

## Backwards Tracing takes a step forward

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The Privy Council recently extended the availability of ‘tracing’ in a novel way to increase the options available to states seeking to recover stolen property.

Before this decision a state could only trace property that had been altered, say by sale or transfer, into the proceeds of that alteration if those proceeds did not exist prior to the move. The process of tracing required the state to show what had happened to the property and to identify its proceeds and their recipient. This formed the basis of a claim against the recipient of the proceeds on the basis that those proceeds represented the original property. There was no tracing claim where the proceeds were already in the hands of the recipient.

The Privy Council’s extension of this principle means that where there is a ‘coordinated scheme’, property can be traced into proceeds that were in the hands of the defendant before the property was altered.

This is an extremely useful tool for states that are subject to sophisticated corruption or frauds designed to thwart recovery. We consider the claim in more detail [here](#).

### Contributors

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