ASSET DECLARATIONS AGAINST CORRUPTION

Developing and implementing an electronic declaration system

THE GREEK EXPERIENCE

Georgios Zavakos – Head of Source of Funds Investigation Unit
ANTI MONEY LAUNDERING AUTHORITY: Regulatory framework and internal organization

• The Greek Anti – Money Laundering (AML) Authority consists of 3 individual units (The Financial Intelligence Unit, The Financial Sanctions Unit, The Source of Funds Investigation Unit):
  ▪ No Secrecies
  ▪ Cooperation and exchange of information
  ▪ Personal and operational independence
ANTI MONEY LAUNDERING AUTHORITY - Structure:

Chairperson of Hellenic AML Authority

- Financial Intelligence Unit A
- Financial Sanctions Unit B
- Source of Funds Investigation (SFIU) Unit C
Source of funds investigation Unit (SFIU) - Competencies

- Receipt of the lists of obligated natural persons
- Receipt of the Declarations of Assets and Declarations of Financial Interests
- Audit of the Declarations
- Cooperation with the other inspection authorities and relevant entities
GREECE
-INTERNATIONAL OBLIGATIONS AND COMMITMENTS

EUROPEAN COMMISSION
GRECO
UNCAC
EU Anti-Corruption Report
Source of funds investigation Unit (SFIU) - Recognition

- Assets Declaration in the mandate of the AML Authority
  
  Potential best practice in the EU

  By international comparison constitutes a feature of excellence

- GRECO (Report of 2022):

  Positive experience, competence, and verification methods of the Anti-Money Laundering Authority can largely benefit other oversight bodies.
ASSET DECLARATION AS A TOOL FOR COMBATING CORRUPTION WORLDWIDE

- Prevention function
  - prevents corruption
  - promotes transparency and accountability

- Repressive function
  - administrative sanctions
  - criminal sanctions
  - asset recovery
HISTORICAL BACKGROUND OF ASSET DECLARATIONS IN GREECE

- 1930 - The concept of asset declarations is introduced for the first time
- 1964 - Official establishment of asset declarations with Law 4351/1964
- 2003 - Adoption of Law 3213/2003, which, as consequently amended, consists the current asset declarations regulatory framework
ASSET DECLARATIONS IN GREEK LAW 1/2

- Initial Declaration
  90 days after entering office.

- Annually
  3 months after deadline for submission of tax income declarations

- After leaving office
  Politicians until 3 years after leaving office.
  All other categories 1 year after leaving office
ASSET DECLARATIONS IN GREEK LAW 2/2

- Examines
  - assets of the obliged person
  - his family members
  - in the country and abroad

- Verifies
  - if the acquisition of the assets of the obliged persons is justified by their income

- Illegal enrichment

- Conflict of interest
The Greek law includes:

- 520 distinct cases of obligation in
- 49 paragraphs
- 4 Competent Auditing Bodies

“Probably among the top countries globally as far as its coverage of various categories of functionaries is concerned” (OECD -2017 Technical Report).
OBLIGED PERSONS BY GENERAL CATEGORY 1/2

**Politically Exposed Persons**
- Prime Minister
- Ministers, Deputy Ministers, Secretaries of State
- General Secretaries
- Leaders of Political Parties
- Members of the National and European Parliaments
- Heads of Regions, Deputy Heads of Regions
- Mayors, Deputy Mayor
- Persons administering the finances of Political Parties

**Public Officials**
- Staff of auditing and inspection Bodies
- Higher level public officials: General Directors, Directors with specific portfolio
- Independent authorities (Head, members of the presidia).

**Procurements**
- Presidents and members of the competent Committees
- Heads of procurement departments / directorates.

**Security Bodies Armed Forces:**
- Police, Fire Brigade, Coast Guard
- Staff and Heads / Chiefs
- The Heads of the Armed Forces
OBLIGED PERSONS BY GENERAL CATEGORY 2/2

- Judges / Prosecutors
- Independent authorities (Head, members of the presidia).
- Heads and BoD of public law entities and state-owned private entities or private entities financed from public resources.
- The Management of credit and financial institutions and investment firms
- Management board of athletic unions and referees
- Management, stakeholders and journalists of television and radio stations and journals
- The President and B.o.D. members of Sport Federations
- Management and shareholders of Greek companies which enter into large public contracts.
- Doctors holding managerial positions in public, military and university hospitals
- The president and administrators of Non-Governmental Organizations (N.G.O.) which receive State funding.
- City councilors
- Regional Councilors
- The president and administrators of Non-Governmental Organizations (N.G.O.) which receive State funding.
AUDITING BODIES ACCORDING TO LAW

Committee of Parliament for the Investigation of Declarations of Assets (CIDA)
- Politically Exposed Persons
- Members of the Judiciary Function

National Transparency Authority (NTA)
- Staff of auditing and inspection Bodies

Internal Affairs Department of the Hellenic Police
- Staff of the Security Bodies (Police, Fire Brigade, Coast Guard)

Source of Funds Investigation – AML Authority
- The rest of the cases (340 of 520 cases)
## AUDITING BODIES SUBMISSION STATS

