

H.E. Scheik Mohammed bin Rashid al-Maktum
Emir of Dubai

24 February 2011

Your Excellency,

In the wake of the recent events in Tunisia and Egypt, which were triggered by citizens demanding accountable and transparent leadership, Transparency International asks your government to ensure that there is swift action to thoroughly investigate and, if necessary, impose a freeze on illicitly obtained funds. As a matter of urgency, Transparency International urges your government to abide by the request made by Egypt's public prosecutor to take immediate action to freeze the foreign assets of former Head of Government Hosni Mubarak and his closest family members. In doing so your government would follow the lead of the Government of Switzerland, which is currently applying new legislation allowing them to unilaterally freeze the funds of former Head of Government Hosni Mubarak for up to 10 years to allow time for restitution requests.

In this context we welcome the letter of 24 January from the Dubai Financial Services Authority to the Senior Executives Officers of Authorised Firms and the AMLOs of Ancillary Service Providers which calls for enhanced due diligence on Politically Exposed Persons (PEPs) and their immediate family members or close associates. It is essential to prevent banks and other financial centres from accepting illicitly acquired funds in the first instance. Transparency International therefore urges governments to vigorously implement appropriate measures in full accordance with obligations under the UN Convention Against Corruption (UNCAC) and in line with our attached earlier message to the G20.

Governments should also facilitate and actively support the restitution of stolen assets in line with UNCAC Chapter V. To do so, Transparency International asks governments to:

- Take concrete steps to facilitate the success of the World Bank and UNODC Stolen Assets Recovery Initiative, including fully supporting all legal actions aimed at recovering stolen assets, including assets transferred to trusts and assets owned or used by political leaders still in office.
- Create escrow accounts for frozen assets managed by an independent third party such as the Regional Development Banks and ensure the swift transfer of all frozen assets to these accounts. The aim would be to avoid the unethical situation of banks continuing to earn interest on potentially stolen assets until a restitution request by the concerned country has been received, examined and implemented.
- Create a fund to assist developing countries in their asset recovery efforts.
- Put in place legal frameworks that would enable victims of corruption and civil society to take asset recovery cases to court, both in the countries from where the assets have been stolen and in the countries where the assets are deposited.

- Enact and implement new laws or regulation that require identification of suspicious assets and make it easier to freeze those funds where there is limited capacity in the requesting country to make an appropriate request.
- Report on their activities in this regard to strengthen public confidence that there is no impunity for corrupt dictators.

Global illicit financial flows present a massive transfer of wealth out of poorer nations and as such fundamentally undermine poverty alleviation and sustainable growth efforts in these countries. A report by Global Financial Integrity released in January 2011 found that Egypt is losing more than US\$6 billion per year (US\$57.2 billion in total from 2000 to 2008) to illicit financial activities and official government corruption. The repatriation of assets illicitly transferred from Egypt could provide much needed funds for development in a country where 40 per cent of the population lives on less than US\$2 a day.

I thank you in advance for considering our recommendations and look forward to future engagement with you on these important matters.

Yours sincerely,



Huguette Labelle
Chair

cc. Sheik Khalifa bin Zayed Al Nahyan, President, United Arab Emirates
G20 Ministers of Finance and the Co-Chairs of the G20 Anti-Corruption Working Group