

# ARMA establishment

## Background

Until 2016, Ukrainian legislation did not preserve the value of criminal assets that could be recovered into the state budget and was useful only in the seizure and confiscation of low-value assets. In practice, it was applied effectively only in the recovery of certain types of assets (e.g. real estate and cash) and assets with high liquidity (e.g. vehicles). Thus, assets recovered mostly lost their value or failed to end up in the state budget. Investigators lacked direct access to relevant databases, while tracing assets was both time and resource consuming. The Asset Recovery and Management Agency (ARMA) was designed to trace and manage seized assets, which will free law enforcement agencies from their current functions of managing these assets. The agency is aimed at evaluating assets, selecting and appointing experts to trace and manage these assets so as to retain their value, and subsequently effectively managing them.

As of January 2020, ARMA undergoes the process of change of management.

## Timeline

### **The effective return or the black hole for stolen assets from Servants of the People?**

27.05.2020

In May, the Parliament voted in the first reading for the draft law No.3304, which, according to authors, is developed to finally return the illegally withdrawn billions from Ukraine. The picture described by Members of Parliament looks fabulous and tempting. Namely: Ukrainian law enforcement agencies will attract the best foreign lawyers who will start lawsuits abroad, [...]

### **Naftogaz signed an agreement for gas supply with new managing company of two arrested thermal power plants in Lviv region**

26.10.2018

Officials of three companies “Energia-Novyi Rozdil Ltd”, “Energia Novoyavorivsk Ltd” and “Energia Ltd”, which were running two thermal power plants “Novoyavorivska TPP” and “Novorozdilska TPP”, are suspected by NABU in misappropriation of 300 million cubic meters of natural gas. This caused state losses exceeding 1,4 billion UAH. Beneficial owners of all these companies are MPs Yaroslav [...]

# **Property of Odesa airport transferred to ARMA for management**

14.04.2018

The Asset Recovery and Management Agency received for management the immovable property of the international airport “Odesa” and 75% of shares of the company which owns the airport (“International airport Odesa” Ltd). Following the request submitted by NABU and SAPO, the decision to arrest the assets and transfer them to the ARMA was made by [...]

## **ARMA is receiving first assets for management**

07.10.2017

Prosecution General Office informed that assets seized in the course of investigation of Oleksandr Klymenko’s activities were already transferred for management to the Asset Recovery and Management Agency (ARMA). Among the assets are 154 real estate properties, including fancy apartments in Kyiv downtown as well as houses in Kozyn – luxurious Kyiv suburbs. The ARMA will also [...]

## **Asset recovery in Klymenko’s case**

28.07.2017

Prosecutor General Yuriy Lutsenko announced the total amount of seized assets within criminal investigation of Oleksandr Klymenko, former head of tax administration under Yanukovych regime: → assets of suspects in the criminal investigation worth of 900 mln UAH → assets of Klymenko and affiliated entities worth of 6 bln UAH It is not clear who [...]

## **Head of ARO-AMO appointed**

07.12.2016

The Cabinet of Ministers appointed Anton Yanchuk as the head of ARO-AMO

## **Launch of selection of ARO-AMO head**

30.03.2016

The Cabinet of Ministers appointed the selection commission for ARO-AMO head

## **ARO-AMO started hiring**

14.03.2016

ARO-AMO announced the public selection process of employees

## **Adoption of Law on ARO-AMO**

10.11.2015

The Parliament adopted the Law that establishes the Agency. In the process of adopting of the Law, the important provisions on the special fund the special fund on confiscated assets were excluded.

## **Second International Conference on Asset Recovery**

27.04.2015

On 27-28 April 2015 AntAC hosted the Second International Conference on Asset Recovery. One of the key recommendations of the Conference was the establishment of separate Asset Recovery Office.

## **Interagency Working Group on Asset Recovery**

26.03.2015

The President created Interagency Working Group Coordinating the Return to Ukraine of Criminal Proceeds of Former Officials. The working group began drafting a bill on the establishment of the Agency.

## **Documents**

### **VLAP**

“Establish a national Asset Recovery Office and an effective inter-agency coordination to establish an asset recovery record.” para 2.3.1.3

Full doc:

### **MFA**

“In order to ensure that officials accused of corruption cannot benefit from the proceeds of their corruption offences: (i) designate an institution to act as Asset Recovery Office; and (ii) adopt operational guidelines, including a framework for inter-agency cooperation, for the implementation of extended and civil confiscation provisions.”

Full doc:

[http://ec.europa.eu/economy\\_finance/international/neighbourhood\\_policy/doc/mou\\_eu\\_ukraine\\_en.pdf](http://ec.europa.eu/economy_finance/international/neighbourhood_policy/doc/mou_eu_ukraine_en.pdf)

## **Documents**

# OECD

Ensure that ARMA has adequate resources to meet its legislative objectives, including collecting and maintaining statistical evidence about confiscation actions. Ensure that its role and available resources are communicated to the law enforcement and prosecutorial bodies (Recommendation 22, 4th round of monitoring of the Istanbul Anti-Corruption Action Plan)

Full doc: <https://www.oecd.org/corruption/acn/ACN-Ukraine-Round-4-Monitoring-Report-ENG.pdf>