TECHNICAL ASSISTANCE REPORT

UKRAINE

Enhancing the Asset Declaration System for Public Officials

JULY 2026

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Legal Department

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Contents

Abbreviations and Acronyms

AD	Asset Declaration
ADS	Asset Declaration System
AML	Anti-Money Laundering
ARMA	Asset Recovery and Management Agency
CCU	Constitutional Court of Ukraine
CD	Capacity Development
CRS	Common Reporting Standard
DM	Data Mining
DWH	Data Warehouse
EA	External Audit
ECHR	European Court of Human Rights
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FV	Full Verification
GRECO	Group of States against Corruption
HACC	High Anti-Corruption Court
KPI	Key Performance Indicator
LAC	Logical and Arithmetic Control
LPC	Law on Prevention of Corruption
LSM	Lifestyle Monitoring
ML	Money Laundering
NABU	National Anti-Corruption Bureau of Ukraine
NACP	National Agency on Corruption Prevention
NRA	National Risk Assessment
OECD	Organisation for Economic Co-operation and Development
OSINT	Open-Source Intelligence
PEP	Politically Exposed Person
RBA	Risk-Based Approach
SM	Subsistence Minimum
SAPO	Specialized Anti-Corruption Prosecutor's Office
SFMS	State Financial Monitoring Service
SOE	State-Owned Enterprise
TAWG	Technical Audit Working Group
UAH	Ukrainian Hryvnia
UNZR	Unique Record Number in the United State Demographic Register

Preface

At the request of the National Agency for Corruption Prevention (NACP), a Capacity Development Project on Enhancing the Asset Declaration System was launched by the Legal Department. Two in-person missions were conducted from November 5–7, 2025, and January 28–30, 2026, all held in the IMF CD Office in Vienna, Austria. The project focused on supporting the authorities' efforts to strengthen the asset declaration and lifestyle monitoring frameworks for public officials. Efforts to deter corruption, particularly in high-risk sectors, are a key commitment of the Ukrainian authorities under their new 48-month Extended Fund Facility arrangement with the IMF, which was approved on February 26, 2026.

The IMF CD project team consists of Jonathan Pampolina (Senior Counsel, LEG Governance and Anti-corruption Division) and Guillaume Valette-Valla (LEG short-term expert).

The mission team would like to express its appreciation to Viktor Pavlushchyk, NACP Head, and NACP staff for their close cooperation and collaboration throughout the project. The team also consulted with other stakeholders, including the National Anti-Corruption Bureau of Ukraine (NABU), Specialized Anti-Corruption Prosecutor's Office (SAPO), State Financial Monitoring Service (SFMS), civil society organizations (CSO), and international partners. Excellent administrative and logistical support was also provided by Alexandra Rajs, Laura Wortman (all LEG), and Olena Bilous (IMF CD Office – Vienna).

Executive Summary

This IMF technical assistance report evaluates the effectiveness of Ukraine's Asset Declaration System (ADS) under the National Agency on Corruption Prevention (NACP). It provides a focused reform roadmap to strengthen deterrence, improve targeting of high-risk officials and sectors, and increase enforcement impact, as Ukraine continues to enhance its anti-corruption architecture during wartime conditions.

Ukraine's ADS is one of the largest and most complex, with over 1.7 million registered users and roughly 700,000 annual declarations. NACP faces a structural capacity gap due to this "wall of data" combined with a small, specialized verification workforce. Following restoration of mandatory declarations in October 2023 after temporary suspension during martial law and the shift toward a risk-based approach (RBA), targeting quality has improved: full verifications and lifestyle monitoring increasingly lead to detection of violations (justified conclusions). Recent outcomes also show growing enforcement traction. However, key constraints remain. Access to certain domestic and cross-border financial data remains limited, including tax information from the Common Reporting Standard (CRS). In addition, current performance incentives (e.g., 1,000 full verifications annually) tend to prioritize volume over impact, focusing on minor violations rather than serious misconduct involving senior public officials.

Building on ongoing reforms, a more risk-based and data-driven approach would enable Ukraine to transform the ADS into a more effective tool for preventing, detecting, and prosecuting high-level corruption. To support concentrating limited NACP resources, the scope of covered officials should be recalibrated, and verification efforts should be focused on the highest-risk declarants and sectors. It will be critical to close key coverage loopholes (e.g., those related to managers of state-owned enterprises), including by applying an ownership-based test. NACP's fixed annual quota should be replaced with impact-oriented key performance indicators such as "hit" rates, value of illicit assets identified, referral quality, and asset recovery outcomes. Access to financial intelligence and CRS tax information will strengthen NACP's verification capabilities (subject to clear safeguards on confidentiality and enhanced cooperation mechanisms with both the financial intelligence unit and the tax authority). To increase transparency over its verification activities but protect enforcement integrity, an independent Technical Audit Working Group (TAWG) could be established, to review risk-scoring/verification logic under confidentiality agreements (thereby, reducing "black box" concerns). The authorities should also enhance the enabling data infrastructure (e.g., access to historical registries and creation of a unified register of bank accounts) and strengthen inter-agency cooperation mechanisms (particularly, key partners such as anti-corruption, financial intelligence, tax, and asset recovery management authorities).

Building on the mission's findings, the table below outlines strategic and legislative recommendations and operational and technical optimization to address identified gaps and strengthen the ADS. These measures are intended to enhance the effectiveness of anti-corruption efforts, support more efficient allocation of resources, and advance Ukraine's broader reform commitments by reinforcing integrity and transparency in public service.

Recommendations

	Recommendation	Timeline	Responsible Authority
	Strategic and Legislative Recommendation		
1.	**Recalibrate the Declarant Population.** Re-evaluate the scope of declarant population (approximately 700,000 declarants) using a national corruption risk assessment to focus verification resources on high-level and high-risk officials in critical sectors or differentiating between declarations intended for transparency purposes and those subject to NACP oversight.	MT	Legislature
2.	**Authorize Access to Foreign Financial Data.** Amend the Tax Code and the LPC to better connect domestically NACP and the tax authority and to explicitly grant NACP access to Common Reporting Standard (CRS) information for anti-corruption verifications.	MT	Legislature
3.	**Close the State-Owned Enterprise (SOE) Loophole.** Amend Article 3 of the LPC to use a clear "ownership-based" criterion (>50 percent state ownership) for officials required to declare assets, regardless of the entity's legal form.	MT	Legislature
4.	**Designate NACP as a "Competent Authority" for AML.** Update legislation to allow the State Financial Monitoring Service (SFMS) to disseminate financial intelligence to the NACP and mandate the NACP to report suspicious financial transactions or enrichments to the SFMS.	MT	Legislature
5.	**Harmonize Statutes of Limitations.** Align limitation periods in administrative, civil, and criminal matters with comparative practices across EU member states and introduce a legal mechanism to suspend the civil recovery window while parallel criminal proceedings for illicit enrichment are active.	MT	Legislature
6.	**Strengthen the Legal and Operational Lifestyle Monitoring (LSM) Framework.** Revise secondary LSM procedures and establish time limits; Amend the legal framework to ensure the methodological LSM procedures are legally resilient and strictly adheres to constitutional privacy standards.	MT	NACP; Legislature

	Recommendation	Timeline	Responsible Authority
	Operational and Technical Optimization		
1.	**Strengthen the Risk-Based Prioritization of Verification and LSM.** The NACP should refine its declaration selection processes and automated risk assessment algorithms to give priority to individuals within the mandatory investigative scope of the NABU and SAPO as well as those in identified high-risk sectors (e.g., tax, customs, public procurement, and energy).	**ST**	**NACP**
2.	**Establish an Independent Technical Audit Working Group (TAWG).** Create a peer-review body of independent experts to periodically discuss, review and provide recommendations on algorithms for logical and arithmetic controls (LAC) and full verification.	**MT**	**NACP**
3.	**Move to Impact-Oriented Key Performance Indicators (KPI)**. Replace annual target of 1,000 full verification with impact-oriented KPIs focused on the financial value of identified illicit assets and mandate their publication.	**MT**	**Cabinet of Ministers; NACP**

ST = Short Term (less than six months); MT = Medium Term (6–18 months)

I. Introduction and Context

1. **Governance and corruption vulnerabilities in Ukraine continue to have significant impact on its economy and its society**. Over the past decade, the country has made significant strides in addressing systemic corruption, but it continues to face broader challenges of sustaining the structural reform agenda and safeguarding institutions against attacks from vested interests. Limited progress on reforms or renewed backsliding can hinder potential growth at a time, where higher productivity growth is needed to overcome demographic and competitiveness challenges.[1] Despite enduring several years of Russia's full-scale invasion, Ukraine has continued its efforts in strengthening public integrity and advancing anti-corruption reforms.[2] Reforms that enhance government effectiveness, fight corruption and strengthen the rule of law is central to maintaining macroeconomic stability and deepening investor and public confidence.[3]

2. **Asset declaration systems (ADS) are considered cornerstones of anti-corruption policies**.[4] As a preventive and enforcement tool, ADS requires public officials to periodically disclose their assets, liabilities and interests to a designated authority, with responsibility to manage the system and verify the accuracy and truthfulness of the disclosures. A well-functioning ADS improves transparency, holds decision-makers accountable, and prevents corruption. Implementing a comprehensive ADS is therefore a significant challenge, especially when aiming for the rigorous and systematic monitoring of public officials' wealth. According to World Bank research, over 160 countries have introduced financial disclosure systems.[5]

3. **In Ukraine, the requirement for civil servants to declare assets was first introduced in 1993, under the Law of Ukraine on Civil Service (Article 13)**. However, there was no true implementation before the special enactment of the Cabinet of Ministers and the Law on Combating Corruption in 1995. Thus, the ADS came only into force in 1997. The Main Civil Service Department was responsible for the ADS, which was a nominal entity with limited jurisdiction. Oversight was restricted only to specific civil servants and local officials. The ADS then lacked a dedicated entity for systematic processing, as functions were split across departments, leading to incomplete financial control. Access was restricted, as asset declarations were deemed private. Publication was rare, of poor quality, and limited to a small list of individuals. Verification was primarily manual and lacked the tools for rigorous cross-referencing or systematic lifestyle monitoring. In 2011, the OECD Anti-Corruption Network analyzed the various challenges in implementation faced by Ukraine's ADS. Notably, its poor evaluation of the ADS at the time was described accordingly: "*the purpose of the asset declaration system in Ukraine is dubiously served by existing mechanisms, and current asset declaration instruments can hardly be used*

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[1] IMF (2026), Ukraine: Request for an Extended Arrangement under the Extended Fund Facility, IMF Country Report No. 26/58.

[2] OECD (2025), OECD Public Governance Reviews: OECD Integrity and Anti-Corruption Review of Ukraine. (2026) Anti-corruption and integrity outlook.

[3] World Bank, Government of Ukraine, European Union, United Nations (2026), Ukraine: Fifth Rapid Damage and Needs Assessment.

[4] World Bank (2012). Using Asset Disclosure for Identifying Politically Exposed Persons (Rossi, Pop, Clementucci, and Sawaqed).

[5] World Bank (2020), Enhancing Government Effectiveness and Transparency: The Fight Against Corruption, Chapter 8: Asset and Interest Declarations (Dmytro Kotlyar and Laura Pop).

as effective anti-corruption tools. The system requires in-depth reform in the opinion of almost all key institutions involved in the process."[6]

4. **The 2013–14 Revolution of Dignity (Euromaidan) triggered a complete overhaul of Ukraine's public integrity system**. Following widespread public demand and pressure both from civil society and international partners, Ukraine enacted the Law on Prevention of Corruption (LPC) in October 2014, which overhauled the ADS to better combat corruption. Thereafter, the National Agency on Corruption Prevention (NACP) was established with a broad and strong mandate, including managing the ADS. It was granted with a special status as an anti-corruption body in accordance with United Nations Convention against Corruption.[7] The new electronic system of online submission and publication of asset declarations was subsequently launched on September 1, 2016. One of the key features of the ADS is making publicly available information on the ADS. It further promotes transparency through a fully digital solution, in machine-readable format register. Currently, the ADS is interconnected with 21 national databases for verification purposes. The NACP as well as specially authorized anti-corruption agencies such as the National Anti-Corruption Bureau of Ukraine (NABU) have full access to the declarations (including restricted information) *(See Annex I).*

5. **The new ADS marked a turning point in Ukraine**. It was described as a chance for a Ukrainian success story.[8] A year after the launch of the ADS in 2016, surveys showed a positive opinion about the system and its resulting transparency. Even public officials who were required to submit their asset declarations were supportive of the system and its openness and believed that the system will enhance accountability for corruption. While public access to asset declarations contributed to transparency, verification, however, remained a challenge. The overall credibility and proportionality of financial control procedures was already hindered at that time by overlapping verification steps and limited transparency of results.

6. **Subsequent parliamentary amendments and high court decisions after 2016 also have a significant impact on NACP's ADS operations**.

- The 2019 amendments to the LPC fundamentally restructured the NACP by overhauling its governance and establishing a new framework for internal control. To safeguard the independence of the NACP's asset declaration operations, the law introduced a dual oversight mechanism consisting of an Internal Control Unit and a Public Council. Specifically, the Internal Control Unit is responsible for maintaining institutional integrity by monitoring staff conduct and investigating potential internal corruption risks (LPC, Article 17-1). Externally, the Public Council serves as a crucial check, providing oversight of the NACP's policies and operational performance. This collegial body consists of 15 civil society representatives, selected through a transparent and open competition for two-year terms.

- The October 27, 2020, decision of the Constitutional Court of Ukraine (CCU) invalidated key provisions on the LPC, particularly on the ADS. The CCU noted that declaring the income of persons

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[6] OECD (2011). Asset Declarations for Public Officials: A Tool to Prevent Corruption. Part III, Chapter 13, Asset Declaration in Ukraine, page 144.

[7] Article 6, UNCAC.

