

REPURPOSING THE £783,827.34 RECOVERED FROM PETR AVEN FOR SURVIVORS OF THE WAR IN UKRAINE

August 2024

In line with the UK Prime Minister's [call](#) that Europe "*must do more and go further*" regarding "*Russia's barbaric war*", REDRESS urges the UK Government to re-direct the [£783,827](#) recovered from sanctioned Russian oligarch Petr Aven to support survivors of the conflict in Ukraine. Petr Aven has once been described as one of "[Vladimir Putin's closest oligarchs](#)", with an estimated fortune of £4.5 billion, including a [luxury estate](#) outside London. Earlier this week, the National Crime Agency (NCA) recovered £783,287 which it argued had been held for the benefit of Mr Aven.

REDRESS understands that this money will be transferred to the UK's Asset Recovery Incentivisation Scheme where it is divided amongst the Home Office and enforcement agencies. While a portion of ARIS funds are earmarked as part of the Home Office's core budget, the remaining funds may be used by operational partners as they see fit. This means that it is within the Home Office's and the NCA's discretionary powers to use the monies recovered from Petr Aven to fund reparations in Ukraine.

REDRESS has long called for the repurposing of sanctions violations penalties to provide reparation for the survivors of Russia's war. The forfeiture of Petr Aven's funds provides a unique opportunity for the UK Government to act on this recommendation and make significant funds available to survivors of the conflict in Ukraine.

RECOMMENDATIONS

The UK Government should commit to:

1. Taking steps to ensure that at least a portion of the funds recovered from Petr Aven will be delivered to survivors of the conflict in Ukraine; and
2. Engaging Ukrainian civil society and survivors in guiding the repurposing of these funds.

BACKGROUND

On 29 July 2024 the NCA [announced](#) that it had recovered £783,827 believed to be held for the benefit of Petr Aven under the Proceeds of Crime Act 2002 (POCA) to end an investigation over alleged sanctions breaches. Aven was sanctioned by the UK Government in March 2022 for allegedly supporting the Government of Russia as a Director of Alfa-Bank (Russia) and having close ties with Vladimir Putin.

According to the NCA, the funds subject to the investigation were transferred into a UK bank account controlled by Aven's assistant, Stephen Gater, from an Austrian account belonging to Aven - only hours before Aven was publicly announced as being under EU sanctions and two weeks before he was added to the [UK sanctions list](#). Given the timing of the transactions, the NCA [suspected](#) that their purpose was to disguise the fact that Aven was the ultimate owner of the funds to circumvent anticipated UK sanctions.

The NCA's forfeiture of Aven's funds following an investigation into alleged sanctions breaches marks a significant achievement for the NCA and a critical moment in the UK's approach to sanctions enforcement. Effective enforcement of sanctions is crucial to protect the integrity of the UK's sanctions regimes. It can also ensure that funds are available to provide reparation for survivors of the violations sanctions seek to prevent.

HOW THE UK CAN REPURPOSE THE PETR AVEN FUNDS FOR UKRAINE

REDRESS understands that the £783,827 recovered from Petr Aven will likely enter into the Home Office's [Asset Recovery Incentivisation Scheme \(ARIS\)](#). ARIS is a discretionary funding model whose objective is to provide enforcement agencies with incentives to use their powers under POCA to pursue asset recovery. ARIS receipts are typically split 50:50 between the Home Office and relevant operational partners involved in the asset recovery process, including the NCA.

While a portion of ARIS funds are earmarked as part of the Home Office's core budget, operational partners may use the funds [as they see fit](#). This includes funding [community projects](#), for example. There is no UK law or policy requiring that ARIS funds be used for any specific purpose. Accordingly, the Home Office and the NCA have discretion to re-direct their ARIS portion of the Aven funds to finance reparation in Ukraine.

In doing so, the Home Office and the NCA could emulate the approach already taken by the US Government. For example, in [May 2023](#), US Attorney General Merrick Garland exercised his power under § 1708 of the 2023 Consolidated Appropriations Act to authorize the transfer of \$4.3 million seized from a US bank account to provide assistance to Ukraine. The funds seized were traceable to violations of US sanctions by sanctioned Russian oligarch Konstantin Malofeyev. Given the discretion afforded to ARIS partners as to the distribution of funds received, UK Government agencies could, similarly, re-direct their portion of the *Aven* funds received to support survivors in Ukraine.

