member State fails to transpose a directive into national law, the Commission may initiate infringement proceedings²⁶.

26. [Types of EU legislation - European Commission \(europa.eu\)](https://ec.europa.eu/eu-justice/justice-portal/content/types-eu-legislation-european-commission-europa.eu)



Its purpose is to harmonize laws and regulations in all member states to ensure a consistent approach in various areas, such as the internal market, the environment, public health and consumer rights.

In this regard, European Union Directive 2024/1260²⁷, paragraph 38 states: *“The social reuse of confiscated assets sends a clear message to society at large about the importance of values such as justice and legality, reaffirms the prevalence of the rule of law in communities most directly affected by organized crime and strengthens the resilience of these communities to criminal infiltration of their social and economic fabric, as seen in Member States that have already adopted such social reuse measures. Member States are therefore encouraged to take the necessary measures to allow confiscated assets to be used for public interest or social purposes, so that it is possible to maintain confiscated assets as State property for judicial, law enforcement, public service, social or economic purposes or to transfer such confiscated assets to the authorities of the municipality or region in which they are located so that those authorities can use them for such purposes, including their transfer to organizations carrying out social interest activities. The use of confiscated property for such purposes is without prejudice to the budgetary autonomy of the Member States”.*

In this regard, Member States must ensure proper management of these assets and cooperation between asset recovery and management offices. In addition, the collection of detailed statistics and collaboration with third countries are required to improve the effectiveness of the asset confiscation and reuse system.

Member States are therefore encouraged to take the necessary measures to allow confiscated property to be used for purposes of public or social interest, so that it is possible to **maintain confiscated property as State property** for judicial, law enforcement, public service, social or economic purposes or to transfer such confiscated property to the authorities of the municipality or region in which it is located so that those authorities can use it for such purposes, including transferring it to organizations carrying out activities of social interest.

As a result, many of the countries of the European Union retain ownership of confiscated assets, which are handed over to municipal or non-governmental organizations to be used for social and community purposes under an administrative concession. This allows the States to maintain control of the assets and thereby evaluate and monitor the results and the social and community impact.

27. [Directiva - 2024/1260 - ES - EUR-Lex \(europa.eu\)](#)



This directive also promotes the creation of national registers of confiscated assets and cooperation between asset recovery offices and Europol. In addition, to ensure the security of information shared between asset recovery offices, all asset recovery offices should have direct access to the Secure Information Exchange Network Application (SIENA), managed by Europol in accordance with paragraph 24 of Directive 2016/794 Regulation (EU)²⁸.



Photo: Attribution - Creative Commons NonCommercial (CC BY-NC) ⓘ ⓘ

[28. Regulation - 2016/794 - EN - EUR-Lex \(europa.eu\)](#)



6. Concept of social reuse of confiscated assets

Public, social and community reuse of confiscated assets refers to the process of using illicit assets confiscated from criminal organizations to directly benefit society and affected communities. This concept seeks to transform resources previously linked to criminality into positive instruments of social change and community development.

In addition, the allocation of forfeited assets not only provides additional financial resources for the community but can also have a significant positive impact in terms of public safety and justice when a portion is earmarked for strengthening law enforcement agencies.

Some examples of destination:

- **Educational facilities:** Construction or improvement of schools, libraries, or educational scholarship programs for vulnerable youth.
- **Infrastructure projects:** Rehabilitation of public spaces, parks, sports facilities, or improvements in basic services such as potable water and electricity.
- **Infrastructure improvement:** Forfeited assets can be used to improve community infrastructure. For example, seized buildings could be converted into community centres, sports facilities, libraries or other infrastructure that improves the quality of life for local residents.
- **Prevention programs:** Crime prevention initiatives, support for victims of violence, and promotion of public safety.
- **Economic development:** Investments in local entrepreneurship, microcredit for small businesses, or job training to improve employment opportunities.
- **Resources for social programs:** Seized assets, such as vehicles, property or money, can be used by the authorities to fund social programs. This may include edu-



cational, health, public safety or community development programs that directly benefit the local population.

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- **Crime prevention:** The reuse of confiscated assets can help prevent crime by stripping criminals of their illicit resources. This can have a deterrent effect and help improve community safety.
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- **Repairing harm:** In some cases, confiscated assets can be used to repair the harm caused by criminal activities in the same community. For example, confiscated funds could be used to compensate victims of crime or to support addiction rehabilitation programs.
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- **Strengthening law enforcement agencies:** Seized assets such as vehicles, real estate or financial resources can be used to support local security forces and thereby improve community safety and mitigate crime.
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The reuse of confiscated assets under an appropriate legal framework can promote transparency and accountability in the use of public resources. This strengthens community confidence in law enforcement institutions.

These benefits of social and community reuse of seized assets can be reflected in:

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- **Reducing the impact of crime:** Reinvesting seized assets in the community helps mitigate the harm caused by criminal activities.
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- **Strengthening social cohesion:** These initiatives can enhance the sense of community and trust in local authorities by seeing a positive use of seized resources.
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- **Promotion of social justice:** Provides a form of symbolic reparation to indirect victims of crime, improving their environment and opportunities.
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In addition, we can detail some relevant aspects of the social and community use of the seized assets such as:

A. Transforming symbols of crime into tools of justice

- **Social vindication:** By reusing assets seized from criminal organizations, such as property and money, the state turns what was once a symbol of illicit power into a resource for the community. This not only weakens criminal organizations, but also sends a powerful message that crime does not pay.



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- **Promoting a culture of legality:** By allocating these assets to social projects, promoting a culture of legality and trust in institutions is strengthened, demonstrating that the State acts effectively against crime.
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B. Community development and combating inequality

- **Financing social projects:** Seized assets can be used to finance programs in vulnerable sectors, such as education, health, and housing. This helps reduce inequality and improve the living conditions of communities affected by crime.
 - **Local economic boost:** Seized properties can be transformed into community centres, cooperatives or social enterprises, generating employment and promoting economic development in areas that have been affected by crime.
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C. Strengthening the fight against organized crime

- **Dismantling criminal networks:** Asset forfeiture is one of the most effective tools to hit criminal organizations where it hurts the most: in their economy. Reusing these assets for public and social purposes not only takes resources away from criminals, but also helps prevent the reconstitution of criminal networks.
 - **Sustainability in the fight against crime:** By channelling confiscated resources towards prevention, strengthening civil society and law enforcement institutions, a virtuous circle is created in the fight against organized crime.
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D. Transparency and efficiency in asset management

- **Improved state management:** The law promotes transparency in the administration of seized and forfeited assets, ensuring that these resources are not lost to corruption or inefficiency, but are used efficiently for the benefit of society.
 - **Accountability:** Establishes control and follow-up mechanisms to ensure that seized assets are effectively reused in social impact projects, which strengthens public confidence in institutions.
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E. Inspiration from successful international models

- **Adaptation of best practices:** The new legislations are inspired by successful models from other countries, such as Italy, where the social reuse of confiscated assets, promoted by the Libera Association, has had a significant impact in the fight against mafia and organized crime.
 - **Potential for regional leadership:** Some countries in the region that have been developing this concept of public, social and community use of confiscated assets have the opportunity to become regional leaders in the fight against organized
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crime and in the promotion of social justice, serving as an example for other countries in Latin America and the Caribbean.

F. Empowerment of civil society

- **Citizen involvement:** The law promotes the participation of social organizations and the community in the management and destination of confiscated assets, strengthening the social fabric and creating a sense of co-responsibility in the fight against crime.
 - **Fostering solidarity:** By reusing confiscated assets in projects that benefit the most vulnerable sectors, solidarity and collective commitment to building a fairer and more equitable society are fostered.
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In summary, the public, social and community reuse of confiscated assets not only aims to economically recover illegally acquired assets and weaken the financial and patrimonial arm of criminal organizations, but also to generate a positive and lasting impact on the society affected by crime, thus promoting security and community welfare.



7. Situation in Latin America and the Caribbean

The public, social, and community use of confiscated assets in the Americas and the Caribbean is in the process of development and improvement in several countries in the region. The situation varies from country to country, but in general, there is a growing effort to allocate these assets for purposes that benefit society, especially communities affected by organized crime.

Although there are challenges and differences in the implementation of these policies in different countries, the social and community use of confiscated assets in the Americas is a growing practice, with a focus on restorative justice and community empowerment.

In Latin America and the Caribbean, several initiatives are underway to improve the management and reuse of confiscated assets. For example, in Argentina, a bill is under discussion in Congress that seeks to create a national system for the administration of these assets, with the aim of using them for social and community purposes²⁹. Likewise, in Colombia, the importance of using confiscated assets for social purposes has been highlighted as a form of restorative justice, an approach to justice that seeks to repair the harm caused by organized crime and other crimes, using seized and confiscated assets. This approach focuses not only on the punishment of offenders, but also on the reparation of victims and the restoration of affected communities.

On the other hand, Costa Rica is making efforts to modify its legislation to allocate part of the seized assets to social and community use, since its legislation only allows them to allocate the assets to law enforcement agencies and government agencies linked to the prevention, treatment and consumption of drug addiction.

