INTERNATIONAL MONEY LAUNDERING OPERATIONS AND DEVELOPMENT OF THE PRACTICE OF COMBATING IT

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Annotation: *This thesis provides analytical information on international money laundering operations that arise during the implementation of international financial relations, their function and goals. at the same time, the practice of combating it is illuminated.*

Key words: *financial operations, money laundering, international trade, FATF, anti-money laundering system, financial data.*

Nowadays, international trade is exposed to the risks associated with money laundering through trade transactions. For instance, there are difficulties in controlling trading operations due to the use of a large number of foreign exchange transactions, as well as trade finance mechanisms, as criminals try to use methods of mixing illegal funds with legitimate cash flows.

Therefore, the Financial Action Task Force on Money Laundering (FATF) and the Organization for Economic Cooperation and Development (OECD) highlight the problem of using the international trading system for money laundering. In the framework of the 2006 OECD and FATF report "Money Laundering in Trade", the concept of "money laundering through trade operations" (trade-based money laundering - TBML) is defined as the process of concealing proceeds from crime and moving the value equivalent by using trade operations in software-torture to conceal their illegal origin or to finance any activity.

According to the US Accounting Chamber (Government Accountability Office), in 2020, the number of cases of money laundering in the world has increased: TBML can potentially reach hundreds of billions of dollars every year worldwide. Thus, TBML is one of the largest forms of money laundering that can harm international trade.

The problems of money laundering through trade operations have been actively investigated only since 2005, when the first OTS were issued.

The couples of the Department of Homeland Security and the U.S. Immigration and Customs Enforcement. Previously, this problem was addressed in a number of publications by experts (for example, Baker, de Boyrie, Pak and Zdanowicz). In these studies, the methods used to identify whether the proposed import and export prices reflect fair market value were analyzed.

In 2006, the FATF presented the first study of the risks of money laundering through trade operations. The FATF notes that money laundering in the framework

of international trade can occur, for example, due to price distortion, overestimation

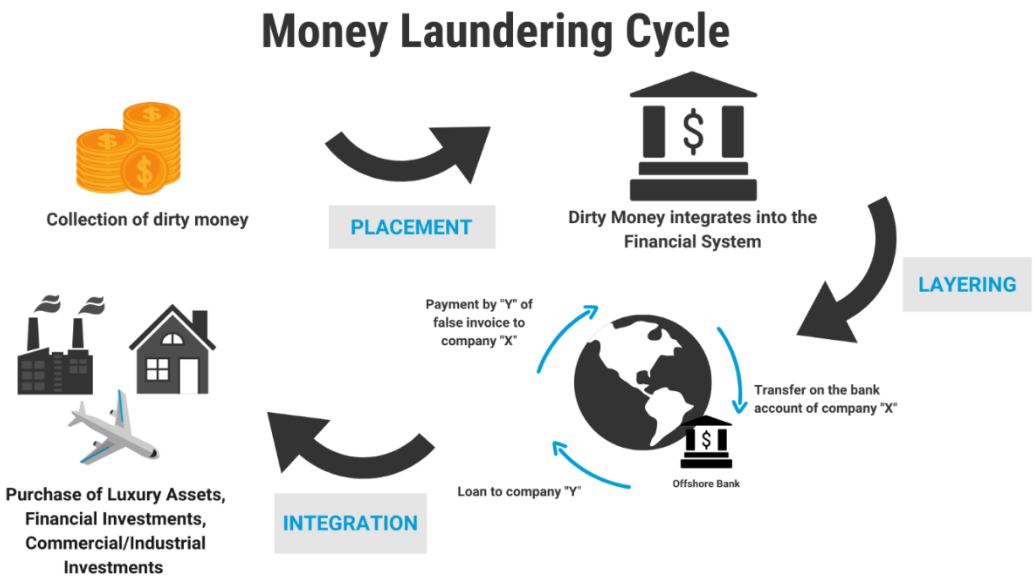
or underestimation of the cost of goods and services. The exporter issues an invoice

for goods at a price below the fair market price, and the importer sells the goods on the open market, which allows the importer to receive funds in a much higher amount than if the exporter had issued an invoice for goods at the market price. Thus, the money-the funds are transferred cross-border under the guise of a legitimate operation.

Laundering can also occur by providing inaccurate information regarding the quality or type of goods or services, for example, shipments of relatively inexpensive goods, which according to the documents are described as more expensive or completely different goods.

In the fact that, money laundering has been addressed in the UN Vienna 1988 Convention Article 3.1 describing Money Laundering as: *"the conversion or transfer of property, knowing that such property is derived from any offense(s), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in such offense(s) to evade the legal consequences of his actions".*

Money laundering is a process which typically follows three stages to finally release laundered funds into the legal financial system.



Picture 1. Money Laundering Cycle

According to the 1st picture which is named "Money Laundering Cycle", there are three stages of money laundering. Nevertheless, in reality money laundering cases may not have all three stages, some stages could be combined, or several stages repeat several times. For instance, Cash from drug sells is divided into small amounts then they are deposited by "money mules" and afterwards transferred as payment for services to a shell company. In this case the placement and layering are done in one stage.

The estimated amount of money laundered globally in one year is 2 - 5% of global GDP, or $800 billion - $2 trillion in current US dollars. Due to the clandestine nature of money-laundering, it is however difficult to estimate the total amount of money that goes through the laundering cycle.

Thus, in order to combat money laundering through international trade, it is necessary to develop a system of "red flags", that is, indicators that Uzfinmonitoring, the State Tax Service, the State Customs Service, the Bank of Uzbekistan, as well as the private sector can use to identify the risks of TBML activities. At the same time, it is important to develop cross-border information exchange, in particular, trade data and data related to cross-border money laundering, as well as to create conditions for joint investigations.

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