

## THE IMPORTANCE OF FINANCIAL MONITORING AND MEASURES TAKEN TO COUNTER THE LAUNDERING OF INCOME

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### Abstract:

This article discusses the definition of financial monitoring, which resulted in the emergence of the anti-money laundering system. The purpose of this article is to analyze the importance of financial monitoring and measures taken to counter the legalization of proceeds from crime and the financing of terrorism.

**Keywords:** Revenues, financial monitoring, AML/CFT, ML/FT, FATF, countering the financing of terrorism.

## ВАЖНОСТЬ ФИНАНСОВОГО МОНИТОРИНГА И МЕРЫ ПРИНЯТЫЕ НА ПРОТИВОДЕЙСТВИЕ ЛЕГАЛИЗАЦИИ ДОХОДОВ

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### Аннотация:

В данной статье рассматривается определение финансового мониторинга, в результате которого возникла система борьбы с отмыванием денег. Цель данной статьи - проанализировать важность финансового мониторинга и меры принятые на противодействие легализации доходов, поступивших от преступной деятельности и финансированию терроризма.

**Ключевые слова:** Доходы, финансовый мониторинг, ПОД/ФТ, ОД/ФТ, ФАТФ, противодействие финансированию терроризма.

In our time, the problem associated with the intensification of crime and a sharp increase in the risk of laundering criminal proceeds through the financing of terrorism, as well as the proliferation of weapons of mass destruction, is an extremely urgent problem not only in Uzbekistan, but also on the world market.

There is a need to build a proper AML / CFT system to prevent money laundering through the financing of terrorism. The reasons for the risk of ML/TF in the conditions of execution of settlements using electronic money are present in all periods of the generalized money laundering scheme. Due to their rapid development and spread in the last decade, digital technologies in the field of settlements and payments have been selected as an object of control by the FATF (Financial Action Task Force on Money Laundering) in order to analyze the

possible emerging AML / CFT threats when using them. Thus, financial monitoring specialists are faced with the task of improving measures to combat money laundering and terrorist financing, taking into account the emerging modern threats.

Financial monitoring is the control over transactions with funds related to the legalization (laundering) of proceeds received by a criminal method and the financing of terrorism [1].

The measures taken to counter the legalization of proceeds from crime and the financing of terrorism include:

- mandatory control;
- internal control;
- identification of legal entities and individuals in the course of transactions with funds.

Internal control is developed by the bank's management bodies authorized by the bank's founding documents. To monitor the operation of the internal control system, identify and analyze problems, as well as to develop proposals for improving and increasing the efficiency of its activities, an internal control service is being created in banks.

Identification of a legal entity is based on the verification of documents submitted to confirm its legal status of state registration.

In order to counteract the legalization of proceeds from criminal activity, the financing of terrorism and the financing of the proliferation of weapons of mass destruction, a specially authorized state body, the Department for Combating Economic Crimes under the Prosecutor General's Office of the Republic of Uzbekistan, was created, which exercises control over operations with cash or other property in accordance with this Law order. And since 2004, Uzbekistan has adopted a number of legal acts regulating the organizational basis for financial monitoring of economic security in the field of combating money laundering and financing of terrorism in Uzbekistan [2]: Law of the Republic of Uzbekistan "On combating the legalization of proceeds from crime and the financing of terrorism

- Internal control rules for combating the legalization of proceeds from crime and the financing of terrorism for audit firms
- The Law of the Republic of Uzbekistan dated 13.12.2011 No. ZRU-307 ratified the Agreement on the Eurasian Group - EAG on Combating Money Laundering and Financing of Terrorism.

The Department for Combating Economic Crimes under the General Prosecutor's Office carries out operational-search activities, pre-investigation checks and inquiries on economic and corruption crimes, facts of money laundering, financing of terrorism and financing the proliferation of weapons of mass destruction, as well as compensation for economic damage caused as a result of the commission of these crimes. crimes [3]. In recent years, in connection with the large-scale reforms that were carried out in the Republic of Uzbekistan, they had a huge impact on the formation of the national economy. According to the International Monetary Fund, significant changes include the liberalization of the foreign exchange market, and tax

reforms. It should also be noted that currency liberalization made it possible to practically neutralize the actively functioning "shadow" foreign exchange market. In the published annual rating of the World Bank Group "Doing Business 2020" out of 190 countries, Uzbekistan took 69<sup>th</sup> place, which showed us that Uzbekistan has improved its indicator by 7 positions. In addition, for the first time in its history, Uzbekistan placed two tranches of Eurobonds with a total volume of 1 billion US dollars.

Uzbekistan also became the country of 2019 according to the British magazine The Economist. To counter the legalization (laundering) of funds and proceeds from crime, it is recommended, first of all, to develop and approve a national AML/CFT strategy and priorities[4]. Also, in order to reduce the identified risks, it is necessary to take measures to further combat corruption by implementing the relevant FATF Recommendations, preventing the activities of illegal payment systems, detailed analysis of banks, enterprises and monitoring their activities, combating tax and customs crimes, simplifying information confidentiality requirements, strengthening ties, cooperation and exchange of information both at the national level and at the international level of cooperation, organizing training and strengthening the status of financial monitoring specialists, as well as strengthening control over the registration and status of legal entities.

It is also recommended to take a number of measures aimed at reducing risks, including the introduction of adequate and high-quality control over the issuance of cash at the level of financial institutions.

## References

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4. The FATF Recommendations are the internationally endorsed global standards against money laundering and terrorist financing - <http://www.fatfgafi.org/publications>