[8] UNDP (Ukraine). Electronic Asset Declarations for Public Officials – two years after its launch. A panacea against corruption? Blerta Cela, August 25, 2018.

exercising public power is an indisputable requirement in any modern democratic state, but introducing powers and rights of the NACP over judges violated the principle of separation of powers and independence of the judiciary. In addition, it found the establishment of criminal liability for failure to submit asset declaration and false declaration as an excessive punishment and disproportionate to the damage. Hence, key provisions of the LPC were declared unconstitutional and invalidated from the adoption of the CCU decision. Subsequently, more than 111 criminal proceedings regarding asset declarations were closed.[9]

7. **In response to the CCU decision, legislative steps were subsequently taken towards restoring NACP's powers.** Upon an urgent request for an opinion from the Ukrainian authorities, the Venice Commission weighed in on the powers of the NACP over judges and criminal liability for false declaration or failure to submit asset declarations.[10] As regards judges, additional safeguards were proposed to protect them from potential abuses by the NACP and provide the supervision of NACP's activities with respect to judges such as regular reporting to an appropriate judicial body (e.g., High Qualification Commission of Judges). It also recommended restoring criminal liability for false asset declarations, but sanctions (including imprisonment) should be graduated, and reserved for the most serious cases involving deliberate intent. In December 2020, amendments to the LPC were then enacted restoring NACP's powers with respect to verification of asset declaration but carved out a separate regime for asset declarations for the judiciary.[11] Thereafter, another law was enacted in June 2021 that created three separate corruption offenses of (i) non-submission of asset declaration; (ii) ordinary false declaration; and (iii) aggravated false declaration, with a sliding scale of threshold amounts.[12] The serious offense of aggravated false declaration will be punishable by imprisonment for up to two years.

8. **The ADS was again suspended following Russia's full-scale invasion**. Following the NACP's restoration of powers and a brief resumption of the ADS in 2021, it was again suspended in February 2022 due to the security imperatives. The war triggered risks of capital outflow,[13] complicating the detection of illicit assets in foreign jurisdictions, which is a challenge that underscores the need for enhanced international cooperation and rigorous verification protocols. Consequently, the NACP must navigate an unstable operating environment characterized by frequent security alerts and power outages, both of which significantly strain daily operations and logistical.

9. **The ADS and NACP's verification and control activities were reinstated in October 2023, despite the ongoing full-scale invasion**. Driven by significant public pressure, a law was enacted restoring asset declaration obligations of public officials. Thus, public officials (who were not directly involved in the mobilization and war efforts) were again required to submit and disclose their asset declarations. NACP's function of examining and verifying the asset declarations was also reinstated.

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[9] NABU, Anti-corruption agencies join forces in the fight against corruption – Artem Sytnyk, Press Release (October 27, 2021).

[10] Venice Commission, Urgent Joint Opinion on the Legislative Situation Regarding Anti-Corruption Mechanisms Following Decision No. 13-R202 of the CCU (CDL-PI (202)08, Opinion No. 1012/2020, December 9, 2020).

[11] Law No. 1079-IX, December 15, 2020

[12] Restoration of the criminal liability for false asset declaration was a prior action under Ukraine's 1st Review under the Stand-by Arrangement (IMF Country Report No. 21/250).

[13] World Bank (2022). Implication of the War in Ukraine for the Global Economy (Equitable Growth, Finance and Institutions Policy Note No. 3)

Previous asset declarations were made publicly accessible again in January 2024 (subject to prescribed exemptions on personal security). The suspension of the asset declaration obligations led to a massive three-year backlog, with the NACP receiving approximately 2.5 million declarations in the first quarter of 2024 alone.

10. Consistent with the LPC (Article 14), the NACP, including the ADS, was subject of an independent external audit. The external audit by the Commission for the Independent Assessment of the Effectiveness of the NACP (consisting of three international experts appointed by the Cabinet of Ministers) was launched in January 2022. After the suspension of its activities in March 2022 due to the full-scale invasion, the External Audit Commission resumed its work in June 2022 and finally approved the report on July 2023 (hereinafter, 2023 EA Commission Report).[14] Overall, the NACP's work during 2020–2021 was "*not found to be ineffective, but neither was it recognized as effective*". On ADS, the EA Commission recognized a very advanced ADS, which included a simplified process for submission of asset declarations, start of the verification of judges' asset declarations, and fewer obstacles for law enforcement agencies to effectively investigate false declarations or illegal enrichment. The report recommended that the NACP reinforce the legal foundation for its verification and monitoring procedures. In addition, the sequencing of verification procedures of asset declarations should be based on a risk assessment and not based on loose recommendations.[15]

11. In this context and upon the NACP's request, IMF staff provided this technical assistance to evaluate the effectiveness of NACP's ADS. It focuses on the verification framework, and to identify institutional and procedural reforms necessary to enhance its impact, transparency, and deterrence function. This CD support comes in the context of the Ukrainian authorities' commitments under the new 48-month Extended Fund Facility arrangement with the IMF (approved in February 2026), which includes a reform measure for the NACP to issue new regulations establishing a risk-based system for verification of asset declarations, prioritizing senior officials in identified high-risk areas.[16] The findings draw on documentary materials provided by the NACP and key stakeholders, two in-person mission in Vienna, Austria, discussions with the Head of the NACP and the departments responsible for full verification, lifestyle monitoring and internal control. Three methodological limitations warrant emphasis at the outset: no on-site mission was conducted in Ukraine owing to security constraints; all statistical data derive from the NACP's internal reporting systems and presentation materials; and no independent audit or control group currently validates these internal procedures and IT solutions. Limitations compounded by disruptions arising from the full-scale invasion have structurally affected the NACP's operational continuity. Notwithstanding these constraints, the NACP demonstrated a constructive, open, candid, and cooperative engagement throughout the process.

12. This report adopts a holistic analytical approach, offering a measured assessment of the current system, while remaining candid about the challenges encountered. In particular, there is difficulty in establishing reliable declarant population data under wartime conditions and the broader operational constraints that have both amplified risks of illicit financial flows and limited the NACP's

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[14] Commission for the Independent Assessment of the Effectiveness of the NACP, Assessment Report (July 24, 2023).

[15] Under the LPC, the independent external audit must be undertaken every two years; accordingly, a new audit is already overdue.

[16] IMF (2026). Ukraine: Request for an Extended Arrangement under the Extended Fund Facility and Cancellation of the Current Arrangement, IMF Country Report No. 26/58. This is an end-June 2026 structural benchmark.

institutional development. The effectiveness of the ADS ultimately rests on a robust, multi-dimensional performance framework that measures tangible anti-corruption outcomes (e.g., detection rates of undeclared assets and the volume of criminal referrals generated by declaration filings) rather than administrative compliance alone. In this regard, tracking long-term trends in compliance rates and the frequency of corruption cases is essential to determining whether the ADS is fostering a genuine culture of transparency or functions primarily as a procedural formality.

13. The rest of the report will be divided into a baseline description of Ukraine's ADS (Section II) and the key analysis and recommendations for reform (Section III). In particular, the analytical section will cover: (a) overall design of the ADS; (b) system of full verification of asset declarations of public officials; (c) lifestyle monitoring framework; and (d) NACP's inter-agency cooperation in relation to verification of asset declaration and lifestyle monitoring.

II. Overview of Ukraine's Asset Declaration System

14. Ukraine's ADS is a cornerstone of the country's anti-corruption architecture. As noted earlier, the ADS was significantly revamped following the 2014 Revolution of Dignity through the LPC and became operational in 2016. This section aims to describe the current and key features of the ADS, namely: who is subject to asset declarations, what is disclosed and how, verification mechanisms, lifestyle monitoring function, and sanctions. These elements will also be the focus of the assessment in the next section.

Declarant Population

15. Ukraine's ADS is among the largest repositories of public officials' financial disclosures globally. The scope of the declarant population with asset declaration obligations under the LPC is broad. It extends to all three branches of government, covering the President, Prime Minister, Cabinet Ministers and their Deputies, heads of central executive bodies, Members of Parliament, Justices of the CCU and Supreme Court, and members of the judicial self-governance bodies, as well as the family and household members of these declarants. The number of registered users in the NACP's ADS is around 1.7 million (the number of declarants is dynamic and not constant). Annually, the NACP receives around 700,000 declarations. *(See Table 1).*

Table 1. NACP Receives Annually Around 700,000 Declarations

	2022	2023	2024
Asset Declarations Submitted	**658,456**	**689,037**	**675,039**

Source: NACP.

Content of Declarations

16. The LPC provides a comprehensive basis for capturing the full spectrum of a public official's financial flows, consistent with international standards (LPC, Article 46). To ensure total transparency, the law requires the disclosure of a wide array of information types: assets, including moveable and immovable assets; securities, including shares and bonds; other corporate rights; legal entities, trusts; intangible assets, including cryptocurrencies, intellectual property rights; income of all types and its sources; financial assets, foreign bank accounts; gifts including in cash; financial obligations, including loans, expenses or transactions that affect ownership rights or create financial obligations. Notably, beneficial ownership information[17] and the extension of disclosure requirements to foreign financial flows are significant features, as both categories represent common channels for concealing

[17] Wartime restrictions on public access to the Unified State Register of legal persons during martial law, however, has impacted the accuracy and reliability of beneficial ownership information (see Law No. 4576-IX, 2025).

illicitly acquired assets from domestic oversight. Thus, the LPC provides a comprehensive legal basis for capturing the total financial profile of public officials, including both incoming and outgoing cash flows.

Frequency and Timing of Filing

17. The LPC establishes three primary filing milestones: upon entering public office, annually during service, and after departing from office (LPC, Article 45). In addition, there are significant change declarations, where declarants have a dynamic disclosure obligation to notify the NACP within ten days of any "significant change" in their financial status. This includes the receipt of income or the purchase of property exceeding 50 minimum wages (calculated as of January 1 of the respective year). A declarant is also obligated to report within ten days if they or a family member opens a foreign currency account in a non-resident bank. This provision serves as a vital safeguard, as foreign accounts are frequently used to shield financial movements from domestic oversight.

Filing Method

18. The ADS operates on an open-data platform, developed in collaboration with the UNDP and the World Bank. All declarations must be submitted in electronic form, which aims to facilitate analysis and verification. By maintaining connectivity with other state databases, the system facilitates the cross-referencing of information, significantly enhancing the ability to investigate fraudulent declarations. To make it easier for declarants to comply with disclosure requirements, over time the agency introduced additional support for declarants, such as guidelines, video aids, and an online training course. The "Automatic Declaration Pre-filling" function has also been recently implemented based on the "Data for Declaration" received.[18]

Public Access

19. A key feature of the Ukraine ADS is that asset declarations are published online through the NACP's centralized register.[19] This ensures a high degree of transparency and public accountability. However, personal information (such as taxpayer registration number, passport number, place of residence, bank account information, and date of birth of family members) are deemed restricted information and are therefore not subject to public disclosure, which is in accordance with international standard in this matter.

Verification Mechanisms and Procedures

20. The LPC provides for three types of verifications by the NACP when it comes to asset declarations (Article 51-1), namely: (i) timeliness of submission, (ii) accuracy and completeness, and (iii) logical and arithmetic control (LAC). The NACP determines the procedures for these controls as well as comprehensive examination of declarations.

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[18] Starting from October 2024, the amount of information that declarants can automatically fill in when declaring has increased from 31 percent to 75 percent. NACP already elaborated a system of advising declarants on filling out declarations correctly, comprising about 300 pages of advice and other efforts that aim to reduce the number of declaration mistakes to less than 5 percent.

[19] NACP, Unified State Register of Declarations. Available here: https://public.nazk.gov.ua/

- **Timeliness of Submission (LPC, Article 51-2).** Each public agency/institution conducts this control (verify the fact of submission). In case of the identification of non-submission of AD or late submission of AD, the NACP had to be notified and conduct a further check, when a serious reason justified the non-submission/late submission of AD. Based on the NACP check, follow-up actions may be taken, such as the filing of an administrative protocol to the court (in case of late submission without serious reason), or sending a grounded opinion to a law enforcement agency (in case of the non-submission of AD without a serious reason even after the request of the NACP).

(i) **Accuracy and Completeness**. Control of correct and complete filling-in of data declared in the AD was conducted automatically and simultaneously with the filling in an AD based on technical rules defined by the NACP. The purpose of that control at that time was to help the declarant fill-in an AD correctly, e.g., not to miss any mandatory fields, avoid mentioning wrong symbols in the AD's fields and inconsistencies between data declared in different fields or chapters of the AD, and so on. The AD could not be submitted without successfully passing this type of control, i.e., until a declarant had fixed all the mistakes identified.

(ii) **Logical and arithmetical control (LAC)**. LAC is conducted automatically and contains two components of cross-checking of the consistency of a particular AD with: (i) previously submitted ADs; and (ii) the data contained in other public databases and registers. Inconsistencies identified during the LAC are classified as "identified risks" within the AD. Specific formulas are applied to the declaration data to identify signs of illicit enrichment or unjustified assets, as well as signs of violations regarding gift restrictions, prohibited part-time work, or conflicts of interest (combination of activities). If at least one formula is triggered, it is recorded as an identified risk. Each identified risk is assigned a weighting factor. The sum of the weighting factors for all identified risks constitutes the AD's calculated risk rating score.

Box 1. Calculated Risk Rating Score for Each Asset Declaration

The NACP utilizes a risk-based approach to prioritize declarations for full verification, assigning numerical "coefficients" to various data points. While the specific algorithmic weights remain confidential to prevent gaming the system, the designation of risks is based on the following general criteria:

- **Asset Thresholds**. Higher coefficients are assigned to declarations involving high-value assets, significant cash holdings, or luxury items that exceed a specific percentage of the official's known income.
- **Registry Discrepancies**. The coefficient is triggered when information provided by the declarant does not match data held in the other public databases or registers (e.g., unreported real estate, vehicles, or income).
- **Political Exposure**. The system automatically increases the risk weighting for "high-level" officials, such as the President, Ministers, and Members of Parliament, due to their higher inherent risk of corruption.
- **Complexity and Location**. Assets held in foreign jurisdictions or through complex corporate structures often trigger higher risk coefficients because they are more difficult to verify through standard automated checks.
- **Lifestyle Indicators**. Any documented inconsistencies between a public official's declared standard of living and their reported financial resources contribute significantly to the total risk score.

Source: NACP, IMF Analysis.

21. The NACP's technical infrastructure currently interfaces with 21 public databases and registries. (Annex II) Several state registries containing significant information are crucial and are managed by the Ministry of Justice, the Ministry of Internal Affairs, the State Tax Service, and the State Maritime Service. While most connections are functional through the "Register" Information and Telecommunication System (ITS), the state of play reveals a landscape of significant technical and structural gaps.

