



GOVERNMENT
PRINCIPALITY OF LIECHTENSTEIN

MINISTRY OF INFRASTRUCTURE
AND JUSTICE

Keynote speech by Minister Dr. Graziella Marok-Wachter

Minister of Infrastructure and Justice

at the
International Anti-Corruption Conference

“From freezing to seizing? The future of sanctions”

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Excellencies, dear participants of today's event, dear Ladies and Gentlemen,

I am grateful to the Wilson Center for hosting this event together with Liechtenstein and it is a great pleasure for me to be here today. The Wilson Center is known for its non-partisan and high-quality expertise on pressing national and international policy questions. Our aim for today is to continue that tradition and to have an open-minded expert discussion on the future of sanctions in the context of Ukraine.

The unprecedented nature of Russia's violation of international law – its brutal and blatantly illegal aggression against Ukraine – has triggered an unprecedented response by the international community. We have seen the adoption of comprehensive sanctions by the US and Europe on those who share responsibility for or are benefitting from that act of war. Billions of dollars have been frozen as a result. Liechtenstein has frozen 200 Mio dollars in assets. The coordination across the Atlantic to detect sanctioned assets has been intense and quite successful, with the United States taking on a leadership role.

The daily outrage we feel at the atrocity crimes committed by Russian soldiers and the immense deliberate destruction of civilian infrastructure make one thing perfectly clear: there must not only be accountability for these crimes, there must be redress. Those responsible for the destruction must contribute to rebuilding the country. This brings us right to today's topic: the step from freezing sanctioned assets to their confiscation and eventual repurposing – what legal questions does this raise and what challenges lie ahead on that road?

There is an intense discussion on both sides of the Atlantic on this matter, reflecting its complex legal nature. As proponents of the rule of law, we agree that the confiscation of assets needs a strong and objective legal basis and the guarantee of due process rights. While some may see this as restraining our efforts, I believe that therein must lie our strength. After all, we are faced with a system of kleptocracy of high sophistication and criminal energy. To that, we must respond with an unwavering commitment to the rule of law and with the full force of the law, including its safeguards.

In our view, there need to be two dimensions to our response. First, we have to further boost international cooperation and close the impunity gap. Significant parts of the assets that are frozen today under Russia-related sanctions may already be connected to violations of the law, including relevant anti-money laundering provisions. We have to look into ways to further facilitate investigations into complex international networks designed to hide the origin of stolen assets, in particular in cases where a Government appears to be complicit. I am optimistic in this respect as we currently witness levels of cooperation of an entirely new quality to jointly fight kleptocracy and corruption.

Second, we have to discuss with an open mind about possible improvements to our legal bases and what they could look like. In Europe there is an interesting discussion about more consistently criminalizing the act of evading sanctions. That could also entail a stronger link between sanctions evasion and money laundering by making it a

predicate offense. In my talks here in DC, I heard similar ideas and I look forward to listening to the views of the panelists on this and other proposals. I also believe there is a useful discussion to be held on due process rights in connection with confiscations and the legal challenges that may come up in this respect. This is without a doubt an issue that needs to be addressed with the appropriate diligence. Finally, there is also the question of the frozen assets of the Russian Central bank, which raises yet a different set of legal considerations with regard to confiscation.

So far, no one seems to have found the silver bullet, but there is a full and rich menu of topics for discussion. But before we get down to the technical details, let me end on a general point. I truly believe that the open exchange of views, in particular on such matters of great complexity, will be a key strength in our response to the Russian aggression and in our support to Ukraine. Towards the end of my visit here to the United States, I am confident that the cooperation between Europe and the US will continue to deepen and that we will live up to the task. I hope we can make a contribution to that end with today's meeting. Once again, I would like to thank the Wilson Center for hosting this event with us.