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Subject:	EU Statement on the occasion of the first intersessional meeting of the 66th Session of the Commission on Narcotic Drugs (Vienna, 23-25 October 2023) - Thematic session 4: Challenge: "The value of confiscated proceeds of crime related to money-laundering arising from drug trafficking at the global level remains low"

Delegations will find in the Annex the above-mentioned statement as expressed on behalf of the EU and its Member States at the first intersessional meeting of the 66th Session of the Commission on Narcotic Drugs (CND) (Vienna, 23-25 October 2023).



## European Union Statement

**Thematic Session 4: Challenge: “The value of confiscated proceeds of crime related to money-laundering arising from drug trafficking at the global level remains low”<sup>1</sup>**

### First intersessional meeting

**66th Session of the Commission on Narcotic Drugs (CND)**

**United Nations Office on Drugs and Crime (UNODC)**

**Vienna, 23-25 October 2023**

Distinguished Chair, Excellencies, Ladies and Gentlemen,

**Organised crime is profit-driven:** it allows to fund further criminal activities, and infiltrate the legal economy and public institutions. **Serious and organised crime in the EU relies on the ability to launder vast amounts of criminal profits**, relying on professional money launderers operating also through parallel underground financial systems isolated from any financial oversight mechanisms. The complexity of such money-laundering activities in the EU must not be underestimated as they continue posing a major threat in the European Union. Sophisticated criminal networks are involved in these activities, using cash, informal value transfer systems and innovative tools, such as crypto assets. Therefore, the most effective way to fight organised crime, including drug trafficking, is to go after the criminals’ money, notably with asset recovery measures.

However, **the confiscation rate of criminal assets remains disproportionately small – below 2 %** of the yearly proceeds of organised crime.

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<sup>1</sup> Alignment: North Macedonia, Montenegro, Serbia, Albania, Ukraine, Republic of Moldova, Bosnia and Herzegovina, Georgia, Iceland, Norway, Armenia, and San Marino.

Therefore, **one of the strategic priorities outlined in the EU Drugs Strategy 2021-2025 is tracking, tracing, freezing and confiscating the proceeds of and instruments used by organised crime groups involved in the illicit drug markets.** Among the ways to achieve this, is the harmonisation of rules across Europe relating to money laundering, promoting the investigation and prosecution of money laundering offences – including through a self-standing money-laundering offence, to promote the exchange of good practices on financial investigations and systematically applying asset recovery measures.

In order to be more successful in tackling this challenge, **we are reinforcing the asset recovery framework in the EU.** First, by ensuring the systematic launch of financial investigations and by giving competent authorities the powers and information to trace and swiftly freeze criminal assets. Secondly, by ensuring an efficient management of frozen assets, so that they do not lose value throughout the criminal proceedings. And thirdly, by ensuring broad confiscation possibilities, including the confiscation of unexplained wealth linked to criminal activities. Finally, following the effective confiscation of assets, the safe and secure reuse of confiscated property in support not only of supply reduction but also of demand reduction should be taken into consideration.

Yet money laundering does not stop at the EU borders. In order to prevent criminals from finding safe havens, the importance of all countries stepping up their regulation tackling money laundering and criminal finances is key. **International cooperation** with specialised authorities in obtaining financial information on the activities and assets of the criminal groups is essential as well.

To conclude, I would like to emphasise that cooperation through effective multilateralism remains the best way to tackle the global challenges of today and tomorrow. The EU and its Member States will continue to contribute to our collective efforts at national, regional and international levels to face the challenges posed by the global criminal networks.

Thank you very much, Mr Chair.