

POLICY BRIEF

**ARMA IN 2024–2025:
INSTITUTIONAL REFORM AND
EFFECTIVENESS CHALLENGE**



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Project - “Closing the Gaps: Monitoring ARMA to Prevent the Dissipation of Sanctioned and Corruption-Related Assets”

This research was prepared by the Institute of Legislative Ideas (ILI) with the support of the Organized Crime and Corruption Reporting Project (OCCRP) as part of the project “Closing the Gaps: Monitoring ARMA to Prevent the Dissipation of Sanctioned and Corruption-Related Assets.”

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INTRODUCTION

The years 2024 and 2025 marked one of the most transformative periods in the history of The National Agency of Ukraine for Finding, Tracing and Management of Assets Derived from Corruption and Other Crimes (Asset Recovery and Management Agency or ARMA). Against the backdrop of growing public attention to issues of managing seized assets, Ukraine's fulfillment of its international obligations, and the implementation of the requirements of the Ukraine Facility, a comprehensive overhaul of the legislation and the Agency's institutional model was initiated.

In 2025, sweeping amendments to the Law of Ukraine "On ARMA" came into force, significantly altering approaches to the management of seized assets, procedures for selecting asset managers, and oversight of their activities. At the same time, this period demonstrated that the adoption of new rules alone does not immediately guarantee an improvement in the system's effectiveness.

A study by the "Institute of Legislative Ideas" Think Tank indicates that ARMA has made notable progress in developing a new regulatory and organizational model for its operations. However, a number of systemic issues affecting the effectiveness of asset management, realization, and recovery remain unresolved.

KEY FINDING

The main achievement of 2024–2025 was the creation of the preconditions for reforming the system of managing seized assets.

The main challenge remains the lack of sufficient practice and tools to assess the extent to which this reform delivers tangible results. Today, the system is largely capable of demonstrating the volume of work completed, but it is much more difficult to answer the question of what economic benefits the identification, management, sale, and return of assets provide to the state.

WHAT HAS BEEN ACHIEVED?

1. Legislative Reform

In 2025, a new legislative framework for the management of seized assets was introduced. For the first time, the law detailed the procedures for selecting asset managers, established separate approaches for simple and complex assets, expanded mechanisms for monitoring asset managers' activities, and laid the foundation for more structured asset management.

2. Institutional Development

АРМА продовжило виконання основних функцій у сфері розшуку активів, міжнародної співпраці, управління та реалізації майна. Агентство також здійснило значний обсяг підготовчої роботи для впровадження нових процедур управління активами та розвитку цифрових інструментів.

3. European Integration

During the period under review, efforts began to align certain elements of Ukraine's asset recovery system with new European standards, particularly in the context of Directive (EU) 2024/1260 on the tracing, freezing, confiscation, and management of assets.

MAIN ISSUES

1. Lack of an end-to-end view of the asset lifecycle

The biggest systemic problem remains the inability to track an asset's entire journey from the moment it is identified until the state receives the final outcome.

The current reporting system allows for the evaluation of individual ARMA functions—asset tracing, management, disposal, or international cooperation. At the same time, there is no unified approach that would allow for tracking the subsequent fate of an asset at all stages of its life cycle. A significant portion of the indicators characterizes the intensity of the Agency's activities but does not allow for an assessment of its ultimate effectiveness.

2. Challenges in the Practical Launch of Asset Management

Despite an increase in the number of tenders and management agreements, the actual start of asset management is often accompanied by significant difficulties. The study identified cases where months or even years elapsed between the signing of a management agreement and the actual transfer of the asset to the manager.

The causes included problems with access to the property, changes in the legal status of the assets, court rulings, or delays during the handover process. Such situations create risks of a loss in the economic value of the assets even before actual management activities begin.

3. Low Predictability of Asset Sales

The asset disposal system remains unstable, despite some successful sales cases. A significant portion of auctions do not result in the sale of the property, and certain lots are put up for sale multiple times. At the same time, public reporting does not allow for a full assessment of the reasons for unsuccessful sales or the effectiveness of the approaches chosen for valuing and preparing assets for sale.

4. Limited Analytical Capabilities of the Registry of Seized Assets

Despite positive regulatory and organizational changes, the Unified State Registry of Seized Assets continues to serve primarily as a record-keeping tool.

The Registry has not yet become a fully-fledged tool for data management, analytics, and asset lifecycle tracking. Its further development requires both regulatory changes and additional financial and technical resources.

WHY IS THIS IMPORTANT?

The ARMA reform goes far beyond the reform of a single government institution. It concerns the state's ability to ensure the effective management of assets obtained as a result of the fight against corruption, organized crime, economic offences, and in the course of sanctions policy.

For international partners, the effectiveness of the asset recovery system is one of the indicators of the state's ability to ensure the rule of law, proper asset management, and the effective use of confiscation mechanisms.

That is why the next stage in ARMA's evolution should be assessed not only by the number of auctions held, the volume of assets identified, or the number of requests, but first and foremost by the system's ability to deliver measurable economic results.

PRIORITIES FOR THE NEXT STAGE OF THE REFORM

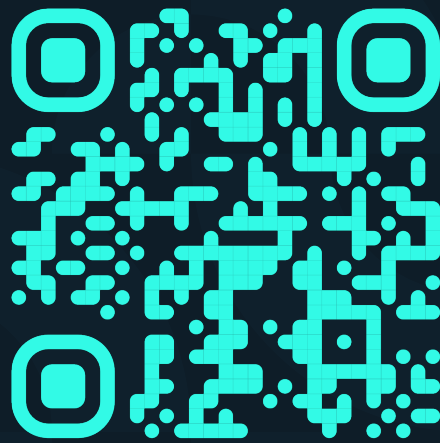
1. Introduction of a comprehensive asset accounting system covering the entire process from the moment of identification to the final transfer to the state or the realization of economic benefits.
2. Development of a system of public performance indicators for the management and disposal of assets.
3. Conducting an assessment of the practical results of the new asset management model after the completion of its first full year of implementation.
4. Further development of the Unified State Register of Seized Assets as a tool for analysis and oversight.
5. Strengthening interagency coordination between ARMA, law enforcement agencies, the prosecutor's office, the courts, and the Ministry of Justice.
6. Continuing the harmonization of Ukraine's asset recovery system with European Union legislation and practices.

CONCLUSION

The years 2024–2025 marked a period of developing a new operational model for ARMA. The legislative framework for improving the Agency's effectiveness has already been largely established. At the same time, the key challenge in the coming years will be the transition from procedural reform to results-oriented reform.

It is precisely the ability to ensure transparent, effective, and measurable management of seized assets that will determine the success of both ARMA's reform and the development of Ukraine's asset recovery system as a whole.

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