



## PROJECT SUMMARY

### Project on Improving the Asset Recovery System in Bulgaria

<b>Project Promoter</b>	The Commission for Illegal Assets Forfeiture (CIAF)
<b>Project Partner:</b>	Council of Europe
<b>Financial Mechanism</b>	Norwegian Financial Mechanism 2009-2014 (88%) Bulgarian authorities (12%)
<b>Budget</b>	€213,607.27
<b>Duration</b>	1 November 2014 – 31 December 2016

#### 1. BACKGROUND AND JUSTIFICATION

Economic and organised crime, corruption and money laundering pose serious threats to the countries in South East Europe and beyond the region. They undermine public trust in the rule of law and the institutions of governance and ultimately weaken civil society, the protection of human rights and the prospect for economic development.

Strengthening the current systems to trace, seize and forfeit proceeds of crime, is a matter of urgency and one of the crucial steps towards the implementation of Bulgaria's priority and that is, preventing and combating organized crime and corruption, reinstating justice and compensating the victims of crime.

In Bulgaria the Asset Recovery System has a relatively short history in terms of operational asset recovery. The original “Law of Divestment in Favour of the State of Property Acquired from Criminal Activity” was adopted in 2005 while the Commission for Establishing of Property Acquired from Criminal Activity (CEPACA) was defined as the competent state authority for asset recovery. A second new “Law on Forfeiture in favour of the State of Illegally Acquired Property” followed in early May 2012, taking effect in November 2012, which abolished CEPACA and created the CIAF (Commission for Illegal Assets Forfeiture) as a full-fledged successor assuming all rights and liabilities of CEPACA.

Various international organizations have focused in recent years on the state of the asset recovery system in Bulgaria. Several of the recommendations given to Bulgaria by the Venice Commission of the Council of Europe (2010), the UN (2011) and the EU (2011) aimed at strengthening the legislative foundations of the asset recovery system have been implemented with the adoption of the new Law. At the same time a more recent review by the Council of Europe MONEYVAL Committee finalized in September 2013 has identified a number of issues, particularly in terms of effective implementation of existing norms. Specifically it was recommended that “*efforts be made by the authorities to increase the number of provisional measures applied and the volume of forfeited assets and to make more use of the powers currently vested to them by the existing legislation which offers a relatively broad authority to seize/sequester and to confiscate*”.

Given the abovementioned context the Project on improving the Asset Recovery System in Bulgaria is aimed at enhancing the implementation and effectiveness of existing asset recovery instruments and government authorities. Relying on key European and international standards the Project will deliver good practices in asset recovery to enhance the system in Bulgaria through sound policy analysis, recommendations, capacity building and training programmes for the full range of agencies involved in asset recovery, including CIAF, law enforcement, prosecution, judiciary and others.

## 2. OVERALL OBJECTIVE, COMPONENTS AND EXPECTED OUTPUTS

<b>Project Purpose</b>	Increase citizens security through improvement of the efficiency of cooperation with law enforcement and other authorities in Schengen and other countries in fighting economic and organised crime, and effectively recovering assets
<b>Objective</b>	Increase the effectiveness and efficiency of the Asset Recovery System in Bulgaria
<b>Outcome 1</b>	<b>Ensured implementation of the regulatory and institutional framework of the Asset Recovery System in Bulgaria</b>
Output 1.1	Available Recommendations for improving the implementation of the regulatory and institutional framework of the Asset Recovery System in Bulgaria through a multi-sector Study/Assessment.
Output 1.2	Increased knowledge and use of Asset Recovery mechanisms by the Commission and other related institutions in Bulgaria.
Output 1.3	Increased capacities of the Commission and other related institutions through exchange of good practices and multi-disciplinary training of key actors in the Asset Recovery System in Bulgaria.
Output 1.4	Increased public awareness of the Asset Recovery System in Bulgaria and implementation of the Publicity Plan
<b>Outcome 2</b>	<b>Improved capacities, coordination, cooperation, and knowledge/information sharing with national and foreign institutions in order to support the Asset Recovery System in Bulgaria</b>
Output 2.1	Increased capacities of the Commission and other national institutions staff/inspectors through study visits and specialised trainings on topics such as: property which devaluates quickly, “tainted funds”, related persons, “straw men”, management and distribution of sequestered assets, international element cases, non-conviction based confiscation, ECHR

	decisions, etc.
Output 2.2	Increased capacities of Commission staff/inspectors and other related institutions in dealing with international and regional cooperation cases of confiscation and recovery
Output 2.3	Increased technical capacities and skills of Commission staff/inspectors and other institutions to process foreign language information and to communicate, network and share information and data-base internationally with other partner and homologue institutions.
<b>Outcome 3</b>	<b>Improved IT and Communications System, supporting the Asset Recovery in Bulgaria</b>
Output 3.1	Provision of Needs Assessment on IT/Equipment needs
Output 3.2	Develop Terms of Reference in line with CIAF's needs
Output 3.3	Purchase of equipment/hardware to provide/serve video conferencing traffic, networking communication, uninterrupted power supplies, computing mobility, and document scanning/copying/printing
Output 3.4	Introduction of the newly acquired video equipment: training of the Commission's operators

### 3. TARGET GROUPS

- **Ministry of Finance:** The Ministry of Finance whose Vice-Minister is chairing the Inter-institutional Council for Managing of the Forfeited Assets (ICMFA). Furthermore, the National Revenue Agency (NRA) which is subordinated to the Ministry provides CIAF with tax and social security information on inspected persons, and their legally declared incomes.
- **National Security State Agency:** The Financial Intelligence Directorate (FID) collects, stores, investigates, analyses and discloses financial intelligence under the terms and procedures of the Measures against Money Laundering and Measures against the Financing of Terrorism Act.
- **Public Prosecutor's office:** The Prosecution notifies the Commission about persons who have been prosecuted for criminal offences or have already been convicted for such offences. Besides that, it has the power to confiscate assets which are the objects of crime, identified in the course of criminal proceedings.
- **The Courts:** Upon respective court decision CIAF gets access to bank secrecy and so may check bank accounts of the respective persons. The Civil Courts admit claims of the Commission for seizure of criminal assets and decide on whether to allow forfeiture of these assets.
- **The Inter-institutional Council for Managing of the Forfeited Assets:** an interagency body tasked with the management of forfeited assets.
- **General Public:** The general public needs to be informed about the tasks of the Commission including the scope of work (only via the prosecutors' office), on cases and on the management in general terms. The right communication with the general audience ensures public support to AR activities.

#### 4. IMPLEMENTATION ARRANGEMENTS

The Project is implemented by the Commission for Illegal Assets Forfeiture. In this capacity it is responsible for initiating, preparing and implementing all the project activities (including evaluation and reporting). The CIAF has established a Project team, which is led by the Chairman of the CIAF itself.

The Council of Europe is a Project partner, and contributes its expertise to a number of activities within the Project. The CoE also draws on its extensive network of professionals in the area of asset recovery in order to bring the best practices of CoE member-states into Project activities. A Project Administrator in the CoE is responsible for implementing the partner role of the CoE within this Project.

#### 5. CONTACTS

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