

# Policy Brief



Neapolis University Pafos, Cyprus  
**AI-2-TRACE-CRIME**  
Jean Monnet Center of Excellence



## *Management of Frozen and Confiscated Assets: Insights from the 2024 Directive*

NUP Jean Monnet / UNESCO Policy Briefs

**21/2024**



With the support of the  
Erasmus+ Programme  
of the European Union



UNESCO Chair in Human  
Development, Security & the  
Fight against Transnational  
Crime and Illicit Trafficking in  
Cultural Property



The NUP Jean Monnet / UNESCO working papers and policy briefs can be found at:

<https://www.nup.ac.cy>

Publications in the Series should be cited as:

AUTHOR, TITLE, NUP UNESCO/JEAN MONNET WORKING PAPER or POLICY BRIEF NO. x/YEAR [URL]

Copy Editor: G. Pavlidis

© AI-2-TRACE CRIME

Neapolis University Pafos, School of Law

Pafos, 8042, Cyprus

*All rights reserved. No part of this paper may be reproduced in any form without the permission of the author.*

*Frontpage picture: Generated with AI (Bing Image Creator)*

*The support of the European Commission and of UNESCO for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors; the European Commission and UNESCO cannot be held responsible for any use which may be made of the information contained therein.*

# *Management of Frozen and Confiscated Assets: Insights from the 2024 Directive*

## **Executive Summary:**

*Under the new Directive 2024/1260 on asset recovery and confiscation, Asset Management Offices will be established as specialized entities to handle frozen and confiscated assets efficiently. Member States must provide adequate resources for asset management offices to fulfil their tasks effectively. Moreover, a central registry must be established to store information on frozen, managed, and confiscated assets for easy access by relevant authorities. Finally, offices are required to collaborate with counterparts in other countries to trace and manage assets acquired across borders by criminal groups. With these new rules, the Directive aims to ensure that asset management offices operate transparently, efficiently, and in compliance with legal standards, thereby enhancing the management of frozen and confiscated assets in the fight against organized crime.*

## **Keywords**

*Asset freezes, confiscation, illicit proceeds, Asset Management Offices, asset management.*

## **The Importance of Managing Frozen and Confiscated Assets Efficiently**

- By efficiently managing frozen and confiscated assets, authorities can disrupt the financial operations of criminal organizations, making it harder for them to operate and profit from illegal activities.
- Proper management helps prevent the dissipation or loss of value of seized assets, ensuring that they retain their worth until a final decision on confiscation is made.
- Effective asset management can facilitate the restitution of assets to victims of crime, providing some form of compensation for the harm they have suffered.
- The successful confiscation and management of assets send a strong message to criminals that their illicit gains will not go unpunished, acting as a deterrent to future criminal activities.
- Asset management offices play a key role in optimizing the value of seized assets through proper evaluation, maintenance, and disposal strategies, maximizing potential returns to the State or victims.
- Asset management is essential for effective international cooperation in tracing, identifying, and managing assets acquired across borders by criminal organizations.

### **Key Takeaways**

- 1) Efficient Management:** Under the new Directive 2024/1260 on asset recovery and confiscation Member States are required to ensure the efficient management of frozen and confiscated property until its disposal.
- 2) Assessment of Costs:** Competent authorities must assess the costs that may be incurred in managing frozen property to preserve and optimize its value until disposal.
- 3) Interlocutory Sales:** Member States should allow for the transfer or sale of frozen property before a confiscation order in specific circumstances like perishability, disproportionate storage costs, or difficulty in administration.
- 4) Central Registers:** Member States should establish a central register of frozen, managed, and confiscated assets to facilitate management and collect statistics on relevant measures.
- 5) Asset Management Offices:** Member States should set up asset management offices to manage frozen and confiscated property effectively, preserve its value, and support relevant authorities with pre-seizure planning.

## Challenges for Asset Management Offices

**1) Resource Constraints:** Ensuring that Asset Management offices have adequate resources to carry out their tasks effectively, including staffing, technology, and financial resources.

**2) Complexity of Assets:** Dealing with a wide range of assets, including financial instruments, real estate, vehicles, and other valuable items, each requiring specialized knowledge for management and disposal.

**3) Cross-Border Cooperation:** Coordinating with counterparts in other Member States and third countries to trace, identify, and manage assets acquired across borders by organized criminal groups.

**4) Legal and Procedural Challenges:** Navigating complex legal frameworks, ensuring compliance with national and EU regulations, and following proper procedures for the management and disposal of assets.

**5) Data Management:** Maintaining accurate and up-to-date records in central registries, collecting statistical data, and ensuring secure access to information while adhering to confidentiality rules.

## Conclusion

Under the new Directive 2024/1260 on asset recovery and confiscation, Asset Management Offices will be responsible for managing frozen and confiscated assets effectively to maintain their value until a final confiscation decision. They will be established as specialized entities to handle frozen and confiscated assets efficiently. Member States must provide adequate resources for asset management offices to fulfil their tasks effectively. Moreover, a central registry must be established to store information on frozen, managed, and confiscated assets for easy access by relevant authorities. Finally, offices are required to collaborate with counterparts in other countries to trace and manage assets acquired across borders by criminal groups. With these new rules, the Directive aims to ensure that asset management offices operate transparently, efficiently, and in compliance with legal standards, thereby enhancing the management of frozen and confiscated assets in the fight against organized crime.

## Further Reading

- Directive 2024/1260 on asset recovery and confiscation ([link](#))
- Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on asset recovery and confiscation, COM (2022) 245 final ([link](#))