22. All declarations subject to LAC are ranked according to their risk rating score (from highest to lowest). This ranking is then used as inputs for the selection of declarations for verification. Reports or complaints received (including whistleblower protection) are also taken into account when determining declarations to be subject of full verification. Every declarant is classified into one of three distinct risk categories to determine the level of subsequent scrutiny:

- *High Risk*. Declarations that significantly exceed the risk threshold are prioritized for full verification.
- *Medium Risk*. These declarations may contain minor inconsistencies or fall into a secondary priority tier.
- *Low Risk*. Declarations that successfully pass the automated checks with minimal or no risk flags are certified and require no further manual intervention.

23. Based on NACP data, almost all the approximately 700,000 asset declarations are rated as low risk under the LAC. Nevertheless, the remaining asset declarations considered as medium (on average more than 7,000) and high risk (on average around more than 300) are still quite substantial as compared to the resources and capacities of NACP staff.

24. Under the current framework, every declaration is assigned a specific risk rating that dictates its subsequent processing path. This risk-oriented approach considers that "non-risky" declarations have a high probability of passing through an expedited automated verification via the NACP's software, requiring no human intervention. A transformative shift occurred with the September 2023 amendments of the LPC (Article 51-3). By abolishing mandatory verifications for fixed categories of officials, the legislature empowered the NACP to fully adopt a risk-based approach (RBA), prioritizing resources for the most suspicious filings.

Full Verification (FV)

25. Full verification is a comprehensive, human-led investigation conducted by around 30 authorized officials of the NACP's Department of Verification. Its mandate goes beyond simple data matching to verify the authenticity and legal correctness of all declared assets. The process specifically evaluates asset valuation and actively investigates signs of illicit enrichment, or unjustified assets. NACP's selection procedures provide four levels ("baskets") from which prioritization and selection is made for FV: (I) high-risk positions (ADs of person holding a position of responsibility or position associated with a high or increased corruption risk); (II) other declarants with highest risk rating based on the LAC; (III) ADs with signs of a criminal offense (i.e., discrepancies above 500 subsistence minimum

(SM) threshold[20]); and (IV) ADs with signs of administrative offense (i.e., discrepancies from 100-500 SM thresholds). From these four baskets, around 1,000 ADs are selected for annually FV.

Automated Verification (AV)

26. The NACP also operationalized an automated verification tool for low-risk asset declarations. This streamlined procedure completes the audit of low-risk filings within fifteen days. By automatically cross-referencing declarations against all connected national registries and databases, the system aims to rapidly identify "inaccurate information", which is considered as any discrepancy exceeding the threshold of 100 SM (approximately UAH332,800 or US$7,600). Once finished, the NACP generates a formal certificate, which is delivered directly to the declarant's account, confirming that the filing contains no material inaccuracies, conflict of interest, or signs of illicit enrichment and unjustified assets.

Lifestyle Monitoring (LSM)

27. The NACP also conducts lifestyle monitoring, which assesses whether the standard of living of public officials is consistent with their declared income and assets.[21] The aim is to identify unexplained wealth and support the broader financial control and anti-corruption framework. LSM is conducted on a selective basis as well as based on information from individuals, whistleblowers, legal entities, the media and open-source intelligence (OSINT). It serves an intelligence-led mechanism to bridge the gap between a public official's formal asset declaration and their real-world standard of living. Questions triggering wealth discrepancies can include the sufficiency of legal income to acquire a high-value asset, if there are signs of indirect or beneficial ownership, suspicious gifts through intermediaries, or family's patterns of spending significantly exceeding total declared income.

28. The evidence-gathering phase of lifestyle monitoring is a multi-layered process. It begins with foundational inquiries to the declarant's employer, law enforcement agencies, and over 60 banking institutions to bypass bank secrecy. NACP staff then expand their scope to track the use and disposal of property through utility providers, notaries, and car dealerships, while simultaneously analyzing travel and retail expenditures via airlines to establish financial capacity. The process further incorporates techniques such as conducting formal property assessments and issuing international requests for foreign asset identification. Complexity increases as agents analyze high-turnover bank statements for both the declarant and related persons, cross-reference materials from ongoing criminal proceedings (including interrogation records and mobile data) and verify the financial standing of nominal asset owners or lenders. Finally, the NACP seeks the declarant's own explanations, which often requires a month for postal delivery and additional time for document-heavy extensions, frequently triggering a final round of follow-up requests to verify the legitimacy of the versions provided. In 2025, the NACP completed 247 LSM cases, with 64 substantiated conclusions totaling EUR 5.79 million referred to the Specialized Anti-Corruption Prosecutor's Office (SAPO).

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[20] In Ukraine, the SM is the cost estimate of a minimum consumer basket of goods and services necessary for monthly livelihood and established annually by the parliament through the state budget law. As of January 1, 2026, the SM is UAH3,328.

[21] NACP, Procedure for Conducting Lifestyle Monitoring of Declarants, Order No. 236/23 of October 26, 2023.

Figure 1. Summary of NACP Verification Workstreams

NACP VERIFICATION WORKSTREAMS

Comparative Analysis of Asset Declaration Review Mechanisms

CATEGORY	Logical & Arithmetic Control (LAC)	Automated Verification	Full Verification	Lifestyle Monitoring
Description	Assesses all ADs to detect inconsistencies between declared data and official records using pre-defined rules and coefficients	Compares declared information with state registers; rapid identification of inaccuracies exceeding 100 subsistence minimums	Comprehensive manual review by NACP staff; ADs are selected from the four "baskets" of high-risk ADs; conducted based on risk assessment (LAC) and external information sources	Assesses whether officials' living standards are consistent with declared income and assets
Focus	Asset Declaration (Document)	Asset Declaration (Document)	Asset Declaration (Document)	Declarant (Person) + Open-source Intelligence
ADs Covered	ALL Declarations	LOW Risk ADs	HIGH Risk ADs	HIGH Risk ADs
Outcome	All ADs receive a RISK SCORE for further processing.	Declarants receive FORMAL CERTIFICATE confirming no material inaccuracies	If signs of illicit enrichment → NACP issues justified conclusion → Sent to law enforcement agencies for investigation (e.g., NABU/SAPO)	If signs of illicit enrichment → NACP issues justified conclusion → Sent to law enforcement agencies for investigation (e.g., NABU/SAPO)

Source: IMF staff.

Sanctions

29. **Sanctions with respect to the ADS are governed by a tiered system of legal thresholds**. Depending on the threshold amount based on SM, public officials that violate their AD obligations can be subject to administrative, civil and criminal sanctions *(Table 2).*

Table 2. Liability Framework for Asset Declaration Violations

Liability Type	Legal Basis	Threshold	Approx. Amount (UAH/US$)	Penalty / Action
Administrative	Art. 172-6 (Admin Code)	100 – 500 SM	332,800 – 1.664M UAH (~$7,500 - ~$37,500)	Monetary fine for false data.
Criminal (Ordinary)	Art. 366-2(1) (Criminal Code)	500 – 2,000 SM	1.664M – 6.656M UAH (~$37,500 - ~$150,000)	Fine of 51,000 – 68,000 UAH; potential restricted freedom.
Criminal (Aggravated)	Art. 366-2(2) (Criminal Code)	> 2,000 SM	> 6.656M UAH (>~$150,000)	Fine of 68,000 – 85,000 UAH; potential imprisonment.
Civil Forfeiture	Art. 290 (Civil Proc. Code)	> 750 SM	> 2.496M UAH (>~$56,000)	Asset seizure and recovery to the state.
Illicit Enrichment	Art. 368-5 (Criminal Code)	> 6,500 SM*	> 21.6M UAH (~$487,000)	Serious criminal offense; high-level prosecution.

Source: IMF staff.

30. **Civil forfeiture enables the SAPO to seek recovery from the High Anti-Corruption Court (HACC) for unjustified assets held by public officials, whose wealth significantly exceeds their lawful income**. Civil forfeiture of unjustified assets of more than 750 SM does not require a prior criminal conviction. However, when the financial disparity reaches a significantly higher magnitude, specifically exceeding legal income by more than 3,000 SMs (currently approximately UAH 9,000,000), the findings transition into the criminal domain. In such cases, the NACP alerts the authorized anti-corruption bodies to launch a criminal investigation into Illicit enrichment under Article 368-5 of the Criminal Code.

III. Key Findings and Analysis

31. **Ukraine's ADS is an advanced system with important strengths, but its ability to mitigate high-risk corruption vulnerabilities is materially constrained by design and implementation gaps**. The key findings are organized around four areas: (a) overall system design (including the scope of declarants), (b) the effectiveness of risk-based verification, (c) the effectiveness of lifestyle monitoring, and (d) the scope of inter-agency cooperation and sanctions.

A. Strengthening the Overall Design of Ukraine's ADS

Recalibrate and Address Scope Issues of Declarant Population

32. **The exceptional breadth of Ukraine's ADS' declarant population signals institutional ambition but generates an unmanageable volume of data that strains the NACP's capacities**. This breadth of coverage exceeds that of many comparator jurisdictions (e.g., Georgia (~6,000), France (~18,000), Moldova (~60,000), and Lithuania (~60,000)),[22] where declaration obligations are typically confined to senior executive officials. This represents a deliberate legislative choice to maximize transparency across the full spectrum of public authority. The frequency and diversity of reporting obligations compound this challenge, creating what amounts to an administrative "wall of data". This carries systemic risks. As Messick (2009) observes, disclosure regimes frequently "*overreach, requiring far too many lower-level personnel to disclose*," resulting in either prohibitive administrative costs or a decline in systemic effectiveness due to resource constraints.[23] This tension is acute and exemplified in Ukraine's ADS.

33. **Given the massive volume of declarants and the resource constraints for full verification, the NACP has adopted RBA since 2023**. The LAC is designed to allow the NACP to concentrate on verification efforts on the most significant threats and declarations presenting the highest probability of legal violations. Its effectiveness relies on the continuous refinement of the risk-scoring rules and their corresponding weighting factors, that determine which asset declarations are escalated for further human investigation (i.e., full verification). According to NACP, its effectiveness in detection is demonstrated by a marked improvement of its "hit rate" for identifying legal violations among those asset declarations that are subject to full verification (i.e., from 19 percent in 2019 to around 50 percent in 2024/2025). Nevertheless, even with adoption of the RBA, the NACP's capacities (with around 30 staff dedicated to full verification) remain critically insufficient to process even those declarations identified as high- and medium-risk (more than 7,000), let alone the 700,000 annual declarations.

34. **A structural enhancement of the breadth and scope of the declarant population is thus warranted to strengthen the ADS' efficiency and sustainability**. A proportional approach ensures that limited resources are not absorbed by minor or technical non-compliance but concentrated instead on

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[22] Notably, Ukraine's ratio of declarants to total population (1.7 percent) is comparable to Moldova (2.03 percent) and Lithuania (2.14 percent), but above that of Georgia (0.16 percent) and France (0.03 percent).

[23] Messick, Richard. Income and Assets Declarations: Issues to Consider in Developing a Disclosure Regime, Anti-Corruption Resource Centre (U4 Issue 2009:6).

deliberate, high-impact and most serious corruption threats. This objective aligns with the principles in the Venice Commission Opinion on a graduated approach to criminal liability for asset declarations violations, which reserves them for the most serious cases involving deliberate intention.

35. **Two options then merit consideration by Ukraine policy makers**: Option 1, recalibrate the declarant population, or Option 2, delineate between ADS transparency and oversight objectives.

36. **Recalibrate Declarant Population (Option 1)**. The LPC could be amended to recalibrate both the scope of obliged declarants and the content of AD obligations, grounded in a comprehensive national corruption risk assessment developed in consultation with national authorities, international partners, and civil society. The rationale for this reform is compelling. Ukraine's 700,000 declarant population is exceptionally broad by international standards, as the LPC requires all public officials and specified categories of state servants to submit declarations regardless of their actual corruption risk exposure. While this expansive coverage functions as a "force multiplier" for accountability, enabling civil society organizations (CSOs), banking institutions conducting AML checks, and foreign investigative agencies to access and cross-reference disclosed information, it is effective only insofar as meaningful, prioritized verification of high-risk declarations is operationally assured. In practice, the scale of the declarant population strains the NACP's verification and enforcement capacity, risks diverting scarce human and technical resources away from systematic oversight of high-level officials who present the greatest corruption risks and may erode public trust in the objectivity and credibility of the verification process.

37. **Delineation Between Transparency and Oversight (Option 2).** If the amendments to the LPC regarding recalibrating the declarant population and scope of declarations are not realistic given the current context of the full-scale invasion and not appropriate in the context of the country, the legislators and NACP could further refine its risk-based approach by differentiating between declarations intended for transparency and information purposes and those subject to NACP oversight (verification) based on significant risks. A proportional ADS verification could be structured around three tiers of obligations, differentiated by functions, seniority and corruption-risk exposure.

Tier 1 — Full Disclosure with Active NACP Verification. Senior public officials presenting the highest institutional corruption risk, including key members of the executive, legislative, and judicial branches, Category "A" civil servants, and defense and security leadership would be subject of prioritization by NACP verification, including full verification and lifestyle monitoring. As there is no universal global standard for defining the scope of declarants, this recalibration should be rooted in a comprehensive national corruption risk assessment, ensuring that the system is both sustainable and impactful. In particular, there needs to be alignment with NACP's verification efforts in this Tier with NABU and SAPO investigative jurisdiction over high-level public officials for corruption offenses and their case prioritization policies.[24] In addition to public positions, verification activities should incorporate sector-based risk weightings, periodically recalibrated to reflect sectors identified by NACP as posing the highest corruption risks, such as taxation and

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[24] The NABU's mandatory investigative jurisdiction is specifically designed to cover the "top tier" of the Ukrainian state (President, Prime Minister, Ministers, Members of Parliament, Judges of the CCU and Supreme Court, Judicial Self-Governance Bodies) to ensure that the most powerful figures are held to the highest standards of accountability. Notably, NABU has criminal investigative jurisdiction even if the financial discrepancy in their asset declaration is relatively low. For any other official not on this list, the NABU only intervenes if the scale of the alleged crime or the "unjustified assets" exceeds 500 times the SM (~UAH 1.5 million).

customs, state-owned enterprises, construction, and defense sectors.[25] For example, NACP's analytical function has produced corruption risk level analysis for construction and public procurement.[26]

Tier 2 — Standard Disclosure with Risk-Triggered Verification. Asset declarations of mid-level officials with meaningful but lower institutional exposure, such as heads of regional administrations or procurement officials would be subject to LAC screening, with full verification triggered only upon risk-score escalation. Based on recent data, out of all the asset declarations selected for full verification, around 48–52 percent of them (260 in 2024 and 505 in 2025) have led to NACP's identification of signs of false information, illicit enrichment and unjustified assets (substantiated/justified conclusions).[27]

Tier 3 — Disclosure for Transparency Purposes. Lower-level public servants with limited discretionary authority and minimal corruption-risk exposure would still submit declarations but intended primarily for public transparency and anti-money laundering cross-referencing purposes, with NACP verification reserved for cases of specific, intelligence-led concern. These declarants would still be subject to civil and criminal liability if investigations were launched by police or other law enforcement agencies (outside of NABU/SAPO).

