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The Concept of Anti-Money Laundering Prevention in the Context of Uzbekistan

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Abstract:

This article examines the strategies and measures implemented to prevent the legalization of revenue obtained from criminal activities in Uzbekistan. It highlights the comprehensive legal and organizational reforms initiated over recent years, particularly following the approval of the Concept of Improving the Criminal and Criminal Procedure Legislation in 2018 and the Presidential Decree introducing a new system of public order protection in Tashkent.

The article underscores the importance of crime prevention as a priority over punitive measures, tracing its philosophical roots to classical criminology.

Emphasis is placed on the multifaceted nature of crime prevention, encompassing general social measures aimed at societal development and specific criminological measures targeting criminogenic factors and the rehabilitation of offenders.

The role of economic, social, legal, and educational measures in reducing the shadow economy and enhancing legal compliance is also discussed. Additionally, the article considers international experiences and best practices in combating money laundering, proposing a range of measures to strengthen the effectiveness of crime prevention in Uzbekistan.

Keywords: crime prevention, money laundering, criminal revenue, shadow economy, legal compliance, law enforcement, criminological prevention.

Introduction:

In our nation, concerted efforts are underway to bolster peace and tranquility, safeguard public order, and enhance early crime prevention. Over the last two years, more than 100 legal enactments have been introduced to advance crime prevention strategies. A pivotal moment in the evolution of the state's modern criminal policy, marking a significant qualitative leap, was the ratification of the

Concept of Improving the Criminal and Criminal Procedure Legislation of the Republic of Uzbekistan in 2018.

In addition, in accordance with the Presidential Decree of 2018 "On the introduction of a qualitatively new system of public order protection, crime prevention and crime control in the city of Tashkent", a qualitatively new system of public order protection, crime prevention and crime control was introduced in the capital. The structure and powers of all levels of the internal affairs bodies have been revised, and 73 internal affairs departments have been organized as an experiment in the capital.

As the President of the Republic of Uzbekistan Shavkat Mirziyoyev emphasizes: "In order to form society's immunity to fight crime, it is necessary to get to the very roots of every crime. Otherwise, we will only have to deal with the consequences [1]. "

Discussion

Crime related to the legalization of revenue obtained from criminal activities, as well as crime in general, represents a socially detrimental phenomenon that necessitates a strategic approach to combat it, primarily focusing on addressing the underlying causes that contribute to its occurrence.

Even in ancient times (IV century BC, Plato), the idea that crime prevention should take priority over the punitive policy of the state was developed, but its practical implementation has occurred relatively recently. This idea received a legal argument in the works of lawyers of the classical school of criminal law (XVIII century), which laid the foundation for a new policy in combating crime. Its essence is fixed in a short formula: "A wise legislator will prevent a crime, so as not to be forced to punish for it[2]" In the future, the theoretical justification of crime prevention was given within the framework of the science of criminology, which formulated the main goals, tasks and measures to combat crime in modern conditions. Today, crime prevention is one of the main activities of the state and society in combating present socially negative phenomenon.

Crime prevention is the activity of state and public bodies and organizations aimed at combating crime in order to keep it at a socially tolerant level by eliminating or neutralizing the causes that give rise to it [3].

Crime prevention is the purposeful influence of the state, society, individuals and legal entities on the processes of determination and causation of crime in order to prevent the involvement of new persons in crime, the commission of new criminal acts, and the expansion of criminalization of public relations [4].

Crime prevention is a multi-level system of state and public measures aimed at identifying, eliminating, weakening or neutralizing the causes and conditions of crime, offenses of certain types and specific acts, as well as at deterring people from switching or returning to the criminal path, whose living conditions and (or) behavior indicate such a possibility[5].

Despite the variety of definitions of "crime prevention," they all fundamentally emphasize that it is a deliberate effort by the state and society to eliminate, reduce, and neutralize the factors that contribute to crime in general, as well as specific types of offenses. In criminology, crime prevention is traditionally categorized into general social prevention and special (criminological) prevention. General social prevention involves comprehensive, large-scale measures aimed at promoting the progressive development of various sectors such as society, the economy, politics, spirituality, family, household, and other areas.

A special warning includes measures that are aimed specifically at identifying, eliminating, weakening, neutralizing criminogenic factors, and correcting persons who are capable of committing or re-committing a crime [6].

Measures for general social prevention of offenses related to the legalization of revenue obtained from criminal activities include:

Initiatives aimed at strengthening civil society institutions.

Efforts to address economic issues and ensure effective state control over economic activities.

Development of a legislative framework that aligns with contemporary needs.

Implementation of organizational and managerial strategies.

All these measures are long-term and define the primary directions of crime prevention in general, particularly for crimes related to the legalization of criminal revenue. These measures should encompass:

Strengthening political institutions.

Addressing structural imbalances in the economy of the Republic of Uzbekistan.

Supporting entrepreneurship.

Providing incentives to encourage capital investment.

Developing and implementing the latest technologies and economic advancements.

Reducing unemployment and expanding employment opportunities.

Improving legislation, especially criminal law norms.

Preserving and promoting spiritual and moral heritage, among others.

Special criminological prevention of revenue legalization encompasses a comprehensive set of economic, social, legal, organizational, educational, and other measures. These measures are directly focused on eliminating, mitigating, and neutralizing the criminogenic factors that lead to such crimes, as well as rehabilitating the individuals who have committed them.

