



THE OBJECTIVE SIDE OF LEGALIZATION OF CRIMINAL PROCEEDS (MONEY LAUNDERING): ANALYSIS OF INTERNATIONAL STANDARDS AND NATIONAL LEGISLATION OF THE REPUBLIC OF UZBEKISTAN.

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Abstract: modern international standards and national laws strive to effectively combat the legalization of criminal proceeds, also known as money laundering. This article provides an objective analysis of international standards and national legislation of the Republic of Uzbekistan, aimed at identifying trends, methods and effectiveness of measures in combating this phenomenon by studying the objective side of this crime, as well as new typologies and schemes of money laundering.

Key words: money laundering, FATF standards, objective side, typology, scheme, cryptocurrency, financial technology .

The problem of money laundering remains relevant in the modern world, in the context of increasing international financial integration and complex economic relations. Money laundering poses a serious threat to the stability of financial systems, the legitimacy of businesses and the effectiveness of anti-corruption measures. This article is aimed at analyzing the relevance of combating money laundering, identifying the main trends and effective methods in combating this phenomenon.

The modern world economy is characterized by a high degree of internationalization of financial flows. This creates an enabling environment for money laundering as criminals can easily move funds across multiple jurisdictions, making them difficult to detect and prosecute.

With the advancement of technology and financial instruments, criminals are constantly improving their money laundering methods. From the use of cryptocurrencies to complex circumvention schemes in the banking sector, these new approaches require constantly updated strategies and tools to detect them.

The development of legislation and the introduction of new technologies play a key role in the fight against money laundering. Strict regulations, modern customer identification methods, and the use of artificial intelligence to analyze financial transactions help create more effective control systems ¹.

Money laundering not only facilitates the legalization of criminal proceeds, but also has a negative impact on economic stability. Spreading corruption, undermining the banking system and threats to legitimate businesses highlight the urgency of the problem.

Anti-money laundering requires a comprehensive and ongoing approach. Effective measures should include improved legislation, the use of innovative technologies and

¹ Ugli OBI Risks of the use of financial technologies for money laundering and terrorism financing: typologies and forecast //European International Journal of Multidisciplinary Research and Management Studies. – 2022. – T. 2. – No. 08. – pp. 15-19.

strengthened international cooperation. Research in this area plays a key role in shaping strategies and policies to promote sustainable development of the global economy.

Money laundering, also known as money laundering or money laundering, is the process by which illegally obtained funds are introduced into the legal economic system, giving the appearance of legitimate financial assets. This process involves the use of various methods and techniques to conceal the origin of criminal proceeds, create the appearance of legitimacy and ensure their free circulation in financial institutions and commercial areas ².

Money laundering has become an integral part of organized crime, providing criminals with the opportunity not only to evade responsibility, but also to use illegally acquired funds for investment, acquisition of assets and participation in legitimate business transactions. Such actions pose serious challenges for law enforcement agencies and require effective measures to combat this phenomenon ³.

The FATF Recommendation on Money Laundering states that Countries should treat money laundering as an offense under the Vienna Convention and the Palermo Convention.

The United Nations Convention **against Illicit Traffic in Narcotic Drugs and Psychotropic Substances** states in Article 3 that each Party shall take such measures as may be necessary to establish as criminal offenses under its law the following acts when committed intentionally : or the transfer of property, knowing that such property is obtained as a result of any offense or offenses established in accordance with subparagraph (a) of this paragraph, or as a result of participation in such offense or offenses, for the purpose of concealing or disguising the unlawful source of the property or in for the purpose of assisting any person involved in the commission of such offense or offenses so that he can evade responsibility for his actions; concealing or concealing the true nature, source, location, disposition, movement, true rights in or to property, knowing that such property is the result of an offense or offenses established in accordance with subparagraph (a) of this paragraph, or as a result of participation in such an offense or offences ⁴;

This is the official international term for money laundering, which represents the entire objective side.

In the Criminal Code of the Republic of Uzbekistan in Article 243, the objective side is characterized as giving a legal appearance to the origin of property (money or other property) through its transfer, transformation or exchange, as well as concealing or concealing the true nature, source, location, method of disposal, movement, authentic rights in relation to funds or other property or its accessories, if the funds or other property were obtained as a result of criminal activity ⁵.

The Law of the Republic of Uzbekistan "On combating the legalization of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction" provides an official definition, which states that the legalization of proceeds from crime is understood as a criminally punishable socially dangerous act that constitutes giving legal type of origin of funds or other property through their transfer, transformation or

²Zhang, Y., & Wang, L. (2021). "Money Laundering in the Age of Cryptocurrencies : Challenges and Regulatory Responses." *Journal of Money Laundering Control* , 24(2), 234-252. [DOI : 10.1108/ JMLC -11-2019-0125]

³Turner, K., & Green, E. (2019). "Emerging Trends in Money Laundering: A Global Perspective." *Crime, Law and Social Change*, 72(4), 401-422. [DOI: 10.1007/s10611-018-9783-z]

⁴United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of December 20, 1988

⁵Criminal Code of the Republic of Uzbekistan// <https://lex.uz/docs/111457>

exchange, as well as concealment or concealment of the true nature, source, location, method of disposal, movement, genuine rights in relation to funds or other property or its accessory, if funds or other property obtained as a result of criminal activity ⁶.