The Oriental Republic of Uruguay is also making efforts through the international cooperation provided by the COPOLAD III program to prepare a situational diagnosis that will enable it to gather information to analyse and review the internal functions and pro-

29. [Parlamentario.com, Deputies from different blocks promote a project to reuse assets seized and confiscated in federal crimes - Parlamentario](#)



cedures of the Confiscated Assets Fund (FBD) and thereby identify and promote areas for improvement of its system for efficient asset management in accordance with best practices, international recommendations and the experience gathered through the different existing agencies in charge of asset management in the Latin American region.

For their part, Caribbean countries have been taking important steps towards the recovery of illicit assets, since 2017 they created the Asset Recovery Inter-Agency Network for the Caribbean (ARIN-CARIB), which is an informal network of law enforcement and justice professionals specializing in the recovery of the proceeds of crime and the prosecution of related criminal offenses, including money laundering and trafficking in drugs, firearms and people.

The creation and development of asset management agencies dedicated to the management of seized and forfeited assets is, indeed, a relatively new issue in the Caribbean. Although these mechanisms are key to the fight against organized crime and corruption, there is still little publicly available information that would allow for an in-depth and detailed analysis of the situation in these areas. Limited access and limited access to open sources, in some cases, makes a comprehensive analysis difficult. Nevertheless, the global trend towards the adoption of more efficient mechanisms for the administration of seized assets may suggest that, over time, these initiatives will be strengthened in the Caribbean region, contributing to greater transparency and effectiveness in the fight against financial crime and corruption.

Despite this incipient development, the public, social and community use of confiscated assets in Latin America and the Caribbean faces several challenges that limit its effectiveness and reach. These weaknesses are crucial to understanding why social reuse programs for confiscated assets often fail to achieve their full potential in the region.

Some of the main problems are detailed below:

A. Lack of a solid and uniform legal framework

- **Inconsistent or insufficient legislation:** In many Latin American countries, legislation on asset forfeiture and reuse is not well developed or is inconsistent. This creates loopholes and difficulties for effective enforcement.
 - **Cross-country variability:** There are significant differences in criminal forfeiture and non-conviction-based forfeiture laws and policies among countries in the region, which hinders international cooperation in the recovery of illicit assets and the adoption of best practices.
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B. Corruption and lack of transparency

- **Diversion of resources:** Corruption remains a significant problem in many countries in Latin America and the Caribbean, and seized and forfeited assets are not exempt from this risk.



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- **Lack of oversight:** The lack of oversight and control in the management of these assets allows for little transparency in their administration and proper use, which undermines public confidence and limits their positive impact.

C. Limited institutional capacity

- **Lack of resources and training:** Many institutions responsible for the administration of seized and forfeited assets lack the financial and human resources necessary to manage them efficiently. In addition, the lack of specific training can lead to poor management of these assets, especially when it comes to the administration of complex assets such as estates or going concerns, crypto-assets; challenges that have been identified globally by asset management agencies.
- **Bureaucracy and inefficient processes:** The administration of confiscated assets often depends on the completion of criminal proceedings and is subject to lengthy and complicated bureaucratic administrative processes, which delays the effective reuse of these resources.

D. Shortcomings in inter-institutional coordination

- **Lack of collaboration among entities:** Lack of coordination between different government, judicial and community entities can hinder the proper transfer and reuse of seized assets.
- **Conflicts of interest:** In some cases, there are conflicts of interest among the institutions involved in the process, which may lead to disputes and delays in the allocation of assets, mainly when domestic legislation allocates assets to law enforcement agencies.

E. Lack of knowledge or distrust of civil society

- **Poor citizen participation:** In many communities, civil society is not sufficiently informed or involved in the processes of reuse of confiscated assets. This limits public pressure for governments to use these assets fairly and efficiently.
 - **Mistrust of institutions:** Widespread distrust of government institutions can lead to apathy or resistance to projects that seek to reuse seized assets for social purposes.
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F. Problems with asset valuation and maintenance

- **Deterioration of assets:** Many seized assets, especially real estate or vehicles, can deteriorate rapidly if not properly managed at the seizure stage, reducing their value and usefulness for social purposes.
 - **Difficulties in valuation:** In some cases, difficulties in correctly valuing seized assets can lead to their underutilization or sale for very low prices, reducing the resources available for community projects.
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G. Lack of effective management models

- **Lack of successful experiences:** The lack of successful models of reuse of confiscated assets in the region limits the capacity of governments and organizations to implement effective projects. This also affects the possibility of replicating and adapting good practices in different contexts.
 - **Unsustainable projects:** Some projects carried out with confiscated assets lack long-term planning, resulting in unsustainable initiatives that fail to generate a lasting impact.
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H. Organized crime resistance

- **Threats and violence:** In certain regions, organized crime strongly resists the confiscation of assets and the reuse of their assets, even using violence or threats against those who attempt to manage these assets.
 - **Influence on the judicial system:** The influence and threats of organized crime in some areas can lead to the manipulation of judicial processes, making it difficult or impossible to confiscate and effectively reuse assets.
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I. Lack of monitoring and evaluation

- **Lack of impact indicators:** Without robust monitoring and evaluation systems, it is difficult to measure the real impact of programs for the reuse of confiscated assets, which impedes continuous improvement and accountability.
 - **Poor feedback:** The lack of mechanisms to collect and analyse feedback from beneficiary communities limits the ability to adjust and improve programs over time.
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These weaknesses underscore the need to strengthen the legal, institutional and social framework in Latin America and the Caribbean to ensure that confiscated assets are used effectively for the benefit of society.



International cooperation also plays a crucial role in this regard. Programs such as COPOLAD III seek to support these efforts by promoting cooperation between Latin America and Europe to combat organized crime and ensure that seized assets are used to rebuild and strengthen affected communities.

Many of the European Union countries retain ownership of confiscated assets, which are handed over to the communities to be used for social and community purposes under an administrative concession, i.e., the State retains the monitoring and evaluation of the beneficiary organizations and can thus measure the social impact. On the contrary, in the Latin American experience, in those incipient cases where the legislation allows the use of the goods for social purposes, the confiscated assets are transferred from the domain and ownership to the beneficiary organizations, under the civil law figure of donation, losing control and monitoring of them and the risk that they return to the hands of organized crime.

It is important to note that the assets confiscated in most of the legislations of the region are destined to strengthen law enforcement institutions or entities³⁰, due to the development of non-conviction based forfeiture mechanisms (forfeiture of property), which are mostly effective in the fight against organized crime from a property perspective. In this type of legislation, the legislator refers the benefits of confiscated illicit assets to the strengthening of the government agencies directly involved in the fight against organized crime.

In this regard, it is important to point out that civil society in this case cannot perceive the tangible benefits of confiscation, which generates a sense of social distrust as it is not sufficiently informed about the final destination, leading to generalized susceptibility and apathy towards the government institutions that manage the seized and confiscated assets. It is therefore important to find a balance between the allocation of assets to law enforcement agencies and the public, social and community use of seized assets.

30. Government entities or agencies responsible for enforcing laws and maintaining public order. Their main function is to ensure the safety and welfare of the citizenry by preventing, investigating and prosecuting criminal activities.



8. Existing asset management agencies in Latin America and the Caribbean

N°	COUNTRY	INSTITUTION
1	Argentina	Agency for the Administration of State Assets
2	Bolivia	General Directorate of Registration, Control and Administration of Assets
3	Brasil	National Secretariat for Drug Policy and Asset Management
4	Colombia	Special Assets Company
5	Costa Rica	Costa Rican Institute on Drugs, Asset Recovery Unit
6	Ecuador	Technical Secretariat for Public Sector Real Estate Management
7	Trinidad & Tobago	Civil Asset Recovery and Management Agency
8	El Salvador	National Council for Asset Management (CONAB)
9	Guatemala	Secretariat for the Administration of Assets in Extinción de Dominio
10	Honduras	Office for the Administration of Seized Assets (OABI)
11	México	Institute for Returning to the People what was Stolen (INDEP)



Nº	PAÍS	INSTITUCIÓN
12	Nicaragua	Seized, Forfeited or Abandoned Assets Management Unit
13	Panamá	Dirección de Administración de Bienes Aprehendidos, Min Economía y Finanzas
14	Paraguay	National Secretariat of Seized and Forfeited Assets
15	Perú	National Program for Seized Assets (PRONABI)
16	República Dominicana	National Institute for the Custody and Administration of Seized, Forfeited and Confiscated Assets and Assets in Extinción de Dominio
17	Uruguay	Confiscated Assets Fund (FBD) of the National Drug Board (Junta Nacional de Drogas)
18	Venezuela	National Service for the Administration and Disposal of Assured or Seized, Confiscated and Forfeited Assets



9. Experiences in Latin America

In the framework of the international seminar on recovery, administration and destination for social and community use of assets confiscated from drug trafficking and organized crime³¹, held in Buenos Aires, Argentina, in May 2024, more than 20 countries from Latin America and Europe discussed and exchanged experiences related to the effective management of seized and confiscated assets, as well as the impact of public, social and community reuse of assets.

In Latin America, several countries have implemented mechanisms for the social and community use of confiscated assets, especially in the fight against drug trafficking, corruption and other forms of organized crime.

In this sense, the development of the administration or management of seized and forfeited assets in Latin America has been evolving for about 15 years and is constantly improving, given that the nature of the assets seized in non-conviction based forfeiture proceedings (*extinción de dominio*), are increasingly complex and therefore more difficult to guard, maintain and preserve until the final decision by the competent authority.