38. Furthermore, and in light of Ukraine's context and risk profile, legislative amendments could also clarify AD reporting requirement on key areas of concern:

a. **State-Owned Enterprise (SOE) Management.** The coverage of SOE managers who exercise significant discretionary authority over public resources should be explicitly defined (covering particularly those with senior executive, supervisory and financial decision-making roles) and subject to commensurate disclosure obligations, given the elevated corruption risks associated with this category. It is indeed not fully clear whether managers of state-owned or state-subsidized companies, a highly sensitive category, are part of the categories of persons obliged to declare and moreover are fully compliant to NACP. A significant legal loophole exists regarding the "legal nature" of SOEs. While the law covers officials of "public law entities," many SOEs undergoing "corporatization" claim to be "private law entities" to exempt their top management (CEOs, accountants) from asset declarations. This creates a dangerous "gray zone" where individuals managing vast state resources evade the same anti-corruption scrutiny applied to the board members who supervise them. The ambiguity has worsened since August 2025, when the Civil Code was amended to remove the automatic classification of SOEs as public law entities.[28] In line with the RBA, priority for

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[25] NACP. National Anti-Corruption Strategy (2021–2025). Significantly, these sectors remain a priority under the draft National Anti-Corruption Strategy (2026–2030).

[26] NACP (2023). Corruption Risks during the Conduct of Public Procurement under Martial Law (June 2023).

[27] See also NACP website on published ongoing statistics on full verification: https://nazk.gov.ua/uk/category/monitoring-diyalnosti-nazk/.

[28] This triggered high-profile litigation, most notably a 2024 lawsuit by PJSC "UKRNAFTA" against the NACP. The Kyiv District Administrative Court ruled in favor of the NACP in November 2024 confirming that state-controlled firms must prioritize transparency over corporate form. However, the lack of a permanent legislative definition continues to invite resistance and legal uncertainty across the sector.

NACP's verification efforts should be accorded to critical and high-risk SOEs that manage material public assets. Significantly, the draft Anti-Corruption Strategy 2026–30 proposes revisions to the list of declarants, including the addition of SOE heads.

b. **Politically Exposed Persons (PEPs)**. While the LPC contains a dedicated list of public officials, a strict normative link must be established to ensure that this list and the one utilized under the anti-money laundering framework legally evolve in lockstep. Legally embedding this connection is essential to achieve coherence and transparency between the asset declaration and financial intelligence frameworks, thereby eliminating gaps in coverage. The current lack of a unified scope between anti-corruption reporting mandates and AML regulations may create "gray zones," potentially allowing high-risk individuals to bypass rigorous financial monitoring (e.g., SOE managers as noted above). Structuring this binding normative link will streamline and facilitate upcoming data-sharing mechanisms between the NACP and the financial intelligence unit by providing both institutions with a unified target population baseline. Harmonizing these definitions is central to ensuring that the NACP and law enforcement agencies effectively identify high-risk officials, thereby enhancing the efficiency of asset verification and broader financial investigations.

c. **Dual Citizenship of Family Members**. The asset declaration framework should require explicit disclosure of the citizenship status of declarants' family members, addressing the risk that dual citizenship is used to obscure foreign asset holdings or financial interests beyond the reach of domestic oversight. This status creates significant loopholes, facilitating the offshoring or concealment of assets that remain largely beyond the reach of domestic tracking registries and traditional verification tools.

39. Judges constitute a structurally distinct category within asset declaration frameworks. In many jurisdictions with broad declarant coverage, judges are typically subject to the same disclosure obligations as other public officials. However, considerations of judicial independence and institutional trust (reinforced in European systems by the absence of popular judicial elections) have led several countries to adopt differentiated or more limited disclosure arrangements for the judiciary. In Ukraine, judicial independence is constitutionally guaranteed (Article 126). Judges are required to submit an annual asset declaration to the NACP and two additional declarations to the High Qualification Commission of Judges (HQCJ): a declaration of integrity and a declaration on family relations. Critically, the LAC automated verification system does not apply to sitting judges or CCU justices (except for retired judges) as the LPC establishes a dedicated verification procedure for this category under Article 52-2. Notwithstanding these procedural distinctions, the NACP exercises active oversight of the judiciary through targeted LSM, which has generated substantive enforcement outcomes.[29]

40. Another category requiring tailored treatment concerns intelligence officers and classified personnel of security service agencies. While the ADS is vast, situational exemptions during the

[29] In 2024, the NACP initiated 16 LSM procedures for judges, completing 7; in 2025, it initiated 12 and completed 10, with 17 procedures remaining ongoing as of January 28, 2026. These investigations resulted in the submission of three referrals for civil forfeiture to the SAPO in 2025, covering UAH 16.07 million in unjustified assets. At the criminal level, a reasoned NACP conclusion identifying UAH 97.49 million in illicit enrichment led to a notice of suspicion served on November 2025 against a former Deputy Head of the High Commercial Court of Ukraine, which demonstrates the operational reach and institutional impact of the NACP's judicial oversight function.

ongoing full-scale invasion mean that public officials directly involved in the mobilization or war efforts are currently exempt from submission, leaving a portion of the expected declarant base temporarily unmonitored for security reasons. The precise size of this declarant population remains undisclosed and is further obscured under wartime conditions.[30] This category presents a structural oversight gap as the NACP has not established a transparent or accountable framework for verifying the asset declarations of intelligence and classified personnel, and that the applicable regulations were neither published nor subjected to public consultation during the drafting process.[31] More fundamentally, the current arrangement, under which the verification procedures governing undercover officials and intelligence personnel are subject to approval by the intelligence agencies themselves, creates an institutional conflict of interest that is incompatible with the independence, credibility, and integrity of the oversight function. To address this deficiency, the regulatory framework governing declarations by intelligence and classified personnel should be developed after martial law is lifted by the NACP as the competent authority, in coordination with, but not subject to the approval of, the relevant security service agencies. Furthermore, a restricted but externally supervised oversight mechanism should be established to ensure a minimum standard of independent accountability for this category of declarants. No category of public official should be entirely exempt from external scrutiny, and the absence of such a mechanism constitutes a material vulnerability in Ukraine's anti-corruption framework. Consultations with the relevant state and security service agencies as well as the NACP Public Council will be critical to achieve an effective balance of transparency and accountability with the necessity of protecting national security.

Enhance NACP's Institutional Capacities

41. The NACP's legal classification as an independent administrative body within the executive branch (rather than a law enforcement agency) shapes both the nature of its oversight function and the professional orientation of its verification teams. This classification produces a dual operational modality: a strictly administrative track governing full verifications of asset declarations, and a quasi-judicial track applicable in the context of lifestyle monitoring, a distinction with material implications for the scope, procedural standards, and evidentiary weight of the NACP's findings.

[30] The domestic SSU/SBU employs already about 27,000 officers, https://ssu.gov.ua/en/zaproshuiemo-do-spivpratsi.

[31] See 2023 EA Commission Report.

Box 2. NACP's Multifaceted Mandate

While the ADS is a high-profile component of the NACP's work, it represents only a fraction of its broader responsibilities as a central government authority. Out of 425 FTEs in early 2026, there are 10 full-time positions in NACP management, 22 in political finance supervision. Several dozen are in the policy dimension rather than investigation. About fifty are dedicated to the control of declarations and declarants, plus 24 in the Department for Special Vetting and Control over Timely Submission of Declarations. Additionally, there are 7 people in the Unit for Financial Control Measures regarding certain categories of persons.

Beyond managing financial disclosures, the NACP is tasked with several critical pillars of public integrity (LPC, Article 11).

- *Anti-Corruption Policy*. Developing, formulating and coordinating anti-corruption policy, and analyzing and researching on state of corruption, corruption risks, and its prevention;
- *Anti-Corruption Strategy*. Assessing the implementation of the Anti-Corruption Strategy and drafting national report;
- *Prevention*. Ensuring the prevention of corruption in the public and private sectors, including monitoring lobbying and conflict of interest, and protecting whistleblowers;
- *Political Party Financing*. Alongside the Central Election Commission, monitoring the funding of political parties and election campaigns;
- *Training*. Organizing training of civil servants on issues related to prevention of corruption.

Source: IMF staff.

42. **Three structural considerations are critical to the NACP's long-term institutional effectiveness and warrant explicit recognition in any assessment of the ADS**. *First*, legal responsibility for declaration accuracy rests with declarants, not the NACP. The LPC's broad declarant population did not impose on the NACP an obligation to validate the accuracy of all 700,000 annual submissions for public consumption. The NACP's core mandate is oversight and enforcement (not data-entry verification), and its operational priorities should be calibrated accordingly. *Second*, war has materially compounded the challenge of detecting illicit assets. The conflict has accelerated the risks of outflow of assets in the region to foreign jurisdictions (including cash), creating enforcement gaps that exceed the NACP's unilateral investigative reach. Addressing this dimension of the mandate requires sustained and structured international cooperation, including enhanced information-sharing arrangements with foreign financial intelligence units, asset recovery networks, and partner jurisdictions, to ensure that cross-border illicit asset flows do not constitute a systematic evasion pathway. *Third*, the adequacy of NACP's human and financial resources has an impact on its capacity to deliver on its institutional mandate. The long-term success of the anti-corruption mandate requires a guaranteed, sufficient, and professionally competent workforce that is regularly trained and rigorously evaluated. Financial stability of NACP (including competitive remuneration) is a key safeguard against external influence and institutional capture. As the 2023 EA Commission Report found, it is undisputed that previous salary cuts interfered with the NACP's capacity to perform its functions properly. Adequate and predictable budgetary support would help ensure that the NACP can carry out its complex and strategically important mandate in a sustainable and institutionally robust manner.

43. **The NACP's operational capacity with respect to its asset declaration function is bound by structural limitations between the breadth of its legal mandate and the human resources dedicated to its core oversight functions.** Of the NACP's total workforce, a minority of the staff is assigned to AD verification and LSM business, its primary enforcement functions. In absolute terms, a team of only 30 authorized personnel bears responsibility for conducting the statutory minimum of 1,000 full verifications annually, against an incoming volume of approximately 700,000 declarations. This structural constraint, wherein a lean verification team must process an overwhelming volume of complex financial data, renders the transition to a high-precision, risk-based verification model not merely desirable but operationally necessary to preserve the quality of forensic findings and prevent institutional attrition. To ensure that the existing resources are deployed to yield the greatest impact, NACP's verification efforts should continually be oriented towards a risk-based approach.

44. **Two reform measures should be considered**. *First,* the NACP's budget allocation (specifically, ensuring competitive staff salaries) should be made proportional to the scale of its mandate and institutional independence to enable meaningful AD verification and LSM operations. *Second,* in the interim, the NACP should explicitly prioritize asset declaration oversight in its internal recruitment and staffing decisions, ensuring that human resource allocation reflects the centrality of this function to the NACP's anti-corruption mission.

45. **On the frequency of submissions, the practical utility of inter-period notifications of significant change should be reassessed to reduce the volume of submissions received by NACP**. Distinction should be made between state-funded income streams (such as judicial salaries and benefits, where marginal changes carry limited risk) and asset acquisitions above a defined monetary threshold, which present a materially higher corruption risk and warrant timely, targeted disclosure. The law must be simplified to eliminate redundant notifications, such as "notifications of significant change" for state-funded salaries and benefits (e.g., judicial benefits). Instead, these should be restricted to the acquisition of assets exceeding a specific threshold. This is essential to alleviate the reporting burden for declarants and to allow the NACP to prioritize its limited resources.

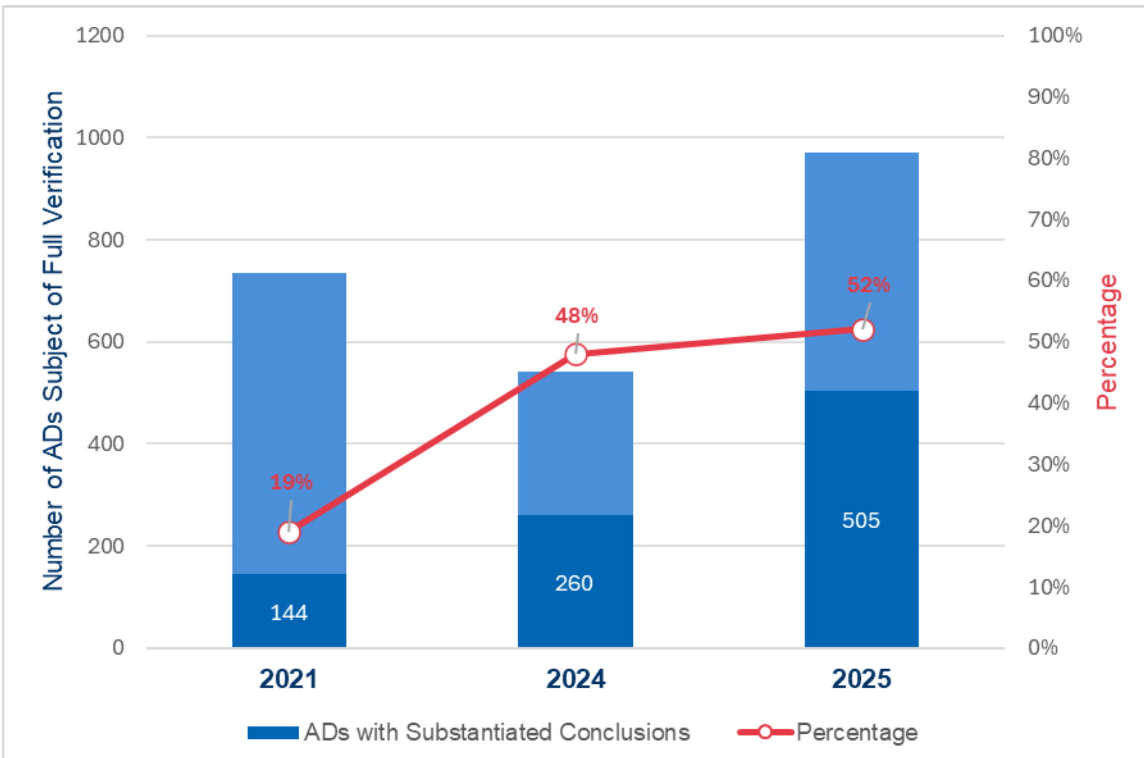
B. Effectiveness of Risk-Based Verification of Asset Declarations

46. **Overall, NACP's verification of asset declarations is grounded on RBA, but requires further streamlining, clearer sequencing, and periodic review of risk criteria**. From international perspectives, the selection of asset declarations for verification generally involves several distinct methodologies, ranging from mandatory audits to risk-based filtering. Ex officio verification targets all officials in specific high-ranking positions to ensure senior-level accountability, though it may overlook high-risk activities performed by lower-level staff. In contrast, random selection applies a pre-defined percentage to all filers to create a broad deterrent effect, but it remains insensitive to the specific risks associated with individual officials. To optimize limited resources, many systems utilize risk-based assessments, where investigations are triggered by specific indicators within the disclosed information (such as major wealth increases or discrepancies between assets and legal income) or by external factors like citizen complaints and notices from authorized public bodies regarding unexplained lifestyles. Finally, simple verification (often termed arithmetic and logical checking) provides a fundamental audit of the statement's internal consistency to identify manifest mistakes or signs of conflict of interest before escalating to deeper forensic review.

