XLIII GRUOP OF EXPERTS FOR THE CONTROL OF MONEY LAUNDERING
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ADMINISTRATION AND DISPOSITION OF COMPLEX ASSETS
THE EXPERIENCE OF SAE, MEXICO
Creation and Scope of Action

- In 2002, the Mexican Congress passed a federal law whereby the SAE was created; it merged five specialized agencies that were part of other government agencies.

- SAE is an autonomous institution with the faculty to manage and dispose the following kind of assets:

  - Seized
  - Secured
  - Subject to disposal
  - Received in payment to the government
  - Assets of State-owned companies
  - Abandoned
  - Frozen

The level of specialization in the administration of justice and administration and disposal of assets result from the separation of functions.

Seizure of Assets in Mexico

- Investigation and Seizure of Assets
  - Attorney General

- Confiscation of assets
  - Treasury
  - IRS
  - Ministry of Finance
  - Customs

Asset Management

- Descentralized agency that operates under the principles of legality, transparency and efficiency
- Responsibility includes: administration, transfer, utilization and returns of seized assets
Institutional Design

Administrated assets

- SAE receives State surplus and unproductive assets
- Asset classification:
  - Seized
  - Not Seized
- SAE has a small organizational structure for its operation scale, so SAE contracts specialized outsourced services

SAE executes mandates, it does not own transferred assets, it manages them

Compensation to victims
The remaining resources are divided into three parts:
- Law Enforcement
- Judicial System
- Health

* It does not take into consideration the assets from firms in liquidation
Source: Self Assessment Report
January – June 2016

Administration of seized assets during the penal process

For the duration of the penal process, the seized assets cannot be disposed.

Procurement of Justice
Penal Process

SAE
Administration of seized and forfeited assets

Return to the owner
- Disposal
- Destruction
- Liquidation
Assets disposal

Depending on their legal status, assets are divided into:

**Assets facing a judicial process**
- The rent of seized assets generates additional resources
- Reduces administration costs

**Forfeited or abandoned assets**
- Benefits:
  - Compensate victims of organized crime, the remainder is divided into Law Enforcement, Judicial System and Health
  - Strengthens the Rule of Law
  - Supports highly marginalized areas

**Disposal**
- Destruction
- Liquidation

**Assets Destination Scheme**

**Sales purpose:**
- Support public finances through the income of sold surplus assets

**Donations purpose:**
- Support extremely poor communities as well as those affected by natural disasters

**Destructions purpose:**
- Bolster the rule of law and property rights
- Protect the economy and give certainty to the market
- Assist in the fight against crime

* Information from the first half of 2016

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Estate sold 553
- 14.9 Millions of assets (moa) sold
- 2 Industrial Units

Donation 530,633 moa

Destruction 1.06 moa

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* Information from the first half of 2016
Institutional Results

SAE’s Mission

Economic Value
- Sale
- Liquidation of companies
- Liabilities management
- Cash flow
- Investments

Social Value
- Public Finances
- Rule of Law
- Public Policies that cut through federal, state and local government
- Support national objectives

Comply with the Law
- Actions
- Obligations
- Levels of service