The lack of information and participation of Caribbean countries in the creation and development of agencies for the administration of seized and forfeited assets is a significant obstacle to assessing progress and best practices in the region. This not only hinders in-depth analysis, but also limits the possibility of sharing valuable experiences and lessons learned in the fight against organized crime, corruption and money laundering. The Caribbean may still be in the early stages of establishing specialized agencies for the management of seized and forfeited assets, which leads to little public information on the management of illicit assets, limiting efforts to document valuable information and share experiences.

31. Held on May 30, 2024, in the city of Buenos Aires, Argentina, with the participation of 18 delegations from Latin America, the Caribbean and Europe.



The legal and structural nature of these asset management agencies is diverse, the vast majority are part of the structure of the executive branch of the countries, with some exceptions where they are located in law enforcement agencies as part of the Public Ministry³² and, exceptionally are of mixed-economy (public/private) as in the case of Colombia.

In this regard, there are asset management agencies responsible for the reception, custody and administration of illicit assets from the seizure phase, in order to preserve and maintain the value of the seized assets through various management mechanisms such as the allocation or provisional use³³ and the anticipated sale or disposal. These mechanisms are intended to maintain and preserve the value of the assets and reduce the risk of their loss or destruction until their confiscation and final destination. In other words, these agencies serve as an auxiliary body of justice.

This characterization can be found in most of the countries in Latin America³⁴ where they intervene with the reception, inventory, custody, preservation and administration, as well as those in charge of the anticipated sale or disposal or with judgment of the assets for their destination in accordance with the national legal system.

The provisional use of seized assets is a common practice in legal systems and is generally the responsibility of asset management agencies or judges, in order to ensure that the assets do not lose value through their proper use and maintenance. In general, these assets are destined to law enforcement agencies or public entities to give them a social and community use through provisional destination agreements, commodatum contracts, social leasing or judicial custody, which establish the conditions and obligations regarding their use, maintenance and proper preservation of the assigned seized assets.

Community use for municipalities and other social purposes is possible in some Latin American countries from the asset seizure phase, for example, Costa Rica allocates

32. In the Dominican Republic, asset management used to be the responsibility of the Attorney General's Office (Ministerio Público); however, as of 2024 this function has been designated to a recently created specialized asset management agency (INCABIDE), which is part of the Executive Branch.

33. Costa Rica, Colombia and the Dominican Republic use this mechanism for the provisional use of seized assets on property and real estate to strengthen social and community use mechanisms, as do other jurisdictions in the Americas.

34. Argentina, Brasil, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Panamá, Paraguay, Perú, República Dominicana, Venezuela.



seized vehicles for provisional use to municipalities³⁵ that have projects aimed at controlling drug supply or demand. In return for the use of the seized assets, the municipality contributes with the cleaning of real estate, private custody of the properties, fumigation and the transfer of seized assets to the custody centers. However, it is important to point out that once there is a final decision by the competent authority on the seizure, there is an obligation to return them in the same conditions of their delivery in order to give them a destination in accordance with the domestic legal system.

In this context, Law 8204³⁶, established the destination of assets confiscated by final judgment, establishing specific mechanisms for the eventual disposition of the confiscated assets, including their use in programs to prevent and combat drug trafficking, stating:

“If confiscation is ordered in favor of the Costa Rican Institute on Drugs of the movable and immovable property, as well as of the securities, financial products or cash mentioned in the previous articles, the Institute may keep or dispose of them, and may use them, dispose of them or allocate them to the objectives of the law, as well as donate them to public interest entities, with priority to organizations whose purpose is the prevention or repression of drugs...”

In other words, the Costa Rican drug system only allows the material use of confiscated assets through donations to prevention programs and public interest entities, since in the case of cash or the proceeds from the sale or commercialization of confiscated assets, the percentage distribution is as follows:

- Sixty percent (60%) to the fulfilment of preventive programs; of this percentage, at least half will be for the programs of prevention of consumption, treatment and rehabilitation developed by IAFA.
- Thirty percent (30%) to repressive programs.
- Ten percent (10%) to the monitoring and maintenance of seized and forfeited assets.

On the other hand, Law 8754, known as the Organized Crime Law, develops a form of forfeiture without particular conviction of the Costa Rican legislation called “Emerging Capitals”, which allows the enforcement authorities to investigate the increase of capital without apparent lawful cause, of any public official or private person, natural or legal, with a retrospective period of up to ten years, within the framework of an administrative litigation process.

35. Through framework agreements

36. Comprehensive reform of the law on narcotics, psychotropic substances, drugs of unauthorized use, related activities, money laundering and financing of terrorism.

Law No. 8204 of December 26, 2001, Published in La Gaceta No. 08 of January 11, 2002.



The same body of law states that in the event that the ICD is ordered to forfeit movable or immovable property by judicial sentence in favor of the ICD, it may keep them for the fulfilment of its objectives, donate them to public interest entities, giving priority to organizations whose purpose is the repression of organized crime, auction them or auction them, making an exception on the destination of the assets forfeited in application of Law 8204 mentioned above.

In the case of money and securities seized or the proceeds of invested, auctioned or auctioned assets, the ICD shall distribute them as follows:

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- a. Twenty percent (20%) to the ICD, for expenses of securing, storage, follow-up and maintenance of seized and forfeited goods.

 - b. Ten percent (10%) to the Judicial Branch, for the maintenance and updating of the Judicial Communications Intervention Center (CJIC).

 - c. Ten percent (10%) to the Public Prosecutor's Office, for the Office of Attention to Victims of Crime and the fight against organized crime.

 - d. Fifty percent (50%) to the Judicial Investigation Agency, for the attention, maintenance and updating of the Police Information Platform (PIP), as well as for the investigation of crimes and the protection of persons.

 - e. Ten percent (10%) to the Ministry of Public Security and Government, to cover the needs of the police forces that comprise it.
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Finally, through the last reform³⁷ of Law 8422, Against Corruption and Illicit Enrichment in the Public Service, in case of ordering the seizure of assets in application of this law, the assets will be under the exclusive administration of the Asset Recovery Unit of the ICD. The forfeited money proceeds from the sale of forfeited assets and their interest are transferred and managed in a special account of the Costa Rican Drug Institute (ICD). In this case, once the assets are confiscated, they will be recovered in favor of the State.

On the other hand, the same regulatory framework empowers the ICD to donate confiscated assets to public interest entities, giving priority to organizations whose purpose is drug prevention or repression. The recipients of this type of donation of confiscated assets are the following:

³⁷. Thus added by Article 13 of the law "Amendments to anti-corruption laws to address recommendations of the Working Group on Bribery in International Business Transactions of the Organization for Economic Cooperation and Development (OECD)", No. 10373 of September 20, 2023.



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- a. Preventive or care institutions for the treatment of drug addicts. These institutions must have an accreditation certification³⁸ before the Institute of Alcoholism and Drug Dependence (IAFA)³⁹.

 - b. Law enforcement institutions (Judicial Investigation Organism⁴⁰ and Drug Control Police⁴¹ , Ministry of Public Security)

 - c. Institutions that have signed a provisional use agreement with the Costa Rican Drug Institute.
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It is important to point out that in those countries where there is no provision for the administration of seized assets⁴², the custody of these assets falls to the police, army, naval and air prefecture security forces; however, regional experience has shown that this type of assets deteriorate rapidly without the existence and intervention of a specialized agency with sufficient competencies to adequately manage seized and forfeited assets.

For this reason, the countries identify as a good practice⁴³ the application of the figure of the anticipated sale or disposal of those assets of costly or difficult administration with the objective of monetizing them in order to preserve their value and avoid the deterioration or loss of the assets during the seizure phase until the final decision, be it their return or final confiscation.

It also highlights the participation of other participants in the administration of seized and forfeited assets, such as public auctioneers, national registries, land registries, judicial administrators, financial institutions and asset recovery agencies, as well as the coordination with other state entities in various sectors for the reorganization of assets.

On the other hand, all asset management agencies intervene in the destination of confiscated assets, taking care of them through the sale or disposal of the same, to be used according to the scope of their national regulations in different ways, but mostly fo-

38. [Authorized NGO Centers - IAFA - Institute on Alcoholism and Drug Addiction](#)

39. [Home - IAFA - Institute on Alcoholism and Drug Dependence](#)

40. [Judicial Investigation Organism \(poder-judicial.go.cr\)](#)

41. [Drug Control Police \(seguridadpublica.go.cr\)](#)

42. Chile and Uruguay

43. IDBAL CICAD/OAS Project, "Latin American Asset Management Systems and Guide for the Management of Seized and Forfeited Organized Crime Assets" (2011), p. 130.



cused, on the one hand to strengthen the investigative agencies, security forces and law enforcement⁴⁴ and on the other hand for drug addiction prevention and treatment programs, in those cases where the assets come from drug trafficking crimes⁴⁵, as well as for the use and destination for social and community programs⁴⁶ or care for victims⁴⁷.

For example, Uruguay's illicit asset management system is designed solely and exclusively for the use of assets confiscated by criminal court sentence that the competent authorities make available to the Confiscated Assets Fund (FBD). Therefore, in accordance with international best practices, FATF recommendations and as most of the regional counterpart agencies, the management of illicit assets should be extended to seized assets, which allows the assets to be in better conservation conditions for their final phase of confiscation and destination.