Full Verification

47. The NACP's 2025 full verification results reflect a shift toward a more targeted RBA, notwithstanding persistent resource constraints. Around 1,000 annual declarations were subject to full verification, a volume determined by the statutory KPI minimum established by Government Resolution. Within this set, the detection rate improved: with 505 cases (52 percent) identified material violations, compared to a 19 percent hit rate in 2021. (*See Figure 2*) This represents a near-doubling of detection precision over four years. These verifications identified UAH 3.8 billion in false or materially inaccurate information and UAH 463.2 million in suspected illicit enrichment, confirming that the RBA is concentrating verification resources on higher-risk declarant profiles.

Figure 2. Half Asset Declarations Selected for Full Verification Have Signs of Corruption



Source: NACP, IMF staff calculations.

48. Identified violations by the NACP are disproportionately concentrated in local government, which accounted for 43 percent of cases, with 186 cases involving local deputies. This pattern reflects elevated and structurally embedded corruption risks in decentralized administration, particularly in areas involving land management and local budget allocation. It underscores that administrative verification alone is insufficient to address the systemic governance vulnerabilities present at the sub-national level.

49. Notwithstanding the improvement in detection effectiveness, the conversion of NACP findings into final judicial sanctions remains limited. In 2025, the NACP transmitted 369 reasoned conclusions to law enforcement for criminal prosecution. These resulted in 12 guilty verdicts, a marked improvement from zero verdicts in 2021, but a conversion rate that remains low relative to the volume of referrals and reflects the broader systemic delays in the judicial pipeline for high-level corruption cases.

Accelerating the translation of NACP investigative findings into enforceable judicial outcomes requires sustained institutional attention to evidentiary standards, prosecutorial prioritization, and court capacity.

50. The notification to declarants during the verification process should remain reasonable and not be excessive to the point of being operationally counterproductive. Procedural transparency is an institutional imperative and a legal requirement. However, the potential for excessive notifications to declarants can generate unnecessary administrative burden for the NACP, creates unwarranted anxiety for compliant declarants, and affords subjects of active investigations tactical opportunities to obstruct or circumvent the verification process. Notification procedures should remain focused on the two key procedural milestones, specifically, the initiation of FV and the issuance of formal findings. This ensures that transparency obligations are met without compromising investigative integrity or operational efficiency.

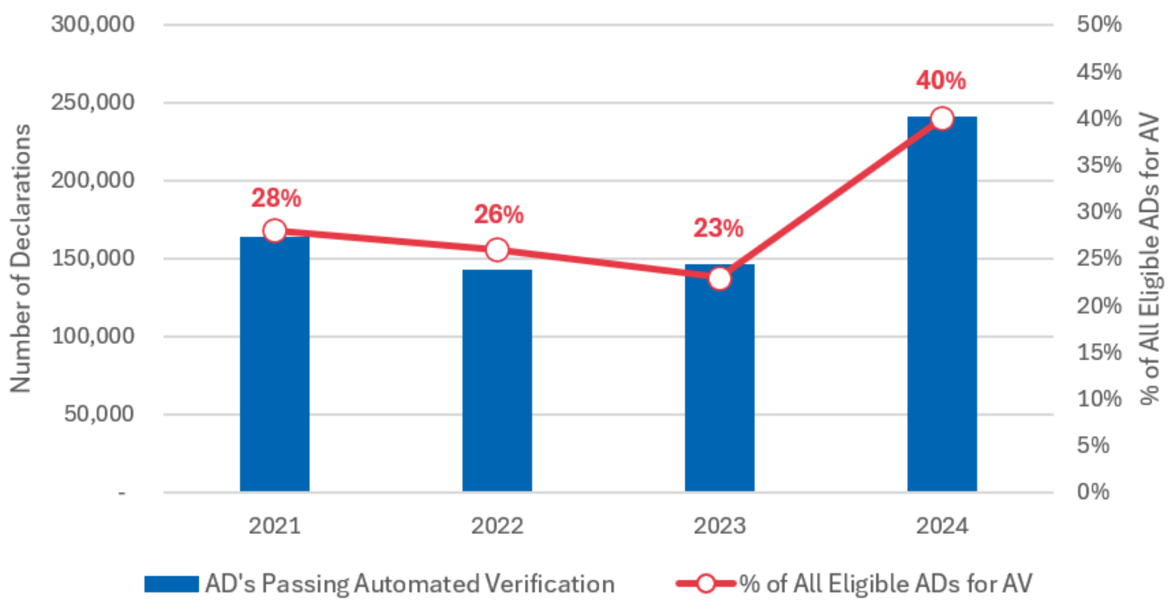
51. The Full Verification Unit, established on March 18, 2015, operates with a staffing level that is critically disproportionate to the scale of its mandate. The unit was staffed by an average of 19 specialists in 2024, declining marginally to 18 in 2025. This lean workforce is required to conduct forensically rigorous audits of complex financial declarations involving significant asset values and sophisticated concealment techniques. The structural mismatch between the unit's staffing level and its oversight mandate constitutes a material constraint on the NACP's capacity to expand full verification coverage, improve referral quality, and sustain the momentum of the RBA-driven improvement in detection effectiveness.

Automated Verification

52. The operational relevance and legal basis of the NACP's AV mechanism warrant a comprehensive institutional audit. The 2023 EA Commission Report identified this "simplified verification track" as potentially lacking a firm legal foundation, generating procedural duplications without providing commensurate or unique investigative value. These concerns are not confined to the external evaluation: CSOs have also independently raised substantive questions regarding the legal basis of the applicable procedures. A structured review of the AV mechanism's statutory grounding and operational rationale will determine whether it is duplicative or adequately distinguished from the LAC framework.

53. Furthermore, the current AV carries a significant risk of creating a misleading impression of compliance both for declarants and the broader public. By issuing certificates of successful verification based on AV alone, the system may inadvertently characterize substantive irregularities as "clerical noise", allowing minor technical discrepancies to generate false positives. Meanwhile, higher-level risks could remain undetected and unaddressed. These dynamic risks reducing AD oversight to a procedural formality that prioritizes administrative volume over qualitative integrity. This can potentially undermine public trust in the NACP's oversight. To address this structural weakness, the NACP must ensure that its verification methodologies are publicly explained and strictly calibrated toward the detection of high-impact corruption and moving decisively beyond the current "black box" perception that undermines institutional credibility.

Figure 3. Asset Declarations Passing Automated Verification Have Been Increasing



Source: NACP, IMF staff calculations.

54. The NACP's current operational terminology (framing its AV tools as instruments for "ascertaining the reliability of information" or "ascertaining the legality of wealth") creates a significant and compounding conceptual and legal risk. By deploying this language, the NACP implicitly positions itself as a guarantor of a declarant's financial integrity: a standard that is both institutionally unattainable and legally indefensible given the inherent limitations of automated cross-referencing. The NACP should discontinue the practice of issuing compliance certificates that imply affirmative verification of a declarant's integrity, replacing this approach with risk-tiered findings that accurately reflect the scope and limitations of the verification methodology applied.[32]

Transparency of Verification Methodology

55. The progressive refinement and layering of the NACP's internal verification regulations (particularly the AV process) has produced a level of administrative complexity that undermines legal certainty and objective oversight.[33] Excessive procedural elaboration creates institutional bottlenecks that slow verification timelines, generate interpretive ambiguity for NACP staff, and obscure accountability for investigative outcomes. Regulatory frameworks governing asset declaration oversight should be proportionate, internally coherent, and operationally legible, prioritizing clarity of mandate and efficiency of process over procedural comprehensiveness. A systematic review and consolidation of the NACP's verification regulations specifically with respect to AV is warranted, with the objective of

[32] The draft Anti-Corruption Strategy is noted to provide for the legislative regulation for the AV procedure.

[33] NACP Procedure No. 26/2 underwent legal review during its registration with the Ministry of Justice.

eliminating redundant procedural layers, resolving internal inconsistencies, and establishing streamlined regulatory architecture that supports rather than constrains effective oversight.

56. A critical institutional challenge for the NACP lies in the transparency of its verification methodology. A structural tension exists between the operational necessity of protecting sensitive risk indicators and algorithmic formulas underlying the LAC and FV Frameworks (“secret sauce”) and the imperative of avoiding a “black box” perception that undermines declarant confidence and civil society trust in the objectivity of the oversight process. Resolving this tension requires the NACP to establish clear, publicly available principles governing what information regarding its verification methodologies can be publicly disclosed without compromising the investigative integrity. At a minimum, the NACP’s Public Council should be formally empowered to monitor the conduct of audits and verification procedures and to engage substantively with a designated Technical Audit Working Group (TAWG), which will provide a structured channel for oversight that does not require full disclosure of sensitive operational parameters.

57. Collective findings from the 2023 EA Commission Report and other assessments identify a critical transparency deficit within the NACP’s LAC framework. The EA Commission found that the 2024 LAC rules were “shielded from public view by being embedded directly into the Register’s non-disclosable program code,” a measure that directly contradicts expert recommendations that these rules remain accessible to the NACP Supervisory Board and international monitors as a safeguard against algorithmic bias and institutional capture. This lack of transparency is compounded by a related operational deficiency: the system may generate “false alarms,” i.e., high-risk alerts triggered by minor clerical errors rather than substantive corruption indicators. This reflects a potential misalignment between the technical fields of the declaration form and the underlying LAC formulas, resulting in an inefficient drain on the limited human resources available for FV.

58. To address this transparency and accountability gap, the establishment of an independent TAWG is recommended. This audit body could operate under the aegis of the NACP Public Council and be composed of external technical experts with relevant expertise and subject to pre-determined confidentiality and non-disclosure agreements. Alternatively, the TAWG could be constituted with independent experts mobilized under the NACP’s external independent audit or through technical assistance from international partners. The TAWG’s mandate would encompass the periodically confidential review of IT and technical aspects of the LAC rules, risk-scoring, and FV procedures, with the objective of ensuring that the algorithms remain objective, methodologically sound, current, and free from systemic bias. The TAWG would function as a structured “peer review” mechanism with sufficient access to technical information and documentation, providing an independent layer of review and provide recommendations for the NACP's verification logic (including testing or sampling), while preserving the confidentiality of sensitive investigative techniques and operational parameters. Critically, the TAWG’s published terms of reference must include legally binding confidentiality obligations commensurate with the sensitivity of the information reviewed, ensuring that independent oversight does not compromise the integrity of the NACP’s enforcement function. The TAWG’s non-sensitive findings and recommendations should also be published.

59. The proposed TAWG mechanism addresses a fundamental governance principle. No verification system, no matter how technically sophisticated, should operate as an unreviewed "black box," insulated from any form of independent scrutiny. By institutionalizing a confidential but structured peer review process, the NACP can simultaneously protect its investigative capacity and demonstrate the objectivity and integrity of its oversight methodology to declarants, civil society, and international partners.

Key Performance Indicators (Verifications)

60. In a disclosure system of Ukraine's scale and complexity, prioritizing verification resources through a rigorous risk-based approach is an operational necessity rather than a strategic option. Effective implementation requires a systemic institutional commitment to identifying emerging corruption patterns and iteratively adjusting verification methodologies to counter evolving risks. Two enabling conditions are critical: a specialized, analytically capable verification NACP workforce, and a robust technological infrastructure capable of automated, large-scale cross-referencing across the full spectrum of state registries and databases. While the NACP has automated access to key public registers, a primary hurdle remains the lack of historical data digitization. For example, for real estate registered before 2013, the “BTI Electronic Archive” remains incomplete. Furthermore, data synchronization issues persist. Income categories in tax records do not always align with declaration fields, and older vehicle records often lack modern identification numbers (RNOKPP or UNZR). NACP had direct access to banking data since legislative amendments in July 2021 (abolishing the need for judicial approval). However, the system lacks a unified bank account registry and faces international restrictions on accessing foreign asset data despite Ukraine’s participation in the Common Reporting Standard (CRS). These limitations are exacerbated by a funding shortfall that has stalled the construction of a centralized Data Warehouse (DWH), which was intended to streamline advanced automated analysis and data accumulation. In this regard, a material gap persists: the automated data accumulation and analysis system (Data Warehouse, DWH), envisaged under Measure 1.4.3.2.3 of the State Anti-Corruption Program for 2023–2025 to significantly streamline information processing and analytical workflows, could not be developed due to insufficient funding. Closing this infrastructure gap constitutes a priority investment for the operational sustainability and effectiveness of the NACP's verification mandate.

61. The current Key Performance Indicator (KPI) framework, established by Government Resolution in 2018 and mandating a fixed minimum of 1,000 FVs annually, constitutes a structural bottleneck that materially constrains the NACP's strategic and operational effectiveness. By tying institutional performance to a rigid quantitative threshold, the framework creates a “volume trap” that incentivizes the NACP to prioritize the number of completed verifications over their qualitative impact and investigative significance. In practice, compliance with this quota may systematically steer verification resources toward simpler, lower-risk cases that are administratively easier to close, at the direct expense of the complex, high-stakes investigations into illicit enrichment and unjustified assets that represent the most significant corruption threats. This misalignment between the performance framework and the NACP’s core anti-corruption mandate undermines both the strategic orientation and the institutional credibility of the verification function.

