



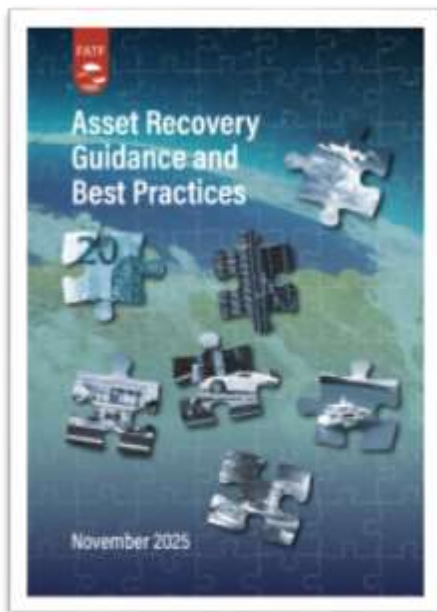
Press Release

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FATF Issues Global Asset Recovery Guidance Recognising India's Contribution through the Directorate of Enforcement.

1. The Financial Action Task Force (FATF) has released its latest publication titled ***“Asset Recovery Guidance and Best Practices”***, which provides a comprehensive and updated framework to strengthen the global system for asset recovery against financial crimes. The guidance follows up on one of the most significant global reforms to the FATF standards on confiscation and international cooperation in over three decades. It outlines practical measures for policymakers and practitioners to identify, trace, freeze, manage, confiscate, and return assets derived from criminal activity. The FATF requires jurisdictions to make asset recovery a policy and operational priority and is calling on them to use the new guidance to safeguard the integrity of the global financial system and improve outcomes for victims and communities. The guidance serves as a benchmark for countries to enhance their national frameworks and align with emerging best practices.

2. India has played a prominent role in the development of both the revised FATF standards and this guidance document which has been actively engaged in FATF's discussions and technical work over the past two years. Officers from ED were part of the FATF project teams that drafted the revised recommendations guidance and participated extensively in the working group and plenary meetings where the revised recommendations and guidance were negotiated. The document contains multiple examples from cases investigated by ED, which are cited as models of effective asset recovery practice and inter-agency coordination. This recognition reflects the increasing international standing of India and ED in the global discourse on asset recovery and financial crime enforcement.



3. The FATF's new comprehensive framework expands the definition of asset recovery to cover the entire process from the identification of criminal property to its eventual confiscation and return. For the first time, the FATF has mandated that countries provide for non-conviction-based confiscation, enabling authorities to recover criminal assets even in the absence of a criminal conviction where prosecution is not possible or practical. The guidance also promotes the adoption of tools such as extended confiscations and unexplained wealth orders that require individuals to demonstrate the lawful origin of their assets when there is reasonable suspicion of criminal linkage. Greater emphasis has been placed on provisional measures to secure assets at an early stage and prevent their dissipation, including ex-parte freezing powers and interim management to preserve value. The guidance also calls for countries to strengthen mechanisms for rapid and informal cooperation across borders, through both formal mutual legal assistance and informal channels such as Asset Recovery

Inter-Agency Networks (ARINs). It underlines the importance of transparency, accountability, and victim-centred asset return in maintaining public trust and ensuring that confiscated proceeds are used for legitimate public or victim-related purposes.

4. The contribution of India and the Directorate of Enforcement to this global effort has been substantial and widely acknowledged. Drawing from India's legal framework under the Prevention of Money Laundering Act, 2002, and its operational experience, ED's inputs helped shape key aspects of the guidance related to value-based confiscation, provisional attachment, and inter-agency cooperation. The Fugitive Economic Offenders Act, 2018 of India is also highlighted as a very good example of the legal doctrine of fugitive disentitlement. The FATF guidance specifically refers to many Indian case examples from ED, including a case where ED and a State Crime Investigation Department coordinated to attach assets in a large-scale investment fraud. The coordinated effort resulted in the restoration of assets worth ₹60 billion (USD 690 million) to victims, which FATF has highlighted as a model for domestic cooperation and victim restitution. Another case cited in the document involves the attachment of immovable properties valued at ₹17.77 billion (USD 204 million) equivalent to proceeds of crime transferred abroad, showcasing India's effective application of value-based confiscation and its robust legislative framework.

5. India's engagement in the FATF discussions also ensured that the guidance reflects the practical realities faced by developing and emerging economies in asset recovery, particularly in cross-border cases involving complex financial structures. India's advocacy for flexible and responsive mechanisms for asset-tracing and cooperation has contributed to FATF's renewed emphasis on informality, mutual assistance, and early financial investigation. The ED's consistent participation in the FATF Working Groups has been instrumental in aligning the revised recommendations with operational realities and enforcement needs.

6. The publication of the “**Asset Recovery Guidance and Best Practices**” marks an important step forward for the global law enforcement community in depriving criminals of their illicit gains and ensuring that financial crime does not pay. It also reinforces India's position as a key contributor to international efforts in combating money laundering. The inclusion of Indian examples and references to ED's practices underlines the credibility of India's enforcement mechanisms and the value of its experience in shaping future global standards. The guidance is expected to serve as a valuable resource for countries seeking to strengthen their asset recovery systems, and India's leadership through the Directorate of Enforcement will continue to play a pivotal role in promoting its implementation and further advancement of global asset recovery cooperation.