As a result, the biggest challenge for the Uruguayan system will be to convert its traditional asset management system from simple custody and earmarking to an efficient system, with an entrepreneurial vision that allows for the generation of economic resources through illicit assets and allows for some degree of autonomy and administrative independence.

In addition, a large percentage of the confiscated assets administered by the FBD were at the time evidence or evidentiary material in criminal proceedings, which requires a great effort of personnel and time to reach their final destination, such as their destruction, since they have no commercial value for sale. This is why it is essential to define the concept of assets of economic interest susceptible of administration in the domestic legal system of the countries to define the scope of intervention of the illicit asset management agencies.

On the other hand, procedures should be adopted for the administration of virtual assets, seized businesses in operation and other productive or complex assets; as well as developing a much more efficient mechanism for the destruction of confiscated assets of small amounts.

Finally, in the case of Uruguay, the law⁴⁸ allows these assets to be used for rehabilitation programs, addiction prevention, and support to vulnerable communities. However,

44. Most of the delegations in Europe and America.

45. Spain, Costa Rica, Uruguay.

46. Spain, Italy

47. Argentina, France.

48. Article 59, Law 19,574.



despite the good results in the use of confiscated assets and resources to strengthen public institutions, mainly the security and investigation forces, there is little evidence of the social reuse of confiscated assets for social purposes through social and community organizations.

Mexico has made progress in the management and reuse of seized assets through the Instituto para Devolver al Pueblo lo Robado (INDEP), which administers these assets at the federal level. The National Asset Forfeiture Law⁴⁹, enacted in 2019, allows for seized assets to be used for social purposes, such as the construction of schools, hospitals, and community development programs. This approach has been seen as a way to repair the damage caused by organized crime in the most affected communities. Despite this, the creation and development of asset management agencies for justice at the state level is non-existent for the crimes of operations with resources of illicit origin (money laundering), drug dealing and corruption.

On the other hand, it is important to mention that Argentina does not have an agency specialized in the administration of assets at the federal level, which reiterates the importance of the use of assets to prevent their deterioration, both for research bodies and rehabilitation and social centers, for this it is necessary to create a centralized agency responsible for the management and transparent destination of the assets, which is why the draft law on the administration and social reuse of seized and confiscated assets is currently before the Congress of the Republic⁵⁰.

Finally, Colombia made changes in its National Development Plan to allocate confiscated assets for social and community purposes for redistribution and reduction of inequality, modifying its first processes that were mainly focused on the sale and commercialization of assets. In addition to the above, the provisional or definitive social destination was developed for projects focused on public education, health, housing, agrarian reform, development of popular economies⁵¹ and total peace agreements⁵² among others, which will be developed below.

49. Articles 233 and 234, National Law of Extinción de Dominio.

50. Available at: [Proyecto-de-Ley.pdf \(bienrestituido.org.ar\)](https://bienrestituido.org.ar/Proyecto-de-Ley.pdf)

51. The popular economy refers to the mercantile (production, distribution and commercialization of goods and services) and non-mercantile (domestic or community) trades and occupations carried out by small-scale economic units (personal, family, micro-businesses or micro-enterprises), in any economic sector.

52. State agreements with illegal subversive groups to reduce violence in some sectors of the country.



The current regulatory framework and reform proposals in Argentina and Colombia.

The international community's response to the effective fight against organized crime has been based for several years on a paradigm shift in criminal policies to identify and prosecute the proceeds or profits of organized crime, due to the globalization of international markets that criminal groups have taken advantage of to launder their illicit assets as an incentive to continue their illegal activities.

To counteract this, it is necessary to develop two fundamental axes: the fight against money laundering (against the person) and the recovery of illicit assets. However, the latter is less developed in Argentina, since only 4 articles⁵³ of the Criminal Code mention the reparation of victims and society. As an example, there are sentences for money laundering without recovery of assets.

Argentina identifies as challenges the capacity to carry out asset/financial investigations at an early stage of the investigation and the application of correct securing measures, and on the other hand, the lack of an agency specialized in the transparent administration of illicit assets, in charge of the preservation of the assets seized and mainly of those productive means such as companies and crypto-assets, as well as their liquidation and destination.

The institute of confiscation in Argentina also has some additional challenges, since there is a dispersed legislation regarding the final destination of the assets⁵⁴, as well as in the clear determination of the object of confiscation, the confiscation by equivalent value, the confiscation of gross or net profits, the confiscation by mixture (theory of contamination of assets) and the *extinción de dominio*, which is a figure rarely used so far. Challenges are also identified in asset recovery at the international level for sharing assets with other states, reparation of victims and social reuse of assets.

For this reason, the draft law on the administration and social reuse of seized and confiscated assets currently before the National Congress of Argentina proposes some solutions to the aforementioned challenges. The model of this law is based on the Italian experience and legislation and that of the Libera Association⁵⁵, regarding the recovery and administration of illicit assets. This draft law has the participation of many civil society organizations and State institutions.

53. 23, 29, 30 and 305 of the Penal Code.

54. Examples, Law 25246, Art. 27 (financing of the FIU) and Penal Code, Art. 305 (reparation of damage caused to society and victims).

55. Libera is a network of more than 1,600 associations, groups and schools working together to build a society free from the influence of mafias and organized crime. Its efforts have been recognized both in Italy and internationally for their impact in promoting justice and legality. Libera is leading the draft law on the administration and social reuse of assets in Argentina.



The project develops guiding principles, such as ensuring the conservation and value of productive units or enterprises, guaranteeing reparations to victims directly or indirectly, promoting the social and community reuse of confiscated assets and ensuring transparency and fairness in the administration and destination of assets through the creation of a federal agency in charge of the management of seized and recovered assets.

The social reuse of confiscated assets bill in Argentina is closely linked to social justice, the fight against organized crime, and community development. Not only does it have the potential to be a powerful tool in the fight against organized crime and the strengthening of law enforcement agencies but it can also be an engine for social and economic development, the reduction of inequality, and the strengthening of democratic institutions⁵⁶.

On the other hand, the actions carried out by Argentine criminal policy authorities such as the Ministry of Justice are focused on strengthening the institute of confiscation and its different derivations and the extinción de dominio through the implementation of a new accusatory procedural system.

For its part, Colombia's Special Assets Company (SAE), an agency specialized in the management of illicit assets, is the agency responsible for administering the assets that are affected within the forfeiture proceedings from the time they are secured until the final judgment, and after the declaratory judgment of extinción de dominio has the power to definitively dispose of them in accordance with the law. According to the Forfeiture



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56. Bien Restituido Project, Available at: [Bien Restituido](#)



Code, Colombia allocates the confiscated assets in a percentage to the fight against the scourge of drug trafficking and another percentage for national government policy purposes, as in the case of attention to victims and peace building of the armed conflict. The extinguished assets become the property of a Fund for Rehabilitation, Social Investment and Fight against Organized Crime (FRISCO), whose administrator is the SAE.

The regime of final disposition of extinct assets is complex in Colombia. The general rule is that rural real estate is not sold but transferred to State land programs. Other properties have specific destinations, such as those located in certain jurisdictions with special regimes, which must be turned over to local authorities: for example, properties located on the islands of San Andres and Providencia. Apart from special cases, most assets must be marketed, sold and monetized. The proceeds from the sale are paid into FRISCO to cover the administrative expenses incurred by the SAE and to cover the Fund's debts with the Nation for different loans granted in the past. The remaining amount must be distributed among different public institutions, in the percentages defined by the Forfeiture Code: twenty-five percent (25%) to the Judicial Branch, twenty-five percent (25%) to the Attorney General's Office, ten percent (10%) to the Judicial Police of the National Police for the strengthening of its investigative function, five percent (5%) to the Ombudsman's Office for the strengthening of the public defence in the processes of *extinción de dominio* and the remaining thirty-five percent (35%) to the National Government, who will regulate the distribution of this last percentage, having as a priority the reparation of the victims.

In reality, the SAE does not simply transfer the money to the beneficiary institutions. To prevent the money from being used for operating expenses and to ensure that it is actually invested in institutional strengthening, the use of the resources is controlled by the National Narcotics Council. The beneficiary entities must present to the Council the projects in which they want to invest the resources they are entitled to by law. The Council evaluates the legal, economic and technical feasibility of these projects, and if it considers that they constitute a genuine investment in institutional strengthening, then it authorizes the SAE to disburse the money.

The percentage of these resources that correspond to the National Government (35%) is usually allocated to social projects that are executed directly by the Presidency of the Republic. Projects are of a very diverse nature, many of which are aimed at the most vulnerable populations, in most cases affected by the violence of the country's internal conflict.

The form of administration and allocation of assets subject to prosecution through *extinción de dominio* has maintained the same model since 1996. Obviously, Colombia has made improvements to the legal regime, has even changed the institution responsible for administration and has optimized its administration system. However, the model applied has always been based on the same logic.

Like many countries in the region, the logic of the asset management model in Colombia has been to receive the assets, take custody of them and provisionally use them



to prevent their loss, damage or devaluation, in order to subsequently market, sell and monetize them. The SEM has decided to change its model, to adopt an approach aimed at the social use of the assets it manages. This entity is aware that in its asset inventory there are assets with a very high social use value, which was being wasted. The duration of the forfeiture processes in Colombia is long, and during that time the assets could be provisionally destined to the realization of the national government's public policies. The idea is to go beyond the traditional acts of provisional disposition (leasing, delegated administration, deposit, etc.) and allocate the assets to the use of social projects that have a large and positive impact on the neediest communities.