Paragraph 3 of the Resolution of the Plenum of the Supreme Court of the Republic of Uzbekistan dated February 11, 2011 No. 1 "On some issues of judicial practice in cases of legalization of proceeds from crime" states that money laundering is understood as giving the perpetrators a legitimate appearance of the origin of funds or other property received as a result of criminal activity, by transfer, transformation or exchange, as well as concealment or concealment of the true nature, source, location, method of disposal, movement, true rights in relation to funds or other property or its belongings ⁷.

In more detail, on the objective side, the crime consists of giving a legitimate appearance to the origin of property (money or other property) by transferring, transforming or exchanging it, as well as concealing or concealing the true nature, source, location, method of disposal, movement, genuine rights in relation to funds or other property or its accessories, if the funds or other property were obtained as a result of criminal activity.

Within the meaning of Article 243 of the Criminal Code, the legalization of income should be understood as giving to the perpetrators a legitimate view of the origin of property obtained as a result of criminal activity. The object of property in this case can be any property provided for in Article 169 of the Civil Code of the Republic of Uzbekistan.

In accordance with the provisions of the commented article, the legalization of proceeds received from criminal activities can be carried out in the following forms:

giving a legal appearance to the origin of property (money or other property) through its transfer, transformation or exchange;

concealment or concealment of the true nature, source, location, method of disposal, movement, true rights in relation to funds or other property or its belongings, if the funds or other property were obtained as a result of criminal activity.

Transfer refers to the performance **of** any financial transactions in banks with funds received from criminal activities. According to the explanation of the Plenum of the Supreme Court, financial transactions include capital flow operations, in particular the crediting of funds to an account, dispersing them into deposits in various banks, transferring them to another currency, purchasing securities with illegally obtained money, transferring funds abroad with subsequent their return to the bank deposit, etc.⁸

Transformation should be understood as the commission of any civil transactions with property obtained **from** criminal activity (conclusion of a purchase and sale agreement, loan, gift, pledge, lease, exchange, etc.) or investment of income received as a result of criminal activity, in the creation or operation of a legal business or other production structure.

⁶Law of the Republic of Uzbekistan "On combating the legalization of proceeds from criminal activities, the financing of terrorism and the financing of the proliferation of weapons of mass destruction" // <https://lex.uz/docs/284542#4171156>

⁷Resolution of the Supreme Court of the Republic of Uzbekistan dated February 11, 2011 No. 1 "On some issues of judicial practice in cases of legalization of proceeds from crime" // <https://lex.uz/docs/1766551>

⁸Resolution of the Plenum of the Supreme Court of the Republic of Uzbekistan "On some issues of judicial practice in cases of legalization of proceeds from crime" dated February 11 2011 r. No. 1, part 3, paragraph 3. // Official newsletter of the Supreme Court of the Republic of Uzbekistan.

Exchange refers to the conversion of funds received from criminal activities in the national currency of Uzbekistan into any foreign currency ⁹.

In a rapidly changing financial environment and constant advances in technology, modern money laundering schemes are becoming increasingly sophisticated and difficult to detect. Today there are various modern typologies of money laundering. Let's look at them next.

One of them is Cryptocurrency schemes. With the development of cryptocurrency technologies, criminals are increasingly turning to these funds as a tool for money laundering. Schemes for using cryptocurrencies include instant exchanges, the use of anonymous wallets, and participation in transactions with a low degree of transparency. This creates new challenges for regulators as traditional detection methods become less effective ¹⁰.

There are also complex schemes to circumvent banking sector regulations. Criminals actively use complex schemes to circumvent the rules and restrictions established in the banking industry. This may include multiple transactions through different accounts, the use of front companies or trust services, and masquerading as legitimate business transactions.

The use of financial technologies (fintech) is also relevant today. Advances in fintech are opening up new opportunities for criminals. The use of electronic payment systems, mobile applications and blockchain allows them to deceive traditional control mechanisms. These technologies can also be used to create complex financial schemes and fictitious transactions.

Criminals are becoming more and more creative in choosing industries to launder money. This may include investing in real estate, art, charities and other areas where the funds can be successfully integrated into the legitimate economy.¹¹

In addition, money laundering is becoming an increasingly global phenomenon using multinational financial institutions, jurisdictions with low levels of supervision and complex schemes for transferring funds across borders. This complicates the task of international cooperation and requires concerted efforts from countries around the world.

In conclusion, we can say that modern money laundering schemes, as an element of the objective side of this crime, pose complex challenges for law enforcement agencies and supervisory institutions. The evolution of technology and new methods of criminals require constant updating of strategies and tools to combat this phenomenon. An in-depth analysis of modern money laundering typologies is necessary to develop effective countermeasures and promote security in the global economy.

⁹Commentary on the Criminal Code of the Republic of Uzbekistan. A special part. Second edition, revised and expanded / M. Kh. Rustambaev . -T., 2016

¹⁰ Otaboev B. THE ROLE OF LEGAL PERSONNEL TRAINING IN THE FIELD OF AML/ CFT AND ITS SYSTEM IN THE EAG REGION //Eurasian Journal of Law, Finance and Applied Sciences. – 2023. – T. 3. – No. 6. – pp. 257-262.

¹¹ Rakhimjonova Nargiza CRIMINAL PUNISHMENT SYSTEM AS A CRITERION FOR CLASSIFICATION OF CRIMES // Review of law sciences . 2020. No. Special issue . URL: <https://cyberleninka.ru/article/n/sistema-ugolovnogo-nakazaniya-kak-kriteriy-dlya-klassifikatsii-prestupleniy> (date of access: 01/10/2024).

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