URGENT NEED FOR REPARATION FOR SURVIVORS IN UKRAINE

Three years after Russia launched its full-scale invasion of Ukraine, and over 10 years after Russia's unlawful annexation of Crimea, the scale of human suffering inflicted on civilians in Ukraine is harrowing. A [joint assessment](#) by the World Bank, the Government of Ukraine, the European Commission and the United Nations published in February 2024 estimated that the total cost of the reconstruction and recovery of Ukraine is \$486 billion, which includes damage to infrastructure and to the environment, as well as economic and social losses resulting from the conflict.

In its [latest report](#), the UN Human Rights Monitoring Mission in Ukraine verified over 30,000 civilian casualties since the war began. [Close to 10 million people](#) are estimated to be internally displaced or refugees abroad. Widespread human rights violations and over [137,000 war crimes](#), including conflict-related sexual violence and torture, have been reported. In addition to the physical and material suffering caused, Viktor Liashko, Minister of Health of Ukraine, estimated at the end of 2023 that [14 million Ukrainians](#) need psychological aid. These statistics convey a clear message: survivors in Ukraine urgently need support to alleviate the extensive harm suffered and realise their right to reparation.

Although the funds recovered from Petr Aven may appear small in comparison to the large-scale damage caused by Russia's aggression, they could nevertheless have a profound impact on the lives of survivors in Ukraine, if channelled correctly.

HOW THE UK CAN SUPPORT REPARATION TO SURVIVORS IN UKRAINE

The Government, together with allies, has already made significant commitments towards the broader reconstruction and recovery of Ukraine. Humanitarian assistance, which has already been pledged, supports urgent needs as a result of the ongoing conflict. Given the discretion afforded in distributing Petr Aven's funds, the government should take a survivor-centred approach to ensure that a substantial proportion of the funds are channelled towards reparation, complementing existing efforts.

How the proportions are decided should be determined in collaboration with those working within the existing [reparation landscape](#) for Ukraine, survivors and civil society. There are at least three existing mechanisms to which the Home Office and the NCA could donate the *Aven* funds to benefit survivors in Ukraine, none of which are mutually exclusive:

1. [The Register of Damage for Ukraine](#), which was set up by an agreement between the Council of Europe, 43 states (including the UK), and the EU to serve as a record of evidence and claims for damage, loss or injury caused to all natural and legal persons concerned, as well as to the State of Ukraine, by Russia's internationally wrongful acts in or against Ukraine. It is envisaged as the first step towards an international fund and claims and compensation mechanisms. The mechanism [opened](#) for the submission of a first category of claims on damaged property on 2 April 2024.
2. [The Trust Fund for Victims at the International Criminal Court \(ICC\)](#), which can immediately provide reparative measures such as rehabilitation and support to victims of genocide, crimes against humanity and war crimes in Ukraine, and provide reparations ordered by the Court with respect to cases before the ICC, including for crimes against humanity and the war crimes of unlawful deportation and transfer of children from occupied areas of Ukraine to the Russian Federation as well as of directing attacks, and causing excessive incidental harm to civilian and civilian objects which are being prosecuted in the context of the cases of *ICC Prosecutor v Vladimir Putin*; *ICC Prosecutor v. Maria Lvova-Belova*; *ICC Prosecutor v Serei Ivanovich Kobylash*; and *ICC Prosecutor v. Viktor Nikolayevich Sokolov*.
3. [The Global Survivors Fund](#), which is currently supporting Ukrainian authorities to provide a legal structure to deliver urgent interim reparations to ensure that the victims of conflict-related sexual violence receive concrete and life-changing support.

CONCLUSION AND NEXT STEPS

Based on the above, the Home Office and the NCA have discretion under ARIS to spend the funds forfeited by Petr Aven as they see fit. With such discretion, the Home Office and the NCA can disperse these funds to one of the existing mechanisms set up to deliver reparation to survivors in Ukraine. In doing so, the UK Government could have a significant impact on the lives of survivors in Ukraine and set a new precedent for financing reparation through sanctions violations penalties.