The asset management model based on social use that the SEM is adopting aims to allocate the assets to the implementation of four major public policies:

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- a. La política de tierras y reforma agraria.

 - b. La política de paz total.

 - c. La política de apoyo a las economías populares.

 - d. La política de cultura de paz y resignificación social.

The social use of the assets is included in the National Development Plan of the Central Government; therefore, the SAE has the autonomy to allocate the assets in accordance with the public policies of the national government to different social organizations and other figures such as commercial leasing and the hiring of specialized third parties as managers for the seized productive enterprises through the figure of popular depositaries.

SAE's current rural real estate management strategy is framed within the National Government's Land Policy for Peace. This policy is based on the premise that rural real estate should not be considered only as real estate or rural properties with a determined commercial value for rent or commercialization, but as agricultural production units, mainly intended for the sustainable and sustainable production of food with its consequent capacity to contribute to the country's food security and the improvement of the living conditions of peasant, indigenous and rural populations in general (victims of violence).

Despite their history, these properties can still be used by these communities, but they need to be "re-signified"; this implies that the properties should not only undergo a physical recovery, but also a recovery of their urban, architectural and social significance, through their use for cultural, civic or even productive projects. These buildings can become spaces for community coexistence and civic or even political relations. A change in their destination can help these buildings to stop being seen and remembered as icons of violence and become places for the restoration of the social fabric and peaceful coexistence.



The Ministry of Culture is currently working on the design of a policy for the “re-signification” of some public spaces. The SAE has the capacity to support such a policy, since some of the urban properties it manages have this potential.

The final destination of confiscated goods has a specific focus on health, public education, education for work, and support for peace agreements with armed groups and housing for justice, among others. Finally, the legislation allows the donation of perishable goods to non-profit organizations or public entities that meet nutrition and hunger mitigation purposes.

In summary, the SAE has transitioned from a model focused on custody and monetization of assets in compliance with commercial goals established for the generation of resources, to a model based on the social use of assets, which implies a change in the institutional structure and internal institutional processes, aligning more closely with the Italian model and the Argentine bill, on the social and community reuse of assets.

Shared experiences of social reuse of confiscated assets, from and for civil society.

In Argentina, the project for the social reuse of confiscated assets⁵⁷, was born from a civil society proposal based on the shared experiences of victims and non-governmental organizations (NGOs) with the support and leadership of Asociación Libera.

The Libera Association is an Italian association made up of a network of more than 1,600 associations, social cooperatives, movements and groups, schools, trade unions, dioceses and parishes, and scout groups that work together to build a society free from the influence of mafias, corruption and organized crime. Their efforts have been recognized both in Italy and internationally for their impact in promoting justice and legality, based on equality, for a living and shared memory. Among its most emblematic projects is the social and community use of confiscated assets and, in this context, the Association is leading the draft Law on the administration and social reuse of assets in Argentina.

El impacto de Libera en el uso social de los bienes decomisados se ve reflejado en:

Libera’s impact on the social use of seized assets is reflected in:

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- 1. Legislation and advocacy:** The Libera association has influenced Italian legislation. The aforementioned law 109/96, which allows the social reuse of confiscated assets, was driven by Libera’s work and citizen mobilization, through the collection of more than one million signatures. This legislation has been crucial in introducing into Italian law the social use of seized and confiscated Mafia assets.

⁵⁷. Clarín. [A bill to manage and use the assets confiscated from corrupt and drug traffickers is moving forward \(clarin.com\)](http://clarin.com).



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- 2. Recovery and reuse:** Libera has been instrumental in promoting the transformation of properties seized from the mafia into tools for social promotion. These properties, including agricultural land, buildings and businesses, are recovered and managed by social cooperatives, associations or municipalities in order to create jobs, promote a culture of legality and provide services to the community.

 - 3. Job creation and local development:** Property seized from the mafia is reused by social cooperatives and agricultural enterprises, through which thousands of jobs have been generated, especially in rural and economically disadvantaged areas. These cooperatives focus on activities such as organic agriculture, food production and sustainable tourism. In doing so, they not only create employment, but also promote local development and social inclusion.

 - 4. Education and awareness-raising:** These seized assets also function as spaces for education and awareness-raising on the fight against the mafia and the promotion of legality. Libera and the other organizations that promote it, organize workshops, guided tours, and educational activities for youth and adults, with the objective of creating a culture of resistance against organized crime.

 - 5. International example:** Libera's experience has been taken as a model in other countries in both Europe and Latin America. Its approach to the social reuse of confiscated assets has become an international reference in the fight against organized crime and the promotion of social justice.
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Asociación Libera has transformed what was once a symbol of mafia power or organized crime into tools for building a more just and caring society. Its impact goes beyond simple property management; it contributes to the cultural, social and economic transformation of communities affected by organized crime. The restitution of confiscated assets to society through social and community use is a way to repair the damage done by organized crime to society.

Some NGO experiences in Argentina, such as the Fundación Tercer Tiempo, the Mesa Interinstitucional contra la Trata de Mar del Plata and the Cooperativa San Cayetano, have experiences related to the social use of confiscated assets for the care of persons deprived of liberty who have served their sentence in order to reintegrate them into society through work cooperatives where they are taught a trade and complete the basic education cycle. Another experience focuses on the assignment of a confiscated building to create a center for memory and the fight against human trafficking and another building assigned for the prevention and treatment of victims of gender violence. Finally, there are experiences of social reuse of assets linked to an enterprise with the creation of a cooperative focused on textiles for young people with drug addiction problems.

The NGO "Fundación Gallega contra el narcotráfico" based in Galicia, Spain, has played a key role in the fight against drug trafficking in the region, especially in the areas most



affected by drug trafficking. Its experience in the social sphere includes helping drug addicts and raising awareness of drug use through prevention programs and initiatives for the social use of confiscated assets against drug trafficking and support to judicial authorities in the management of seized movable assets and their pre-sale process.

In this regard, it promotes the reuse for social purposes of confiscated assets, such as land and properties, which have been transformed into community centers or used for local development programs, directly benefiting the community.

Finally, the GIZ (German International Cooperation Agency) has extensive experience in the social use of seized and forfeited assets to support Alternative Development programs through various initiatives, providing technical assistance, training, financing and other resources to foster sustainable rural development.

Alternative Development is a strategy implemented mainly in regions where the economy depends on illicit crops such as coca, poppy or cannabis. Its objective is to offer sustainable and legal alternatives to the communities involved in these crops, promoting licit economic activities that generate income and improve the living conditions of these communities⁵⁸.

[58. Study on Innovative Approaches to Alternative Development in Latin America and the Caribbean - Copolad](#)



10. European Experiences

In the European Union, several countries have experience in the public, social and community use of confiscated assets, especially in the context of the fight against mafia, organized crime and corruption. Below is information on some of the most prominent countries in this practice.

Italy

Italy is the pioneer and most recognized country in the social reuse of confiscated assets. Law 109/1996 allowed assets seized from the Mafia to be reused for social purposes, such as the creation of cooperatives, non-governmental organizations (NGOs), community centers, and other projects for the benefit of the community. The National Agency for Seized and Confiscated Assets (ANBSC)⁵⁹ manages this process, and many social cooperatives have emerged thanks to the reuse of these assets.

On the other hand, the philosophy of the Italian regulations requires a physical and material solution to the confiscated goods for social use and their restitution to the affected communities, which has been implemented through the ANBSC and with the help of Asociación Libera⁶⁰ and other non-profit organizations.

A combination of factors outlined below has allowed Italy's ANBSC to become a reference in the social use of confiscated assets, accumulating experience, knowledge and best practices that are valuable for other countries facing similar challenges, and this experience has been adopted by several countries in both Europe and Latin America.

It is important to note that, in the Italian case, the seized assets become part of the state patrimony, so that the assets that are assigned on the one hand for public use (security forces), on the other hand for community use to municipalities and finally for social use (associations and cooperatives) are assigned through a type of concession for a period

59. [ANBSC - Agenzia Nazionale per l'amministrazione e la destinazione dei beni sequestrati e confiscati alla criminalità organizzata \(benisequestraticonfiscati.it\)](http://benisequestraticonfiscati.it)

60. [For a society free of mafias, corruption and any form of illegality \(red-alias.net\)](http://red-alias.net)



ranging from 10 to 30 years for a specific use and purpose in favor of the society, which can be revoked in case of non-compliance. Therefore, the sale of forfeited assets is residual, i.e., in the event that public use or social or community use is not possible, the asset management agency proceeds to their sale and monetization.

ABNSC has vast experience in the social use of forfeited assets, for the following reasons:

1. Track record of fighting organized crime: Italy has faced the challenge of organized crime for decades, especially with groups such as the Mafia, the Camorra and the 'Ndrangheta. The need to combat these groups has led to the creation of robust mechanisms and policies to seize their assets and use them in a way that benefits society.

2. Advanced legislation: Anti-Mafia Law No. 109 of March 7, 1996, is one of the most prominent in the fight against the Mafia in Italy for several key reasons:

- **Forfeiture of mafia assets:** The law allows for the forfeiture of assets that have been illicitly acquired by persons involved in mafia activities. This measure seeks to dismantle the economic power of the mafias, which is fundamental to their operation.