62. Given that the current KPI threshold is established by Government Resolution, and is therefore adjustable without legislative amendment, its revision constitutes an immediately actionable reform priority. After consultation of the stakeholders, the existing quota-based metric should be replaced by a suite of impact-oriented performance indicators rooted in the risk-based approach. Verification targets should shift from volume-based metrics (e.g., 1,000 verifications per year) to outcome-focused indicators measuring the quality, effectiveness and deterrent impact of the verification process. This should include:

- **Detection Effectiveness ("Hit Rate").** The percentage of FV resulting in the identification of a substantive legal violation (justified conclusions), measuring the precision and targeting quality of the verification process.
- **Referral Volume and Financial Value.** The number and aggregate financial value of formal notifications transmitted to key enforcement partners such as the NABU and SAPO, as a measure of the NACP's contribution to the broader anti-corruption enforcement chain, as well as instances of information sharing with State Financial Monitoring Service (for money laundering) and tax authorities (for tax crimes).
- **Asset Recovery Value**. The total value of assets confirmed as unjustified and recovered through final judicial decisions in NACP-initiated proceedings, providing a direct measure of the system's financial integrity impact *(See Annex I).*

63. **This transition from volume-based to impact-based performance measurement would realign institutional incentives with the NACP's core ADS mandate**. Thus, verification resources can be systematically directed toward the highest-risk cases and the most significant corruption threats. Transparency and accountability in the verification process depend fundamentally on the consistent and timely publication of these KPIs. Public disclosure is a prerequisite for meaningful external oversight, enabling civil society, international partners, and the broader public to scrutinize institutional performance and ensure that verification efforts translate into tangible anti-corruption outcomes.

C. Enhancing Lifestyle Monitoring (LSM)

64. **LSM constitutes a distinct and strategically significant instrument within the NACP's oversight architecture**. During the 2022–2023 martial law period when the standard asset declaration cycle was suspended, LSM served as the primary mechanism for financial oversight of public officials, benchmarking declared income against observable living standards through OSINT and whistleblower reports. Its continued operational relevance extends well beyond the wartime context, as it addresses a structural limitation of document-based verification: the inability to detect illicit wealth that is deliberately concealed outside the formal declaration framework.[34]

Table 3. NACP's Number of Completed LSM Cases

	2023	2024	2025
Completed LSM Cases	553	186	223

Source: NACP.

65. **The legal framework governing discrepancies identified through LSM establishes a dual enforcement track (civil and criminal)**. Where unexplained assets are identified, the NACP may initiate civil forfeiture proceedings, under which the burden of proving the legitimacy of declared wealth rests with the official, a standard that operates independently of any criminal conviction. Where the value of

[34] The NACP receives roughly 6,000 corruption-related reports per year, which are filtered and channeled to either the FV or LSM Units. High-risk sectors identified in 2023–2025 include: customs and border control; territorial recruitment centers; urban construction and reconstruction; medical exemptions from service; and public procurement and defense logistics.

unexplained assets exceeds approximately UAH9 million, the case is reclassified as the criminal offense of illicit enrichment under Article 368-5 of the Criminal Code, transferring investigative responsibility to NABU and SAPO.

66. While the civil track is operationally more efficient considering the reversed burden of proof, the UAH 6.5 million threshold for criminal reclassification introduces a structural vulnerability that sophisticated actors may exploit through three distinct tactical approaches:

- **Threshold Manipulation**. A subject unable to establish the legitimacy of a moderate unexplained amount (e.g., UAH 4 million), which would expose them to swift civil forfeiture, may strategically disclose or claim additional unexplained assets to breach the UAH 6.5 million threshold, thereby forcing criminal reclassification and the more favorable evidentiary standard that accompanies it.
- **Burden of Proof Arbitrage**. Reclassification to the criminal track shifts the evidentiary burden from the declarant (who must prove legitimacy under civil procedure) to the State (which must establish illicit enrichment beyond a reasonable doubt under the criminal standard), materially increasing the evidentiary threshold required for a successful outcome.
- **Procedural Attrition**. Criminal proceedings involving high-level corruption are substantially more complex and protracted than civil asset recovery. Subjects may exploit extended pre-trial investigation periods and successive appellate layers to defer a final determination for years, during which assets may be further concealed or dissipated.

These vulnerabilities warrant legislative review of the civil-criminal threshold, with a view to closing the tactical space available to subjects seeking to exploit the evidentiary differential between the two tracks.

67. To address concerns regarding the adequacy of the legal basis for LSM and the risk of administrative arbitrariness, the NACP adopted Order No. 236/23 of October 26, 2023, establishing a binding procedural framework that supersedes the prior reliance on informal operational recommendations. Under this framework, the initiation of an LSM procedure is no longer a matter of individual agent discretion: it requires a formal memorandum from the head of an independent structural unit within the NACP, specifically documenting objective evidence of a discrepancy between the official's observable living standards and their declared assets. This centralized authorization requirement ensures that monitoring is triggered exclusively by documented, newly discovered facts, providing a structural safeguard against unauthorized, arbitrary, or politically motivated investigations.

68. The procedure also further safeguards the rights of monitored officials. Upon completion, a detailed memorandum must be prepared documenting the measures undertaken, the factual findings regarding the official's standard of living, and any consequent enforcement actions. The NACP is legally obligated to notify the declarant of the outcome within five working days through the Unified State Register of Declarations or official electronic communication. This ensures procedural transparency at the conclusion of the monitoring process without compromising the integrity of ongoing investigations.

69. Two structural parameters of the LSM framework require legislative clarification to ensure both operational effectiveness and legal certainty. First, regarding duration, the absence of statutory guidelines for the permissible length of an LSM procedure creates a risk of indefinite investigation that is incompatible with the rule of law and the rights of monitored officials. A statutory minimum baseline (e.g., six months) could be established through modification of NACP's regulatory framework, providing investigators with sufficient operational time while ensuring that subjects are not exposed to open-ended monitoring. Critically, this baseline must not function as a mandatory completion cap. Informed by the agency's strategic priorities and sectoral risk assessments, the NACP should issue a public annual directive designating priority sectors for LSM. Such transparency in targeting would reinforce public confidence in the integrity and objectivity of the verification process. The NACP's regulatory framework should explicitly provide for justified extensions, particularly in cases requiring information from foreign jurisdictions, international databases, or multilateral asset recovery networks to verify the legitimacy of offshore assets and cross-border financial flows. Second, regarding post-mandate jurisdiction, the current framework's restriction of LSM to the period of active service constitutes a material enforcement gap. Illicit wealth is frequently structured to manifest or be transferred only after an official has left office, precisely to exploit the expiration of oversight jurisdiction. To effectively address this pattern, amendments to the legal framework will be needed to legally empower the NACP to conduct longitudinal financial analysis spanning both the period of service and a defined post-mandate window, consistent with the applicable statute of limitations for illicit enrichment. This temporal scope, which the HACC has validated in relevant proceedings, is operationally necessary to distinguish between pre-existing legitimate assets and the deferred accumulation of wealth characteristic of sophisticated high-level corruption schemes.

70. LSM represents a doctrinal departure from traditional document-based asset declaration audits. Rather than examining the declaration itself, it subjects the declarant, their observable behavior, living standards, and the financial activities of related persons, to ongoing investigative scrutiny. This person-centric approach has limited direct international comparators. However, its legitimate objective, the detection and prevention of high-level white-collar crime and systemic corruption, is well-established in comparative anti-corruption frameworks and is of particular relevance in the Ukrainian context given the scale and sophistication of the corruption risks identified. The question of whether LSM should remain institutionally anchored within the NACP or be repositioned within a broader law enforcement architecture warrants explicit policy deliberation, given its inherently quasi-judicial character and its operational proximity to criminal investigation functions.

71. The current staffing level dedicated to LSM (fewer than twenty specialists) constitutes another significant strategic bottleneck that constrains the NACP's operational reach and investigative depth. To maximize the impact of this limited human resource, the NACP must relieve its LSM team of administrative and clerical processing tasks, concentrating their specialized expertise exclusively on the most complex and high-value cases of illicit enrichment and financial crime. Sectoral prioritization within the LAC framework should explicitly target high-risk areas such as the energy sector, construction, and war-related procurement and expenditure, where the convergence of significant public resources and reduced oversight creates acute corruption vulnerabilities. Concentrating LSM resources on top-tier officials and their related persons, particularly those exercising discretionary authority over high-value public assets, is both a proportional and strategically sound allocation of the NACP's investigative capacity.

Key Performance Indicators (Lifestyle Monitoring)

72. Given the targeted, intelligence-driven nature of LSM, traditional volume-based KPIs are ill-suited to measuring their institutional effectiveness. The NACP must instead develop a suite of impact-oriented metrics that accurately reflect the function's qualitative contribution to anti-corruption enforcement, while respecting the privacy rights of monitored individuals and the confidentiality of ongoing investigations. The publication of full individual case results is inadvisable: the anonymization required to comply with privacy obligations would strip case reports of their contextual value, rendering them ineffective as instruments of public oversight. Instead, the NACP should report high-level aggregated statistics structured around the following indicators (subject to the necessity of amending the LPC and other relevant regulations):

- **Monitoring Intensity by Branch**. The total number of lifestyle monitoring procedures initiated for executive officials (Ministers and Category "A" civil servants), legislative members (People's Deputies), and judicial officers (Supreme Court, CCU, and ordinary judges), disaggregated by branch to enable targeted accountability.
- **Systemic Hit Rate**. The percentage of completed procedures in which unexplained wealth (justified conclusions) was identified within each institutional category, providing a measure of detection precision and investigative targeting quality.
- **Enforcement Outcomes**. A disaggregated account of civil forfeiture proceedings initiated for assets below the UAH 6.5 million threshold and criminal referrals transmitted to NABU for illicit enrichment cases exceeding that threshold with the aggregate financial value of assets subject to each track reported separately.
- **International Asset Detection Rate**. The proportion of cases requiring formal international data exchanges or multilateral cooperation mechanisms to verify the legitimacy of foreign-held assets, as a measure of the NACP's cross-border investigative reach and effectiveness *(See Annex I).*

73. Collectively, publication of these metrics would provide the public, CSOs and international partners with a transparent, institutionally meaningful "integrity heat map" of the NACP's LSM function, without compromising individual fundamental rights or the operational security of active investigations.

74. LSM and FV are institutionally and doctrinally distinct oversight instruments, and their respective procedural timelines must reflect this distinction. FV is appropriately subject to a strict statutory timeline of 120 days (extendable by 60 days), consistent with its document-based and administratively bound character.[35] Imposing analogous procedural deadlines on LSM would, however, be operationally counterproductive. Given that LSM is inherently linked to the duration of an official's mandate or term of office and should extend, at a minimum, to cover the applicable statute of limitations for illicit enrichment, rigid administrative deadlines are structurally incompatible with the function's investigative logic. The statutory framework should instead establish a flexible, mandate-linked timeline for LSM, with clearly defined conditions for extension and a formal review mechanism to ensure that open procedures remain active and justified rather than indefinitely dormant.

D. Inter-agency cooperation (Domestic and Foreign) and Sanctions

75. Asset declarations are most effective when understood as a tool for wealth monitoring. To understand how a modern state prevents corruption, it is helpful to think of asset declarations as a "financial physical exam" for public officials (in addition to being a standalone transparency exercise).

[35] The FV may be conducted during the period of the declarant's activity related to state/local government functions, and within three years after the termination of such activity.

International best practices suggest that the most effective way to verify these exams is by comparing them to official tax records, which serve as the definitive record of an individual's legal earnings. In this context, the tax authority is the most logical partner for wealth monitoring, as it holds the primary data on income and assets required to validate an official's claims. A critical challenge in the Ukrainian anti-corruption framework is that the degree of effectiveness of tax administration, despite being the most logical partner for wealth monitoring. It is important to take into account that to the extent public officials' declarations serve the purpose of wealth monitoring, the functions of such systems inevitably overlap with those of the tax administration. Strengthening the integration of tax data into the verification framework, including through systematic referral of significant undeclared income, would provide high-quality risk signals to improve targeting under the LAC system. However, the effectiveness of the tax authority as a partner for wealth monitoring remains constrained, as current practices do not systematically leverage asset information to infer undeclared income, and underlying asset registries are incomplete.

76. In a standard administrative model, the tax administration should be the most competent body to monitor income and prevent enrichment from illicit, hence untaxed, sources. In Ukraine, however, both the NACP and the tax authority operate with significant information gaps. The absence of a Unified Register of Bank Accounts prevents either institution from obtaining a consolidated view of an individual's domestic financial relationships, while the lack of access to primary financial monitoring data collected by banks further limits the effectiveness of income and asset cross-verification. Aligning the data infrastructure of the tax authority with the NACP's integrity-focused audits is therefore essential to building a coherent, automated, and risk-based system for detecting unjustified wealth.

77. Ukraine marked a significant step forward in September 2024 by launching the automatic exchange of information under the Common Reporting Standard (CRS). Although this data is key for the NACP to uncover concealed foreign accounts and evidence of illicit enrichment, the NACP has not been granted access to CRS records, owing to the strict confidentiality requirements of the Multilateral Competent Authority Agreement (MCAA-CRS) and the Convention on Mutual Administrative Assistance in Tax Matters. These international frameworks, mirrored by the Tax Code of Ukraine, generally limit the use of such data strictly to tax administration and tax-related criminal prosecutions. Consequently, while the legal framework for international data sharing is active, the NACP remains sidelined from this intelligence stream unless specific national legislative changes are made and the providing jurisdictions grant explicit prior consent to broaden the data's use. Similarly, the legislature should establish an obligation for the tax authority to notify the NACP of cases involving undeclared income exceeding asset declaration offense thresholds, ensuring that international and domestic tax intelligence effectively feeds into the anti-corruption enforcement chain.