<table>
<thead>
<tr>
<th>Auditing Body</th>
<th>Number of Declarations [2021]</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARLIAMENTARY COMMITTEE</td>
<td>5,742</td>
</tr>
<tr>
<td>NATIONAL TRANSPARENCY AUTHORITY</td>
<td>13,736</td>
</tr>
<tr>
<td>SOURCE OF FUNDS INVESTIGATION UNIT</td>
<td>83,123</td>
</tr>
<tr>
<td>INTERNAL AFFAIRS - HELLENIC POLICE</td>
<td>87,016</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>189,617</strong></td>
</tr>
</tbody>
</table>
SUBMISSION RATE BY AUDITING BODY

- INTERNAL AFFAIRS - HELLENIC POLICE: 46%
- SOURCE OF FUNDS INVESTIGATION UNIT: 44%
- PARLIAMENTARY COMMITTEE: 3%
- NATIONAL TRANSPARENCY AUTHORITY: 7%
• A list of obliged persons submitted by the competent body (in the end of February each year).
  e.g. a Ministry / a Munucipality / Public Body submits the list of their obliged persons (all the necessary data required) to the competent auditing body

• In the middle of the year the obliged persons submit in an explicit deadline the Declarations of assets and financial interests

• The auditing body receives the list from the competent bodies and the declarations from the obliged persons and performs crosschecks and verifications about the submission of the declarations.

• Performs audits in order to verify the existence of illicit enrichment on these persons.
Submission of Lists of obliged Persons (February of each year)

Submission of Declarations of Assets (3 months after the completion of the tax declarations submission)

Process and audit of the declarations by Auditing bodies
3 types of audits:

a) certain prioritised audits

b) sample audits

c) targeted audits
AUDIT 2/2

- access to any form of public authority record
- may invite declarants to provide explanations or submit additional documents
- Once the audit has been completed
- The case may be closed or
- If there are substantial findings a reasoned, detailed report is sent to the relevant public prosecutor and to the Court of Audits for the imputation of fines
- Until 2015
  
  - Paper-based lists of obligated persons and declarations of assets
  
  - Serious consistency, comparability and cross-checking issues

2016: First electronic submission of declarations of assets:

- Electronic submission of the lists of obligated natural persons by the relevant entities
- Electronic submission of the declarations of assets by the obligated persons
- Fully integrated system for receiving and handling filed complaints
Integrated Information System

ΠΟΘΕΝ

Asset Declaration Submission System

Less Bureaucracy - More effective audit

Submission of List of Obliged Persons
Submission of Asset Declaration
Submit a complaint
BACKEND – AUDIT ENVIRONMENT
BACKEND – AUDIT ENVIRONMENT – BUSINESS INTELLIGENCE (BI) TOOL
• Income
• Real estate property
• Company shares and bonds
• Bank deposits
• Securities and insurance products
• Bank safe deposits
• Cash
• Movable property of high value
• Vessels & Vehicles
• Partnerships to foreign or domestic legal entities
a) professional activities
b) participation in the management of any kind of legal persons and companies, associations and nongovernmental organizations
c) Regular / occasional remunerated activity undertaken in parallel with the performance of duties
d) participation in a company or consortium, where such involvement may have an impact on public policy or when it gives to the subject person the possibility of significant influence over affairs of the company or consortium
e) any specific financial interest that caused immediate or potential conflict of interests in connection with the official duties
<table>
<thead>
<tr>
<th>Type of statistic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entities to submit Lists of Obliged Persons</td>
<td>4,408</td>
</tr>
<tr>
<td>Average number of obliged persons annually</td>
<td>180,000</td>
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<tr>
<td>Sum of Declarations Submitted</td>
<td>1,411,000</td>
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<tr>
<td>Average of logins per year</td>
<td>2,350,000</td>
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<tr>
<td>Sum of enclosed documents</td>
<td>576,000</td>
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<tr>
<td>Maximum Number of Submissions in 1 day</td>
<td>59,323</td>
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</tbody>
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ELECTRONIC SUBMISSION - KEY FEATURES

• 24/7 submission
• Customer service department: call center & written answers to question of citizens
• Solid data encryption
• Penetration tests in a regular basis
• Immediate detection of non – submissions & Irregularities in the submitted declarations
• Easily adaptive to changes in the regulatory framework
• Effective Sampling
• Interoperability
The electronic platform connects and communicates in a coordinated way, without effort from the end user with the:

- Tax registry
- Land (real estate) registry
- Municipal Registry
- Motor vehicles registry
- Electronic Fees Centre
- Banks Registry (Pending – Completion in the following 6 months).
Regarding the **Lists** of obligated natural persons:

- Bigger compliance of the relevant supervisory authority

- Easy tracking and monitoring of the lists of obligated natural persons

- Better record keeping of lists

- Efficient cross-checking tool
Electronic Submission
Great Advantages 2/2

-Regarding the **Declarations** of Assets:

- Better record keeping and monitoring
- Standardisation & increased coherence and comparability of data
- Implementation of risk-based techniques, serves at the optimization of the auditing sample.
- Efficient cross-checking
- Increased compliance rates
The implementation of best tools and practices and
The modernization of the procedure (electronic platform)

Leads to:
Increased awareness of citizens
More efficient audit and monitoring
and
Serve the institutions of transparency and good governance and
Operate as a very powerful and affective means
to counteract corruption and
to detect suspicious financial movements that indicate ML
THANK YOU FOR YOUR ATTENTION