 - **Social reuse of confiscated assets:** One of the most innovative and outstanding aspects of this law is that confiscated assets are not auctioned but are destined for social use. These assets can be given to community organizations, social cooperatives, non-profit associations or local entities to be used in projects that benefit the community. This turns property previously controlled by the mafia into resources for social development.

 - **Symbolic and practical impact:** The law has a strong symbolic impact, as it represents a victory of the State and civil society over mafia power. By taking away property and resources and returning them to the community, the law shows that mafia power can be dismantled, not only from a legal perspective, but also socially and economically.

 - **Civil society participation:** The legislation was driven in part by the efforts of civil society, particularly organizations such as Libera, which fight against the mafia and promote social justice. This participatory process ensured that the law had broad support from the population and not only from government institutions.

 - **Response to a context of violence:** The law was enacted at a time when mafia violence in Italy had reached worrying levels, with the assassination of judges such as Giovanni Falcone and Paolo Borsellino in 1992, prompting a strong social demand for more effective measures against the mafia.
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3. Administrative experience: The ABNSC has acquired significant experience in the administration and redistribution of confiscated assets (real estate, companies, furniture and financial products). The ANBSC's lines of action can be framed in three axes:

- From seizure to second-degree forfeiture, it supports the judge and the judicial administrator (assistance) to enable the provisional assignment of real estate and companies for institutional or social purposes to the entities, associations and cooperatives referred to in Article 48(3), without prejudice to the appreciation of the delegated judge on the modality of the assignment.
 - From second-degree forfeiture to final forfeiture, it administers the forfeited assets "on behalf of whomever it may concern", authorizing management acts after obtaining, for those of an extraordinary nature, prior authorization from the judge.
 - After final confiscation, it administers the assets with a view to their public use and supervises, after their allocation, their proper use in accordance with the purposes provided for by law (monitoring).
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In this context, the Italian model allows for a myriad of ways to manage confiscated assets, among which we can mention a few examples:

- The social and institutional destination of forfeited assets refers to real and personal property, which may be destined to local and state entities.
 - The seized companies are mainly destined for sale, with the objective of reintroducing them into the legal market and guaranteeing jobs. They will also be rented free of charge to cooperative workers.
 - The hypothesis of the sale of confiscated real estate has a residual character, and only after anti-mafia controls.
 - State entities need the real estate for institutional purposes, such as the construction of police or firefighting facilities, or judicial structures, such as courts.
 - Local entities, for their part, can express interest in acquiring them for institutional use, or for social use, or directly or through the temporary concession of the property to non-profit associations, for the creation of therapeutic communities, support structures for children with disabilities, shelters for women victims of violence and trafficking, cultural aggregation clubs.
 - The reappropriation of property by the community that had suffered from the criminal presence and its social or institutional use testify to the loss of power of the criminal subject.
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In reference to this area, the total assets subject to allocation amounted to **23,658** as of December 31, 2023, and it has approximately 18,000 under management, of which 15,000 are in final forfeiture.

The sale of assets, as the data show, remains a totally residual solution, deriving either from the need to satisfy bona fide creditors or from the proven impossibility of allocating certain assets.

Of the **23,658 assets**, **19,071**, or **81%**, were transferred, at their request, to the assets of the local authorities, demonstrating effective cooperation with the municipalities.

4. Collaboration with civil society organizations: ABNSC works closely with various civil society organizations, cooperatives and NGOs engaged in social projects. This ensures that confiscated assets are used effectively and for the common good.

5. Successful projects: Over the years, Italy has seen numerous successful examples of reuse of confiscated assets, especially through the Libera Association, which has generated an accumulation of knowledge and best practices that have been replicated in other jurisdictions.

6. Institutional and social commitment: Both government and civil society in Italy have shown a strong commitment to ensuring that confiscated assets are used in ways that contribute to social and economic development, particularly in areas affected by organized crime.

Spain

In Spain, Law 4/2015 of April 27 on the Statute of the Victims of Crime provides that confiscated assets may be destined for social uses. The Office for the Recovery and Management of Assets (ORGA) of the Ministry of Justice is responsible for administering these assets. Although the approach has been more recent and less extensive than in Italy, efforts have been made to allocate these assets to community projects, including support for crime victims and rehabilitation programs.

While it is true that the proceeds from the sale of confiscated assets serve to strengthen drug supply control and demand reduction institutions, the use of confiscated assets for social purposes has significant impact, delivering tangible benefits for communities directly affected by organized crime through NGOs or municipalities.

The role of municipalities in the use and exploitation of confiscated assets is mostly reflected in the experiences of Spain, where, once the confiscated assets are monetized, they are destined to one of the largest items directed to local corporations (municipalities, autonomous communities and provinces). This allocation is made through a public invitation for subsidies that must comply with the administrative principles of publicity, transparency, equality and objectivity. The proposals submitted by the municipalities



must be adjusted to the priorities of the programs of the Confiscated Goods Fund (FBD) and must meet two requirements: 1) have a population greater than 100,000 inhabitants and 2) have a plan, program or project related to drugs. With this, an objective analysis is made by applying evaluation and weighting criteria, which are evaluated by a selection commission, which resolves the call, assigning the available resources to the selected municipalities.

They also make public invitations for grants to non-governmental organizations targeting drug-affected populations and make a direct grant to the Spanish Federation of Municipalities and Provinces (FEMP) to carry out demand reduction activities.

The Spanish Forfeited Assets Fund is managed by the Government Delegation for the National Plan on Drugs, regulated by Law 17/2003, of May 29, 2003, and consists of assets, effects and instruments forfeited by final judgment in proceedings for drug trafficking and other related crimes.

The proceeds of these assets are allocated to intensify actions for the prevention, investigation, prosecution and repression of these crimes, prevention of drug addiction, assistance and social and labour insertion of drug addicts and international cooperation in this field, being beneficiaries of the amounts included in the Fund the Autonomous Communities, Local Corporations, Non-Governmental Organizations or private non-profit entities, the State Security Forces, the Customs and Excise Department of the State Tax Administration Agency, the Special Prosecutor's Office for the Prevention and Repression of Illegal Drug Trafficking, the Government Delegation for the National Plan on Drugs, other public bodies or entities of the General State Administration, international bodies with competence in the matter, and supranational entities and governments of other foreign States.

That is why the FBD has significant experience in the social and community use of forfeited assets that stands out in inter-institutional collaboration with those agencies within the asset recovery value chain, such as asset investigation and prosecution agencies, municipalities and civil society. Challenges are identified mainly regarding real estate, such as tax burdens, condominium debts, debts for real rights and occupations and in addition the following reasons are highlighted:

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- 1. Legislation and regulatory framework:** In Spain, Law 17/2003⁶¹ and its subsequent regulations establish the framework for the management of confiscated assets. These regulations allow confiscated assets to be used to finance prevention, treatment, social and labour reintegration programs, as well as to combat illicit drug trafficking.
 - 2. Community reinvestment:** Funds obtained from the sale of seized assets are reinvested in programs and projects that benefit the community. These projects may
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⁶¹. [BOE-A-2003-10828 Law 17/2003, of May 29, 2003, which regulates the Fund for assets confiscated for illicit drug trafficking and other related crimes.](#)



include education, rehabilitation and drug prevention initiatives, as well as support to law enforcement in the fight against drug trafficking.

- 3. Collaboration with civil society organizations:** The Forfeited Assets Fund works closely with NGOs, associations and entities working in the prevention and treatment of addictions. These organizations can receive grants and financial support to develop their programs and activities.
- 4. Transparency and efficient management:** The Fund is managed with criteria of transparency and efficiency. Periodic reports are published detailing the use of funds, ensuring that resources are allocated to projects with a positive impact on society.
- 5. Project highlights:** In Spain, numerous successful projects funded with confiscated assets have been carried out. These projects range from the creation of rehabilitation centers and educational programs to support for victims of human trafficking and funding for law enforcement equipment.
- 6. Impact on the fight against drug trafficking:** The use of confiscated assets not only benefits the community, but also contributes to the economic weakening of criminal organizations. By confiscating their assets and reusing them for the benefit of society, the operational capacity of these groups is reduced.

The experience of the Spanish Confiscated Assets Fund in the social and community use of these assets demonstrates a comprehensive approach that combines prevention, treatment and repression of drug trafficking, with a strong component of support and social reintegration.

France

France has also implemented the social use of seized assets. The Agency for the Management and Recovery of Seized and Forfeited Assets (AGRASC), created in 2010, manages these assets, and part of the seized assets are used for social and community projects, although less frequently than in Italy.

The assets and proceeds of forfeited property become the property of the State and, as such, are paid into the general State budget, except when the forfeiture penalty is ordered for drug trafficking offenses, in which case the amounts are paid into the MILDECA (Drug Competition Fund, article 706-161 of the CPP).

Law n°2014-1353 of November 13, 2014, reinforcing the provisions relating to the fight against terrorism supplemented article 706-161 of the CPP to provide that AGRASC may also pay state contributions intended to finance the fight against crime and criminality. Finally, the 2017 Finance Act n°2016-1917 of December 29, 2016, created a working capital fund intended to finance the prevention of prostitution and social and professional support.