78. Inter-agency cooperation, both domestic and foreign, serves as a critical operational enabler for the effectiveness of Ukraine's anti-corruption architecture. At the international level, the NACP's ability to identify and trace assets held abroad is materially dependent on its partnership with the Asset Recovery and Management of Ukraine (ARMA).[36] Between July 2024 and December 2025, the NACP issued 75 formal requests to ARMA specifically targeting the identification and tracing of assets held outside of Ukraine by declarants and their family members. This reflects the growing operational significance of cross-border asset detection in the context of risks of wartime capital outflows and the

[36] ARMA is the central executive body primarily responsible for finding, tracing and managing assets that are subject to seizure in criminal proceedings.

deliberate offshoring of illicit wealth. Sustaining and deepening this partnership, including through the expansion of formal information-sharing arrangements with foreign financial intelligence units and international asset recovery networks, is essential to ensuring that cross-border asset concealment does not constitute a systematic evasion pathway beyond the reach of domestic oversight.

79. **At the domestic level, the operational effectiveness of the NACP-NABU-SAPO enforcement chain is still evolving.** Approximately 60 percent of civil confiscation decisions issued by the HACC are currently driven by materials generated through the NACP's LSM function, a metric that underscores the NACP's investigative contribution to the broader anti-corruption enforcement architecture. Notwithstanding this demonstrated effectiveness, two structural gaps constrain the NACP's domestic investigative capacity and warrant priority legislative attention. *First*, Ukraine does not currently maintain a Unified Register of Bank Accounts, an instrument that exists in a number of comparator jurisdictions and that would enable the NACP to identify the full scope of a declarant's banking relationships across all domestic financial institutions without reliance on individual, institution-by-institution requests. The absence of this infrastructure materially limits the NACP's ability to cross-reference declared assets against actual financial holdings in a timely and systematic manner. *Second*, the NACP currently lacks direct access to the documentation gathered by banking institutions during primary financial monitoring procedures under AML obligations. This information, which includes customer due diligence records, suspicious transaction reports, and beneficial ownership data, is of direct investigative relevance to LSM and FV procedures. Establishing a formal, legally grounded mechanism for the NACP to access this data, subject to appropriate confidentiality and data protection safeguards, would materially strengthen its capacity to detect undisclosed financial interests and corroborate or challenge declared asset positions. Closing both gaps constitutes a priority reform measure for strengthening the domestic inter-agency architecture underpinning Ukraine's asset declaration and anti-corruption enforcement system.

80. **The next part will describe specific NACP cooperation mechanisms with key domestic public agencies**. In particular, this will cover the NABU, SAPO and SFMS.

National Anti-Corruption Bureau of Ukraine (NABU)

81. **Effective coordination between NACP and NABU is critical to ensure that asset declaration violations and illicit enrichment cases are identified, investigated, and prosecuted in a timely and credible manner.** The NABU (along with the SAPO) constitutes a principal anti-corruption enforcement institution in Ukraine, targeting high-level officeholders and the most systemically significant corruption risks. Structural cooperation among the NACP, NABU, and SAPO has progressed through targeted joint workshops and coordinated training initiatives. The 2023 EA Commission Report acknowledged this progress explicitly, noting that compared to the period before 2020, cooperation between the NACP and law enforcement agencies had improved, facilitating more effective investigations into false declarations or illegal enrichment. This finding reflects a fundamental shift from institutional friction to operational coordination within the anti-corruption enforcement chain.

82. **Notwithstanding this progress, persistent differences in institutional perceptions continue to constrain full operational effectiveness**. The NACP reports a prioritization deficit: investigative findings produced through months of verification work do not consistently receive timely or high-level attention from law enforcement partners, reducing the operational impact of referrals. NABU and SAPO, conversely, identify a quality deficit: materials and reasoned conclusions submitted by the NACP

frequently lack the forensic depth and evidentiary rigor required to meet the criminal standard of proof in judicial proceedings.

83. **This tension reflects a structural bottleneck inherent in the transition from administrative audit to criminal prosecution**. While the NACP functions effectively as an early-warning and evidence-generation mechanism, converting administrative findings into prosecution-ready referrals requires a more integrated, real-time feedback loop between the NACP and its law enforcement partners. Recalibrating the NACP's KPI framework by incorporating referral quality and judicial conversion rates as performance metrics would create institutional incentives aligned with this objective and accelerate the evolution toward a coherent, prosecution-oriented referral standard.

84. **A related challenge concerns a persistent statistical disconnect arising from divergent institutional counting methodologies**. NABU's internal tracking records indicate that more than 100 NACP-generated files (justified conclusions) were processed over the past two years, of which approximately 70 percent provided good and relevant information for initiating new pre-trial investigations or integration into existing criminal proceedings. This conversion rate is operationally significant but masks underlying institutional friction regarding the applicable standard of proof. The NACP maintains that a higher volume of judicial decisions is necessary to establish the body of case law required to clarify evidentiary thresholds for asset declaration offenses and illicit enrichment; NABU and SAPO have historically raised concerns about the forensic adequacy of referred materials to meet the criminal burden of proof.

85. **Recent developments suggest, however, that this divergence is narrowing**. Strategic workshops, including the December 2024 round table, have begun to harmonize institutional perspectives, with NABU noting that the NACP outputs are relevant and of appropriate quality, a marked shift from prior assessments. While the prioritization–quality debate has not been fully resolved, the trajectory indicates a convergence toward a unified legal approach in which NACP administrative findings are increasingly calibrated to meet the evidentiary requirements of the HACC. Sustaining this momentum requires the accumulation of a sufficient body of judicial decisions to definitively clarify the evidentiary standard applicable to NACP-generated referrals, a gap that remains a structural priority for the anti-corruption enforcement system.

Specialized Anti-Corruption Prosecutor's Office (SAPO)

86. **SAPO's operational feedback reflects a material improvement in the quality of NACP-generated investigative materials**. Referrals produced in 2022 and 2023 were frequently assessed as insufficiently developed for criminal prosecution; the subsequent integration of LSM into the NACP's verification methodology has demonstrably shifted this trajectory, with SAPO characterizing recent outputs as "very targeted" and operationally actionable. This assessment corroborates the convergence narrative identified in the NACP–NABU–SAPO cooperation framework and underscores the investigative value added by LSM as a distinct enforcement instrument.

87. **Expanding the NACP's role in lower-value civil confiscation cases could improve enforcement efficiency, provided that institutional mandates and jurisdictional boundaries are clearly defined.** SAPO expressed conditional support for this reform, provided that clear jurisdictional boundaries are established among the NACP, NABU, SAPO, and the courts**.** Such a mandate may be operationally feasible provided that clear and legally precise jurisdictional criteria are established to

delineate the respective competencies of the NACP, NABU, SAPO, and the courts. SAPO notes, however, that the practical impact on the HACC would likely be negligible, as lower-value cases of this nature are more appropriately routed to courts of general jurisdiction, an arrangement that would also mitigate the risk of institutional overlap with the HACC's specialized mandate.

88. **SAPO further affirms the significance of the consensus reached during recent joint meetings of the NACP, NABU, and SAPO, in which general evidentiary rules were established to identify indicators of corruption offenses**. To ensure that these rules are both legally sound and operationally durable, SAPO emphasizes that the agreed framework should be subject to independent expert review, engaging legal scholars, technical specialists, and relevant stakeholders, prior to formal adoption. This vetting process is essential to identify and correct potential material errors that could undermine the evidentiary integrity and long-term enforceability of financial control measures in judicial proceedings.

The State Financial Monitoring Service (SFMS)

89. **Corruption is one of the most significant ML threats according to Ukraine's recent National Risk Assessment.** The SMFS (Ukraine's FIU) is an administrative type of FIU and has the status of an independent central executive agency in Ukraine. It occupies a pivotal institutional position at the intersection of financial intelligence and anti-corruption enforcement.

90. **Identifying and verifying assets held abroad remains a paramount challenge for anti-corruption agencies.** Domestic monitoring bodies often lack the direct legal authority or technical means to access financial data beyond their immediate jurisdiction. Because information exchange protocols and asset declaration regulations vary significantly across borders, the success of international verifications depends almost entirely on the strength of the country's FIU and the robustness of its international cooperation frameworks.

91. **Overcoming this structural limitation requires a multi-pronged institutional response**. This includes securing the legislative mandate to access foreign property registers; building staff capacity in advanced OSINT and cross-jurisdictional data analysis; and establishing formal bilateral and multilateral information-sharing agreements, prioritizing jurisdictions where Ukrainian declarants are most likely to hold assets. Support for regional transparency initiatives and participation in international asset recovery networks are equally critical to ensuring that foreign-held wealth does not constitute a safe haven for illicit enrichment beyond the reach of domestic enforcement.

92. **The strengthening of the NACP-SFMS partnership faced significant scrutiny from the External Audit.** The 2023 EA Commission Report emphasized that international standards preclude unrestricted access to the FIU's financial registers and critiques the NACP for failing to proactively initiate new MoUs to formalize deeper cooperation. While a foundational framework exists through the 2016 Agreement on Interdepartmental Cooperation, the operational output remains indeed relatively low; according to the SFMS, only 31 notifications were received from the NACP between 2022 and February 2026—comprising 3 in 2022, 13 in 2023, 7 in 2024, and 8 in 2025. This situation is further complicated by a desire for reciprocity, as SFMS has explicitly signaled its wish for the same level of direct access to NACP's electronic declarations as currently enjoyed by NABU. This reciprocal data flow is seen as essential to aligning financial intelligence with anti-corruption oversight, though it requires navigating the strict confidentiality protocols governing FIU data.

93. To effectively pierce the veil of assets held in foreign jurisdictions, Ukraine must pursue a targeted legislative evolution that formally empowers the SFMS to disseminate financial intelligence analysis to the NACP. The most operationally efficient pathway involves a statutory amendment designating the NACP as a competent authority for combating corruption and corruption-related money laundering, thereby providing the legal basis for the SFMS to share internationally sourced financial analysis with the NACP. This reform should incorporate two complementary elements:

- **a. Mandatory Data Facilitation**. Spontaneous information dissemination by the SFMS and tax authority to the NACP should be permitted to facilitate data exchanges through their respective international networks, subject to applicable confidentiality requirements. This ensures that the NACP can access foreign financial intelligence through established inter-agency channels without requiring direct access to raw FIU data[37].

- **b. Legal Presumption of Money Laundering or Tax Evasion**. The introduction of a legal presumption that undeclared wealth identified during NACP verification proceedings constitutes potential tax evasion or money laundering, creating a structured pathway for referral to the SFMS or tax authority and strengthening the evidentiary foundation for downstream enforcement.

94. These reforms align with international AML/CFT standards. FATF Recommendations 2 and 40 champion operational cooperation and the indirect exchange of information between agencies to ensure that competent authorities can coordinate policies effectively. Ultimately, because corruption and money laundering are functionally linked, with one generating the illicit proceeds the other seeks to conceal, bridging the gap between the NACP and SFMS intelligence is essential for ensuring that wealth hidden abroad is no longer beyond the reach of the law.

Sanctions

95. Through successive amendments, a highly complex legal framework has been established that intermingles different types of liability and, consequently, various public entities responsible for overseeing them. The excessive refinement of monetary thresholds leads, on one hand, to potential misinterpretation: by declarants regarding the nature of their liability, and by CSOs regarding the proportionality of breaches, often confusing simple administrative errors with clear criminal conduct. The EU Enlargement Report for Ukraine recommended indeed to strengthen the capacities and focus of NACP to detect unexplained wealth and "to amend the Criminal Procedure Code to alleviate impediments and procedural delays to the efficient holding of criminal proceedings, particularly in high-level corruption cases".[38]

96. On the other hand, public administrations, law enforcement agencies, and the judiciary cannot effectively contribute to either prevention or prosecution as long as the nature and intrinsic severity of the sanctioned behaviors are not clearly understood. It is therefore appropriate,

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[37] In France, Ordinance 2016-1635 of December 2016 supplemented the list of administrative authorities to which the French FIU "Tracfin" can send information. It included the asset declaration oversight body (High Authority for Transparency in Public Life, HATVP) to this list. The respective revised Article L.561-31 of the French Monetary and Financial Code was adapted. (See https://www.legifrance.gouv.fr/loda/id/JORFTEXT000033511344)

[38] The EU Enlargement Report for Ukraine, November 4, 2025.

in collaboration with stakeholders, to consider simplifying the system. For instance, false declaration could only constitute a criminal offense if the declarant, having already been administratively sanctioned on these grounds, commits a subsequent false declaration (i.e., recidivism). Similarly, the relevance of legally defined monetary thresholds for determining criminal offenses should be re-examined even after the CCU decision, considering both the natural inflation of goods and services and the need for legal predictability for declarants. Transitioning from complex quantitative thresholds to a focus on demonstrable criminal intent facilitates more effective judicial adjudication. This approach aligns with traditional legal expertise, as judges are inherently more familiar with the qualitative definitions of corruption, embezzlement, and money laundering, crimes that are typically defined by behavioral elements rather than arbitrary financial triggers. By prioritizing "deliberate intent", the system moves closer to established international standards for criminal liability, ensuring that the judiciary can apply familiar legal principles to asset declaration violations.

97. To implement a graduated liability framework and distinguish administrative errors from criminal intent through "recidivism", two options for strengthening the legal framework can be explored:

> **Option 1. Recidivism-Based Criminal Threshold**. Establish a clear legal hierarchy under which a false asset declaration constitutes a criminal offense only where the declarant is a repeat offender, specifically, where an administrative sanction for the same category of breach has previously been imposed and a subsequent violation occurs. This approach links the severity of criminal liability directly to the behavioral pattern and intent of the declarant, eliminates the current conflation of administrative error and criminal conduct, and reduces the interpretive burden on the public, CSOs, and the judiciary. Robust safeguards, however, are essential to ensure the administrative track does not erode the deterrent effect of the sanction's framework. Thus, the administrative pathway should be available only where all of the following cumulative conditions are satisfied: (a) financial threshold: the value of the undeclared or falsely declared asset falls below a designated statutory criminal threshold; (b) administrative record: the declarant has no prior history of sanctions or warnings issued by the NACP; and (c) judicial record: the declarant possesses no prior criminal convictions. Failure to meet any single condition should result in automatic referral for criminal prosecution, with no discretion to divert.
>
> **Option 2. Threshold Rationalization**. Conduct a comprehensive review of the legally defined monetary thresholds used to determine criminal offenses. The reform should move away from "excessive refinement" toward broader, more predictable categories. To provide "legal predictability" for declarants and to ensure that law enforcement and the judiciary can focus their limited resources on cases of significant magnitude. By simplifying these thresholds, the system becomes more resilient to economic shifts and easier for all stakeholders to monitor.