Among the economic measures, it is crucial to develop strategies aimed at reducing the shadow economy. This requires strengthening state control over the operations conducted by economic entities. Another important step is to reduce the tax burden, coupled with imposing severe penalties for income concealment, thereby making it unprofitable to hide income.

The most criminal opportunities are the credit and financial sphere, trade, charitable activities, etc in terms of legalization. Accordingly, these areas should be the subject of close attention when planning and conducting preventive measures by both regulatory and law enforcement agencies.

The strategy of combating the legalization (laundering) of money or other property acquired by criminal means should be based on the principle of economic incompatibility of legal capital and capital obtained as a result of criminal activity, the ultimate goal should be the destruction of illegal capital and the capital of the shadow economy as the financial basis of crime.

Further preparation and development of recommendations on the detection and identification of the forthcoming facts of legalization of revenue received from criminal activities are necessary.

One significant approach to prevention involves establishing measures to detect public officials and professionals who offer their services to criminals as a part of their professional duties. This encompasses employees of organizations tasked with handling financial transactions and other assets under the law, as well as individuals in roles that attract criminal interest due to their responsibilities.

It is necessary to increase the level of professionalism of not only law enforcement officers, but also, other bodies performing control and supervisory functions. It is necessary to conduct training in higher educational institutions, employees of these bodies should have special knowledge in the field of civil, tax, financial, and criminal legislation.

Along with the above-mentioned measures, the implementation of educational and social measures is required. In particular, a set of measures should be created aimed at developing a system of legal education and upbringing in order to overcome extremely high degree of legal nihilism of the majority of the population.

As a result of the commission of offenses, individuals engaged in illegal activities accumulate money or other property, the legal use of which contributes to the criminalization of economic relations, as well as the growth of corruption. Given that the legalization of money or other income is inextricably linked to the movement of capital, this makes it difficult to uncover and investigate offenses, thereby allowing criminal groups (organizations) to finance and carry out their illegal activities, including terrorism [7].

Countering the legalization of revenue received from criminal activities includes not only the identification and investigation of legalization with subsequent prosecution of criminals, but also, a wide range of actions related to the crime prevention, including prevention of offenses of this type.

The legal mechanism for countering the legalization (laundering) of revenue from criminal activities is specified in the Article 4 of the Law of the Republic of Uzbekistan "On countering the legalization of proceeds from crime, the financing of terrorism and the financing of the proliferation of Weapons of Mass Destruction" of August 26, 2004.

Measures to counteract money laundering include internal control, customer verification measures, measures to identify, assess and reduce risks, and others.

Mandatory control, as a measure to prevent the legalization of criminal revenue, consists of the adoption of measures to control transactions with money or other property by an authorized body on the basis of information provided by organizations that carry out operations, as well as to verify information in accordance with the law [8].

The main entity implementing the legal policy of preventing the legalization of revenue received from criminal activities is the Department for Combating Economic Crimes under the Prosecutor General's Office of the Republic of Uzbekistan.

Special provisions related to the internal control system to ensure continuous compliance in order to minimize the risks of money laundering and terrorist financing. These provisions should include, but are not limited to, the following:

a) the procedure for the identification of limited and suspicious transactions;

b) monitoring of clients who perform a large number of operations that are not typical for their activities. For these purposes, the professional participant conducts research to determine whether clients belong to the group to be monitored;

c) monitoring activities related to accounts opened by a professional participant;

d) internal procedures for reporting suspicious transactions [9].

According to Em V. Y, criminological prevention of legalization (laundering) of money or other property acquired by criminal means, first of all, should include[10] measures of a political nature, measures to ensure law-abiding organizations, measures to strengthen state control over operations carried out by economic entities, reducing the tax burden, implementing educational and social measures, and others.

Based on the 40 FATF Recommendations in the following areas, it is necessary to identify prevention and control offenses, such as criminalization of money laundering, establishment of suspicious transactions, restriction of bank secrecy and others.

The implementation of such innovations in national legislation makes it possible to provide effective international legal assistance in cases of money laundering, including detection and return of exported criminal capital from abroad.

Conclusion

To enhance the effectiveness of preventing the laundering of proceeds from criminal activities, the following measures are proposed:

Heightened legal accountability for banks whose employees engage in laundering criminal proceeds.

Implementation of confiscatory measures for money laundering offenses.

Managerial state measures aimed at preventing infiltration of shadow economy representatives into governmental and managerial positions at all levels.

Legislative measures mandating criminological examinations for draft laws under preparation or consideration.

Establishment of rigorous state oversight to ensure compliance with existing legislation by corporate entities.

Continuous refinement of regulatory frameworks to combat money laundering.

Ongoing public legal education initiatives led by state and law enforcement agencies through media channels.

As electronic banking evolves and introduces new avenues for laundering criminal proceeds, proposed measures include:

Strengthening identification procedures.

Imposing restrictions and enhancing monitoring of customer transactions.

Swiftly identifying and halting suspicious transactions.

Licensing requirements for providers of both banking and non-banking mobile financial services.

Innovative ATMs and terminals now offer advanced identity verification methods based on unique individual features such as retina scans, voice recognition, and fingerprint authentication. For instance, a St. Petersburg Speech Technology Center-developed ATM can scan passports, capture fingerprints, take three-dimensional facial photographs, and analyze intonation [11].

Furthermore, areas of improvement include enhancing collaboration between state regulatory bodies and law enforcement agencies through enhanced information exchange, employee training initiatives, establishing protocols for reviewing materials indicating money laundering, and implementing methodologies to assess the efficacy of collaborative efforts [12].

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