France may also earmark insured and forfeited assets for compensation for crime victims. Indeed, in accordance with Article 706 -164 of the Code of Criminal Procedure, it is stated that any person who is a civil party, who benefits from a final decision awarding damages and costs in the framework of the proceedings, and it is impossible to compensate him/her may have the AGRASC pay him/her the sums with priority over the debtor's assets, whose forfeiture has been finally decided.

Finally, in terms of social reuse, Law n° 2021- 401 of April 8, 2021, introduced a new paragraph in art. 706 -160 of the CPP which defines the missions of the AGRASC and provides: *"The agency may make available, if necessary free of charge, real estate whose management is entrusted to it in application of 1° of this article. This shall be done for the benefit of associations whose activities fall generally within the scope of application of 1° of article 200 of the general tax code. This shall include associations, foundations recognized as being of public utility and organizations benefiting from the authorization provided for in article L. 365-2 of the building and housing code. The terms of this provision shall be defined by regulation"*⁶².

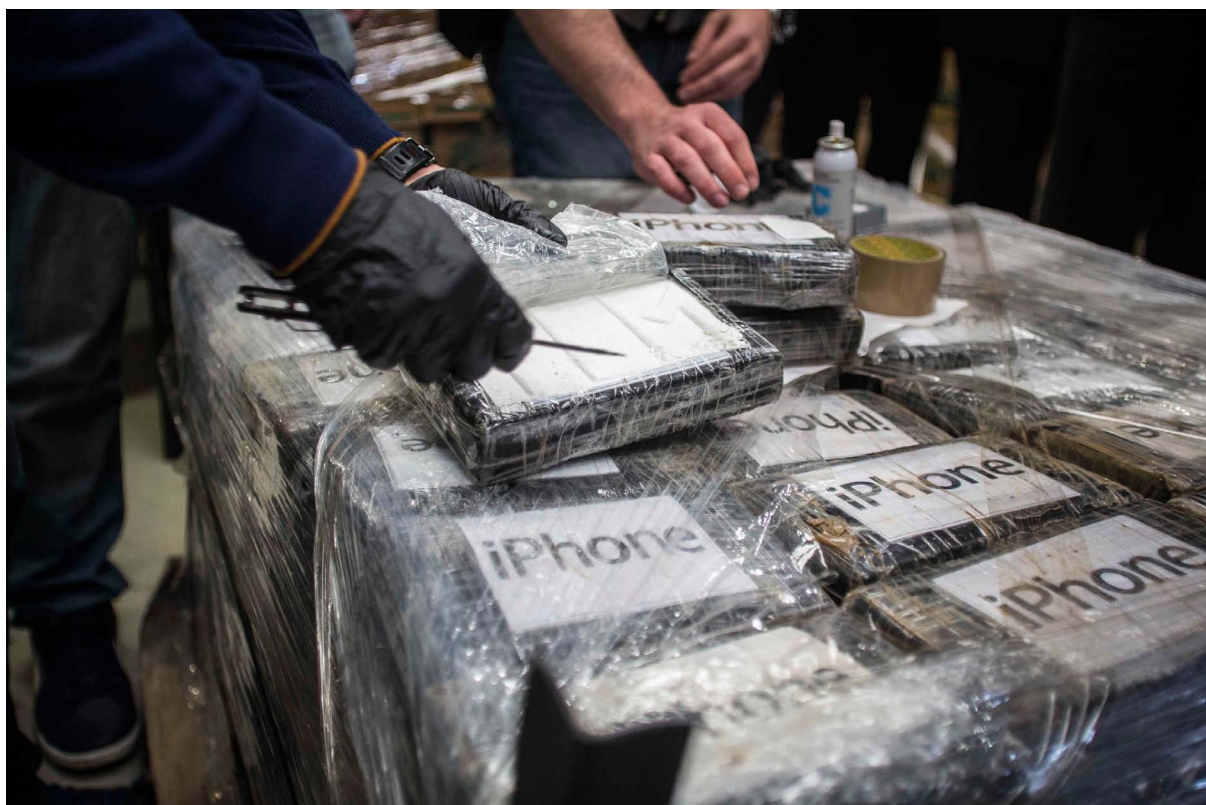


Photo: Attribution - Creative Commons NonCommercial (CC BY-NC) ⓘ ⓘ

⁶². The social re-use of confiscated assets in Europe, A first mapping. Pag.31-32 [Report Mappingsett 21.cdr \(confiscatibene.it\)](#)



It is worth highlighting France's results in terms of asset recovery, achieving in 2023, more than 1 billion euros seized in illicit assets. Currently, the criminal trend in this country has focused on the so-called crypto-assets, of which more than 100 million euros have been seized for administration. It is important to point out that this type of crypto-assets, once seized, and are used by the security forces in undercover operations in the dark web. In addition, the decentralization of the asset management agency located in eight of the main cities of the country where it has a lot of institutional visibility through the auctions of confiscated assets that they carry out, stands out.

France for its part shares the challenges of asset management bodies with respect to the management of complex assets such as companies, however, it emphasizes the management and sale of crypto assets which, in its case today, reach the sum of €100 million in crypto assets.

The key aspects of this experience are detailed below:

- **1. Legal and organizational framework:** AGRASC was created in 2011 under Law No. 2010-768 of July 9, 2010⁶³. Its mission is to manage, conserve and, when necessary, sell assets seized and forfeited in criminal proceedings. The legal framework allows for forfeited assets to be put to social and community uses, contributing to the welfare of society.

- 2. Reuse of forfeited assets:** AGRASC promotes the reuse of forfeited assets for social purposes. This includes the transfer of property and other assets to associations, non-profit organizations and public entities that can use them for community, social or humanitarian projects.

- 3. Social and community projects:** Forfeited assets have been used for a variety of projects that benefit the community. These may include the use of properties to house community centers, homeless shelters, educational facilities, rehabilitation centers, among others.

- 4. Collaboration with the public and private sector:** AGRASC works closely with various public entities and civil society organizations to ensure that confiscated assets are used effectively and for the benefit of the community. This cooperation facilitates the identification of social needs and the appropriate allocation of available resources.

- 5. Transparency and accountability:** AGRASC's management of forfeited assets is characterized by transparency and accountability. Annual reports are published detailing the agency's activities, including the amount and type of assets managed, as well as their final destination.

⁶³. [LAW No. 2010-768 of July 9, 2010, to facilitate seizure and confiscation in criminal matters \(1\) - Légifrance \(legifrance.gouv.fr\)](https://www.legifrance.gouv.fr/eli/loi/2010/07/09/2010-768)



6. Training and awareness-raising: AGRASC is also engaged in training and awareness raising on the importance of the social use of confiscated assets. This includes the organization of seminars and workshops for local authorities and non-governmental organizations to promote best practices in the reuse of these assets.

7. Positive community impact: AGRASC's experience demonstrates a positive impact on the community by converting assets that were used for criminal activities into resources that support social and economic development. This not only benefits the people directly involved in the projects, but also contributes to a positive public perception of justice and the fight against crime.

In summary, France's AGRASC has developed a solid experience in the social and community use of forfeited assets, integrating a collaborative, transparent and effective approach that serves as a model for other jurisdictions.

It is important to note that other European countries are following in the footsteps of the predecessors, some examples are:

Belgium

In Belgium, the management of seized assets and the proceeds from confiscated assets are handled by the Central Office for Seizure and Confiscation (COSC), which is part of the Federal Public Service of Justice (FPS Justice).

COSC is the agency responsible for the recovery and management of the assets during the trial, until the end of the seizure proceedings. FPS Finance is the entity responsible for the execution of the sale of the forfeited assets.

There are two other possibilities to reuse confiscated assets in Belgium. The first is possible during seizure under COSC's management, the goods could be reused by the federal police and the second is that the seized goods are sold and the proceeds from the sales go to the federal state. This could be considered an indirect reuse, but not necessarily a social reuse. Despite this, Belgium has some cases where seized assets have been earmarked for the social function of seized assets⁶⁴.

⁶⁴. The social re-use of confiscated assets in Europe, A first mapping. Pag.20-21 [Report Mappingsett 21.cdr \(confiscatibene.it\)](#)



Greece

In Greece, the agency responsible for the management of confiscated assets, in particular those seized from criminal activities, is the Public Property Management Service (YPED), under the Ministry of Finance. This agency oversees the management of assets seized through judicial proceedings, ensuring that these resources are effectively managed or reused for social purposes, as outlined in the national and European legal frameworks.

Greece has begun to explore the social use of confiscated assets in recent years, influenced by models such as Italy's. The country has implemented legal reforms that allow for the allocation of confiscated assets to social programs and organizations working for the benefit of the community. The country has implemented legal reforms that allow the allocation of confiscated assets to social programs and organizations working for the benefit of the community.

Belgium and Greece are also involved in cross-border asset recovery collaborations, especially within the framework of the Balkan Asset Management Interagency Network (BAMIN)⁶⁵, which is an informal network of professionals working operationally in Asset Management Offices (AMO), or in the institution or department in charge of the management and disposal of criminal assets both within their jurisdiction and in international cases. It focuses on the exchange of best practices related to the management of confiscated criminal assets in the region. Its founding members include jurisdictions in the Western Balkans, but the Network is open to observers and associate members from around the world. Currently, the BAMIN Network is composed of 25 Asset Management Offices: 9 with Member status, 14 with Observer status and 2 with Associate status.