98. To ensure that high-stakes asset recovery efforts are not derailed by procedural technicalities, Ukraine should also align its statutes of limitations with comparable practices

across EU member states.[39] At present, these periods expire far too quickly to be effective. The current legislative framework is frequently criticized for being overly restrictive and vulnerable to “simple corruption moves” designed to stall civil confiscation until the clock runs out. A critical proposed reform is the introduction of a legal mechanism to suspend the civil limitation period whenever an active criminal proceeding for illicit enrichment (under Article 368-5) is underway. By pausing the four-year window for civil recovery during a related criminal investigation, the State can prevent defendants from exploiting the latency of financial crimes to shield their assets from the state revenue, ensuring that the pursuit of justice is not defeated by the calendar.

99. The primary advantage of civil confiscation over criminal proceedings is its simplified evidentiary burden, while safeguarding the principles of legal certainty, proportionality and the right to a fair trial. The “state” needs only to demonstrate that a person lacks the legal means to have acquired specific assets, without the procedural hurdle of proving a specific underlying crime. To maximize this efficiency, the NACP has also proposed potentially doubling the threshold for illicit enrichment, a move intended to significantly expand the volume of unjustified assets subject to civil recovery. However, such an expansion is intrinsically tied to a critical legislative reform: the extension of the current four-year statute of limitations under the Civil Code to align with comparative practices across EU member states. Because the limitation period currently begins on the date of acquisition, the inherent “latency” of illicit enrichment often means that by the time suspicious assets are identified through financial monitoring, the window for recovery has already closed, rendering the existing timeframe insufficient for effective enforcement. No matter those legislative perspectives, as 2023 EA Commission Report noted, the NACP should also consider establishing a true separate system for tracking the statute of limitations to avoid the termination of cases due to delays.

[39] In May 2021, statutes of limitations were subject to an opinion by the Venice Commission: “However, the Venice Commission prefers not to take a firm stand. It finds that it might be more prudent to adopt the draft Law as proposed and re-evaluate the length of the prescription period based on practice, in particular, having regard to the possible number of cases which could not reach a final decision due to the prescription period.”

IV. Conclusion

100. The effectiveness of Ukraine's ADS is undermined by an overly expansive and highly formalistic framework that overburdens the NACP, weakens prioritization, and limits the system's capacity to support meaningful detection and recovery of illicit assets. This expansive scope, which is unmatched by other European nations, strains the NACP by forcing it to manage one of the world's largest database of public officials' assets with highly limited resources. Furthermore, the "excessive refinement" of monetary thresholds in the law leads to significant misinterpretation and inadequate business priorities. Legislative blind spots, such as the lack of a unified bank account registry and the restrictive four-year statute of limitations, further prevent the system from becoming a high-speed engine for asset recovery. The system's impact is also obscured by a lack of precise performance metrics and problematic internal operational choices that prioritize administrative volume over qualitative results. The NACP currently operates under a "volume trap" caused by a rigid, budget-linked quota requiring 1,000 full verifications per year, which poorly incentivizes the NACP. Internally, resources are often diverted toward "clerical noise" such as minor technical inaccuracies in property square footage rather than focusing the specialized expertise of its small team of only 30 authorized officials on high-impact targets. The NACP's transition toward a fully operationalized risk-based verification approach remains incomplete, with continued emphasis on administrative errors, limiting the efficiency of verification processes and constraining the deterrent impact and strategic focus of its oversight mandate.

101. During the last five years, the procedures and tools of the NACP have changed dramatically. It is therefore difficult to assess over the long term the relevance of the changes implemented, as well as their impact on the quality of the data collected and, ultimately, the output produced by the NACP. While substantive technical progress has been achieved, it is then difficult to tell if the system is getting better or just getting different.

102. The mission's findings suggest that the most binding constraints on the ADS are not technological but institutional. There is clear mismatch between the system's scale and the resources, data access, and incentive structures available to convert information into deterrence and enforcement outcomes.

103. Reforms that narrow the gap between risk identification and prosecutable (or recoverable) outcomes, especially through streamlined procedures and impact-oriented KPIs would materially strengthen the integrity value of the ADS. In this regard, the NACP is well placed to consolidate recent operational gains and to anchor a more outcome-focused integrity framework that supports Ukraine's broader anti-corruption commitments under challenging wartime conditions.

Annex I: Evolution of Ukraine's ADS

EVOLUTION OF UKRAINE'S ADS

From Fragmented Oversight to Integrated Transparency

1990s SYSTEM	CURRENT SYSTEM
RESPONSIBLE AGENCY	
Main Civil Service Department • Nominal entity • Limited oversight capacity	**National Agency for Corruption Prevention (NACP)** • Specialized independent agency • Authority to verify asset declarations
SYSTEM INTEGRATION	
Fragmented Process • Paper-based submissions • No centralized database	**Centralized Digital System** • Unified Registry platform • Real-time data integration
PUBLIC ACCESS	
Confidential • Rarely published • Limited public scrutiny	**Transparent & Open** • Publicly accessible register • Searchable online database
VERIFICATION PROCESS	
Minimal Manual Checks • Ad-hoc reviews • No systematic verification	**Advanced Data Verification** • Full Verification • Lifestyle Monitoring

LIMITED ———————————▶ COMPREHENSIVE

Annex II: Wide Range of Ukraine Databases and Registers Linked to ADS

Ministry of Justice	Ministry of Internal Affairs	State Tax Service	State Service for Maritime/River Transport
State Register of Real Estate Property Rights State Register of Encumbrances on Movable Property Unified State Register of Legal Entities, Individual Entrepreneurs, and Public Organizations (i.e., beneficial ownership information) Inheritance Register State Register of Civil Status Acts	Unified State Register of Vehicles	State Register of Individual Taxpayers	State Ship Register of Ukraine Ship Book of Ukraine

Annex III: Proposed Table of Key Performance Indicators for Ukraine's Asset Declaration and Lifestyle Monitoring

Table 1	Number of Submission of Asset Declarations by Public Officials						
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL SUBMITTED
2024							
2025							
2026							

Table 2	Number of Full Verifications of Asset Declarations by the NACP						
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL AD SUBJECT OF FULL VERIFICATION
2024							
2025							
2026							

Table 3	Asset Declarations Subject of Full Verification Resulting in NACP Justified Conclusions (Detection Effectiveness)						
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL JUSTIFIED CONCLUSIONS (FV)
2024							
2025							
2026							

Table 4	Number of Lifestyle Monitoring Completed by the NACP						
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL LSM CONDUCTED
2024							
2025							
2026							

Table 5	Number of Lifestyle Monitoring Activities Requiring Formal International Data Exchanges or Multilateral Cooperation Mechanisms						
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL LSM NEEDING INTERNATIONAL DATA EXCHANGES
2024							
2025							
2026							

Table 6	Number of NACP Justified Conclusions Found From Completed Lifestyle Monitoring						
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL JUSTIFIED CONCLUSIONS (LSM)
2024							
2025							
2026							

Table 7	Justified Conclusion Sent by the NACP to NABU (Criminal Offense) (including Financial Value)						
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL JUSTIFIED CONCLUSIONS SENT TO NABU
2024							
2025							
2026							

Table 8	Justified Conclusions Sent by the NACP to SAPO (Civil Confiscation) (including Financial Value)					
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL JUSTIFIED CONCLUSIONS SENT TO SAPO (CIVIL CONFISCATION)
2024							
2025							
2026							

Table 9	Asset Recovery Value (Total Value of Assets Recovered Through Final Judicial Decisions and based on NACP-Initiated Proceedings)						
	Officials with Particularly Responsible Positions - Executive	Members of Parliament (People's Deputies)	Officials with Particularly Responsible Positions - Judiciary	Category A Civil Servants	SOE Managers	Others	TOTAL VALUE OF ASSETS RECOVERED BASED ON NACP-CONCLUSIONS
2024							
2025							
2026							

Annex IV: Comparative Table of ADS in France and Ukraine

Aspect	France	Ukraine
Objective	To monitor the variation in a public official's wealth over time	To identify illicit enrichment and unexplained assets
Legal Basis	Law of 11 October 2013 (Articles 7 & 26)	Law on Corruption Prevention (Art. 31(4)); Criminal Code (Art. 368-5)
Competent Authority	Haute Autorité pour la transparence de la vie publique (HATVP)	National Agency on Corruption Prevention (NACP)
Procedure	Administrative control; possible public report; referral to the prosecutor	Administrative, civil, or criminal referral; possible confiscation
Thresholds	No fixed monetary threshold; focus on inconsistencies and explanations	Quantified thresholds (100–500, 500–2,000, and >2,000 subsistence minimums)
Outcome	Public report published in the Journal official and transmitted to the prosecutor	Verification certificate or referral for administrative, civil, or criminal proceedings
Sanctions[40]	Up to 3 years' imprisonment, €45,000 fine, and potential loss of civil rights	Administrative fines or criminal penalties depending on thresholds

[40] Failure to declare, concealment of substantial assets, or false evaluation is punishable by up to 3 years' imprisonment, €45,000 fine, and possible loss of civil rights or eligibility for public office.

Annex V: Key Risks from Cash and Digital Assets in Ukraine's ADS

Cash Declarations

High levels of cash circulation constitute a significant and formally recognized vulnerability in Ukraine's financial integrity framework. It is identified as a major risk in the National Risk Assessment. In conjunction with substantial cash outflows, weak border controls, and a critically limited number of money-laundering investigations involving cash couriers, unregulated cash holdings generate material negative consequences for the financial system and pose a concrete threat to economic security.

The "Cash Inflation" Phenomenon. Over the decade-long history of Ukraine's electronic ADS, a systemic practice has emerged whereby public officials artificially inflate declared cash holdings at the beginning of their careers, thereby creating a strategic financial reservoir that is subsequently invoked to justify the acquisition of high-value assets later on. The scale of this phenomenon is substantial. In 2024 alone, declared cash holdings across all submissions totaled UAH 51 billion, USD 3.12 billion, and EUR 529 million. These holdings are routinely defended through unverifiable explanations, including anonymous foreign gifts, informal family savings, and proceeds from agricultural produce sales. These are structurally immune to documentary corroboration and effectively function as a mechanism for shielding illicit enrichment from detection.

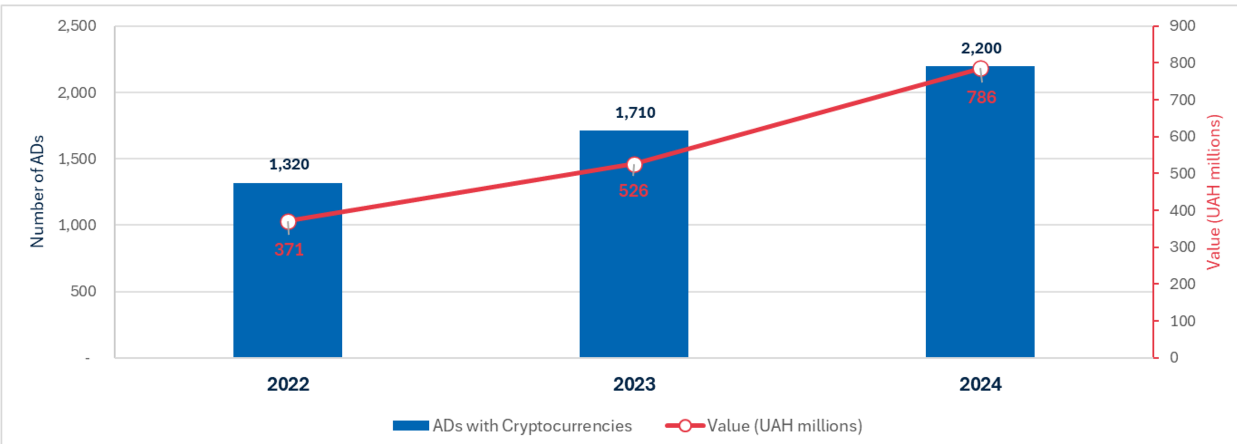
Enforcement Response. In response, the NACP has intensified its verification approach through a risk-oriented model targeting anomalous cash declarations, in close operational coordination with the NABU and other law enforcement authorities. Recent enforcement actions have demonstrated that detection is operationally feasible: cases involving regional deputies and migration officials falsely declaring millions in cash have resulted in criminal suspicion notices, and a conviction was secured for UAH 5.5 million in falsely declared funds in the Vinnytsia region.

Legislative Gap and Reform Priority. These enforcement outcomes, while significant, simultaneously expose a structural legislative gap: the absence of a statutory framework strictly regulating cash held outside the banking system. Without such regulation, "white-collar" declarants retain the legal space to deploy unverifiable cash claims as a shield against illicit enrichment proceedings. Closing this gap through the legislative reforms envisaged under the Rule of Law Roadmap constitutes a priority measure for strengthening the integrity and enforcement effectiveness of Ukraine's asset declaration system.

Digital Assets

The growing prevalence of digital assets among public officials' ADs has introduced a materially new dimension to Ukraine's ADS. The scale of declared digital assets has grown substantially. This reflects both the mainstreaming of digital assets as an investment vehicle and a growing, if uneven, degree of declarant compliance with disclosure obligations. While cryptocurrency constitutes a legitimate asset class, it is widely recognized within the AML/CFT community as a high-risk vector for the concealment of illicitly acquired wealth. The NACP confirms this characterization based on its operational experience. The NACP identified systematic patterns of abuse in which digital assets are exploited as a mechanism to obscure the origins and true ownership of illicit funds, leveraging the pseudonymous and cross-border nature of blockchain transactions to circumvent conventional verification methods.

Figure 4. Cryptocurrencies in Asset Declarations Are Increasing in Number and Amounts



Source: NACP, IMF staff calculations.

The most operationally significant violation pattern involves the declaration of non-existent digital assets. Public officials claim substantial cryptocurrency holdings purportedly acquired years prior at nominal or symbolic prices but fail to provide verifiable supporting documentation including wallet addresses, exchange account statements, or transaction records sufficient to establish the existence, ownership, or valuation of the declared assets. This practice constitutes a deliberate exploitation of the evidentiary challenges inherent in cryptocurrency verification, designed to create a notional asset base that can subsequently be invoked to justify unexplained wealth accumulation. To counter these schemes, the NACP deploys specialized blockchain analytics tools to verify transaction histories and establish beneficial ownership, in technical coordination with the Cyber Police Department. Strengthening this capacity, including through expanded access to international blockchain intelligence networks and enhanced inter-agency data-sharing arrangements, constitutes a priority area for the continued development of Ukraine's digital asset oversight framework.