Netherlands

In the Netherlands, assets seized in the context of criminal investigations are managed by the Central Bureau for Seizure of Assets (CBSA), which is part of the Dutch Public Prosecutor's Office.

The CBSA is responsible for the management of assets seized during criminal investigations and ensures that assets that may be forfeited, frozen or sold are managed efficiently. It also collaborated with judicial and law enforcement authorities to ensure that the proceeds of crime are returned to the State. In some cases, they have been earmarked for social and community projects, although the practice is not as institutionalized as in Italy or Spain.

This office also engages on asset management at both the national and international level and can cooperate with other EU agencies and international organizations in cross-border confiscation cases.

65. [Balkan Asset Management Interagency Network BAMIN \(bamin-network.org\)](http://bamin-network.org)



Romania

Romania included the creation of an agency to link asset recovery and management in its National Anti-Corruption Strategy 2012-2015 and passed the Law for the Creation of the National Agency for the Management of Seized Assets (Agenția Națională de Administrare a Bunurilor Indisponibilizate, ANABI) in 2015.

In operation since December 2016, prosecutors and judges distribute seized assets to the Agency to be sold or managed. When a matter concludes, the seized real estate may be transfer to social reuse. ANABI promotes cooperation and is developing an on-line platform for the management of proceeds of crime, which will increase the national institutional capacity to identify, manage and potentially sell seized assets by providing detailed and up-to-date information on the whereabouts of such assets.

In August 2021, the Romanian Government adopted Decision 917/2021 for the approval of the National Strategy for Asset Recovery for the period 2021-2025 under the slogan "Crime does not pay!"⁶⁶.

The National Strategy provides for the creation of a National Mechanism for Crime Prevention. The budget of the National Mechanism will be composed of confiscated sums and amounts obtained from the sale of assets confiscated in criminal judicial proceedings.

The Facility will finance multi-year projects submitted by state agencies and civil society organizations. The amounts allocated may be used exclusively for the following purposes: measures/actions/programs related to:

-
- Assistance and protection of crime victims, including emergency situations.
-
- Crime prevention.
-
- Legal education.
-
- Strengthening the administrative capacity, including the logistics support of the institutions in charge of identifying, managing and disposing of these seized assets.
-

These countries have developed different legal frameworks and practices to ensure that confiscated assets are not only managed effectively, but also reused for the benefit of society, thus contributing to social justice and the rehabilitation of communities affected by crime.

⁶⁶. The social re-use of confiscated assets in Europe, A first mapping. Pag.53
[Report Mappingsett 21.cdr \(confiscatibene.it\)](#)



11. Conclusions and recommendations

Proper management of seized and forfeited assets is of crucial importance in the asset recovery value chain for several reasons.

Efficient management of seized assets weakens the financial structures of organized crime, sending a clear message that the state is not only pursuing criminals, but is also seeking to take away their economic power. This discourages future illicit activities by reducing the profitability of crime and the enjoyment of illegal assets.

The reuse of confiscated assets, such as real estate, vehicles or money, enables their use in social and community projects. These resources, which were originally acquired illicitly, can be used to promote public welfare, supporting initiatives in education, health, security and community development.

In the same vein, the public reuse of confiscated assets for security forces promotes the strengthening of law enforcement institutions and thus counteract and prevent organized crime.

Effective management of these assets ensures that confiscated resources are not lost to corruption or mismanagement and effectively ensures a recovery of assets in favor of the State for public and social reuse. Society perceives that the justice system is functioning equitably and that the benefits of fighting crime are returned to the community. In addition, transparency in the distribution and reuse of assets strengthens trust in institutions.

In many cases, seized assets can be used to compensate victims of crime. This not only serves a restorative justice function, but also helps to mitigate the social impact of crimes, especially in cases of financial fraud or human smuggling and trafficking.

The reuse of seized assets for community purposes creates a positive cycle, with ill-gotten resources returning to society in the form of investments in infrastructure, social support programs and projects that contribute to local development and the strengthening of law enforcement agencies. This not only combats crime in the short term, but also prevents its growth by strengthening the social fabric.



In short, the proper administration of seized assets is essential to divest organized crime of its resources, strengthen social justice and create tangible benefits for society through the reuse of these assets in community and public welfare projects.

Strategic and collaborative approaches are required for Latin American and Caribbean countries to create and improve institutions responsible for illicit asset management and the social destination of confiscated assets. The following are some key recommendations:

Establish Clear and Strong Legal Frameworks

- Create specialized laws for the management of seized and forfeited assets that clearly define the process of identification, seizure, forfeiture, administration and disposal of illicit assets.
- Ensure that the legislation includes mechanisms for the social allocation of assets, allowing the resources obtained to benefit community programs or social projects.
- Include in the law a framework of accountability and transparency to prevent corruption in the management of assets under its responsibility.

Create or Strengthen Specialized Agencies

- Establish autonomous and independent agencies dedicated exclusively to the administration of seized and forfeited assets or strengthen those already in existence.
- Ensure that these institutions have sufficient financial resources and access to technical tools to adequately manage the assets.
- Consider inter-agency collaboration to ensure that these agencies work in coordination with judicial, law enforcement and security entities, as well as with institutions involved in the asset recovery value chain.

Strengthening Training and Professionalization of Institutions

- Create training programs for personnel in charge of illicit asset management, ensuring that they are familiar with international best practices regarding the identification, preservation, management and disposition of assets, especially those that are difficult or complex to manage such as going concerns.
- Promote the use of modern technologies for the traceability and effective management of seized and forfeited assets.



Implementing Information Technology and Asset Management

- Develop digital inventory and real-time monitoring systems for the efficient management of seized goods, ensuring clear and secure traceability of assets.
- Invest in appropriate valuation systems to ensure that assets do not lose value during management and that they are used effectively.
- Promoting Transparency and External Oversight
- Implement transparency mechanisms such as the periodic publication of reports on seized assets, their management and destination.
- Create independent advisory councils to oversee the work of asset management agencies, integrating civil society, international organizations and experts.
- Establish regular audits by independent entities to ensure that the assets are managed correctly and that their distribution complies with the social objectives set.

Prioritizing Social and Community Destination

- Create a system of prioritization of social use for confiscated assets, focusing on areas such as education, health, community programs, support for victims of crime or economic development in vulnerable communities.
- Establish partnerships with community organizations and NGOs to ensure that the resources obtained have a real and positive impact on the communities most in need.
- Ensure that liquid assets, such as seized funds, are allocated in a transparent manner to economic and social development projects that benefit regions affected by organized crime.

Promote Citizen Education and Social Participation

- Implement awareness campaigns that explain how confiscated assets are used for social purposes, fostering public confidence in the institutions in charge of these processes.
- Invite local communities and civil organizations to participate in monitoring the management of confiscated assets, ensuring that the social destination is equitable and based on local needs.



Promote International Cooperation

- Participate in international and regional forums such as the Caribbean Financial Action Task Force (CFATF), the Latin American Financial Action Task Force (GAFILAT), the Organization of American States (OAS), and others, to exchange experiences, receive technical assistance and improve national capacities.
- Consider support from agencies such as the United Nations Office on Drugs and Crime (UNODC), COPOLAD and the European Union, which can provide training and funding for the creation or strengthening of agencies.
- Consider the creation of a regional network of seized and forfeited asset management agencies in Latin America and the Caribbean to enable the exchange of experiences and best practices.

These recommendations offer a comprehensive approach for Latin American and Caribbean countries to not only strengthen institutions dedicated to the administration of seized assets, but also to ensure that the resources derived from illicit activities have a positive and direct impact on communities. Implementing these strategies will require political will, adequate funding and a commitment to work in a coordinated manner at the national and international levels.



12. Glossary

AABE: Agency for the Administration of State Assets.

AML/CFT/CFP: Anti-Money Laundering/Combating the Financing of Terrorism

AGRASC: Agency for the management and recovery of seized and confiscated assets

AMO: Asset Management Office

ANABI: Agenția Națională de Administrare a Bunurilor Indisponibilizate

ANBSC: Italian National Agency for the administration of assets confiscated from organized crime

BAMIN: Balkan Asset Management Interagency Network

CBSA: Central Bureau for Seizure of Assets

CICAD: Inter-American Drug Abuse Control Commission

COPOLAD: Cooperation Program between Latin America, the Caribbean and the European Union on drug policy issues

FBD: Confiscated Assets Fund

FIIAPP: Fundación Internacional y para Iberoamérica de Administraciones y Políticas Públicas (International and Ibero-American Foundation for Public Administrations and Policies)

FATF: Financial Action Task Force

CFATF: Caribbean Financial Action Task Force

GAFILAT: Financial Action Task Force of Latin America

GIZ: Gesellschaft für Internationale Zusammenarbeit

GLAVEX: Group of Experts on Money Laundering Control

ICD: Costa Rican Institute on Drugs

IILA: Italian-Latin American Organization

StAR Initiative: Stolen Asset Recovery

LAPLAC: Legal Aid Program for Latin America and the Caribbean

OAS: Organization of American States

NGO: Non-Governmental Organization



BIDAL Project: Latin American Forfeited Assets Project

SAE: Special Assets Company

EU: European Union

UNODC: United Nations Office on Drugs and Crime

YPED: Public Property Management Service



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Recovery, administration and allocation for public, social and community use of assets confiscated from drug traffickers and organized crime

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