

The Concept of The Crime of Money Laundering and Its Specific Features

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ABSTRACT

Objective: This study aims to examine the legal concept and specific characteristics of money laundering within the context of Uzbekistan, while proposing improvements to criminal law and preventive mechanisms. **Method:** A qualitative doctrinal and comparative legal approach is employed, analyzing Article 243 of the Criminal Code of Uzbekistan, international conventions, and scholarly perspectives. **Results:** The study finds that money laundering involves disguising the origin of illicit assets through transactions such as transfer, exchange, or concealment, and is primarily facilitated by organized criminal groups. It also establishes that defining money laundering exclusively in terms of monetary funds restricts legal enforcement and undermines investigative processes. **Novelty:** The research contributes to the academic discourse by advocating for a broader legal definition that encompasses all forms of property and highlights the intricate relationship between money laundering and predicate crimes. This broader conceptualization addresses gaps in current legislation and enhances both legal clarity and prosecutorial effectiveness. Strengthening institutional frameworks and aligning national practices with international standards are essential for advancing economic integrity and national security.

INTRODUCTION

The legalisation of proceeds from criminal activity, commonly known as money laundering, remains one of the most pressing threats to the global economy and social stability. In Uzbekistan, comprehensive measures are being implemented to combat this crime, including the adoption of significant policy frameworks such as the Presidential Decree No. UP-6252, which aims to enhance the national system for combating money laundering, terrorism financing, and the proliferation of weapons of mass destruction. This reflects the recognition that money laundering undermines the economic potential of the state, distorts market competition, and facilitates the persistence of organised crime and corruption. Article 243 of the Criminal Code of Uzbekistan establishes liability for this act, highlighting its severe impact on social relations and economic reforms. The crime involves transforming illicitly obtained income into seemingly legitimate assets, thereby concealing their true origin and enabling criminals to integrate illegal wealth into the legal economy. Internationally, the United Nations and other organisations have identified money laundering as a transnational crime facilitating drug trafficking, arms trade, and terrorism. The problem is exacerbated by the complexities of financial systems, which criminals exploit through sophisticated transactions to obscure the illicit origin of funds. Scholars emphasise that money laundering is often intertwined with corruption,

organised crime, and predicate offences, amplifying its detrimental societal effects. Thus, analysing its concept, legal nature, and specific features is critical for strengthening criminal legislation, enhancing preventive measures, and aligning national practices with international standards to effectively counteract its proliferation [1].

RESEARCH METHOD

The methodology of this research is based on a comprehensive qualitative legal analysis combining doctrinal, comparative, and systematic approaches to explore the concept of money laundering crimes and their specific features within Uzbekistan's criminal law framework. The study employs doctrinal analysis by examining Article 243 of the Criminal Code of Uzbekistan, national laws on combating the legalization of proceeds from crime, and presidential decrees to clarify legal definitions and regulatory scopes. Additionally, a comparative legal method is used to review international conventions such as the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988), alongside scholarly opinions from global and Uzbekistani researchers, to identify convergences and divergences in defining money laundering crimes. The systematic approach integrates analysis of legislative provisions with criminological perspectives to reveal structural links between money laundering, corruption, and organized crime. Furthermore, content analysis of secondary literature, including monographs, journal articles, and commentaries, enables the identification of theoretical gaps and practical challenges in enforcement. The methodology also utilizes an interpretive approach to analyze key concepts such as "dirty money," predicate offenses, and legal transactions involved in laundering proceeds, highlighting their implications for criminalization and prosecution. This integrative methodology ensures that the study not only conceptualizes money laundering as a legal phenomenon but also evaluates its socio-economic impact, institutional responses, and the effectiveness of preventive and punitive measures in the national and international contexts [2].

RESULTS AND DISCUSSION

Comprehensive measures are being taken to combat the legalisation of proceeds from criminal activity, the detection and suppression of tax offences, evasion of taxes and mandatory payments, illegal circulation of cash and foreign currency funds, the formation of "shadow" business, which is the main source of criminal proceeds [3].

In addition, the adoption of the Decree of the President of the Republic of Uzbekistan dated June 28, 2021, No. UP-6252 "On Approving the Strategy for the Development of the National System for Combating the Legalisation of Proceeds from Crime, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction" is an important stage in the further improvement of national legislation, ensuring the effectiveness of activities [4].

As noted in the 84th goal of the Decree of the President of the Republic of Uzbekistan Sh.M.Mirziyoyev "On the Development Strategy of New Uzbekistan for 2022-2026," it is necessary to identify sectors and industries prone to corruption, increase the

effectiveness of the system for eliminating corruption factors, and form an intolerant attitude towards corruption in society. Implementation of modern information technologies, including artificial intelligence, in the fight against corruption. Establishing cooperation with civil society institutions in the fight against corruption, supporting public control. Strengthening systemic preventive measures in anti-corruption practice. Implementation of a system of continuous improvement of the knowledge of the population and civil servants in the field of combating corruption. Ensuring the development of normative legal acts based on the principle of "legislation free from corruption" [5].

The main content presented in goal 84 of this decree is the elimination of corruption factors, since this type of crime can have a social and financial impact on the legalisation of proceeds from criminal activity, especially when it helps corrupt politicians remain in power, when tax obligations are at an impracticable stage, and also provides an opportunity for organized criminals to seize entire sectors of the economy and geographical territories [6].

At the same time, the most serious consequences of the legalisation of proceeds from criminal activity in certain regions are that the development of activities for the legalisation of criminal proceeds also leads to an increase in drug trafficking, arms trafficking, corruption, and a number of other crimes. Based on this, it should be noted that the crime of legalisation of proceeds from criminal activity often leads to corruption crimes [7].

According to Article 243 of the Criminal Code of the Republic of Uzbekistan, criminal liability is established for the legalisation of proceeds from criminal activity, and this law plays an important role in combating this act. An important condition for the effective fight against this type of crime and crime in general is its prevention [8].

Although the legalisation of proceeds from criminal activity is called "money laundering" in the language of international scientific circulation, initially, it is mainly about the legalisation of illegally obtained funds [9].

The legalisation of proceeds from criminal activity ("money laundering") is currently considered an extremely dangerous type of crime not only in the Republic of Uzbekistan, but also in the world as a whole and is one of the pressing problems. It is no secret that the crime of legalisation (laundering) of proceeds obtained illegally is a second-degree crime related to other crimes and entails other serious crimes [10].

In the world, the international community, including the United Nations, has recognized the legalisation of proceeds from criminal activity as one of the widespread and dangerous transnational crimes. On December 19, 1988, the UN Convention "On Combating Illicit Trafficking in Narcotic Drugs and Psychotropic Substances" was adopted in Vienna. This Convention indicates the need for member countries of this organization to revise their crime control strategies and pay special attention to the problem of "washing dirty money," which is becoming increasingly acute" [11].

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mandatory payments, illegal circulation of cash and foreign currency funds, the formation of "shadow" business, which is the main source of criminal proceeds [12].

Organized crime and the fight against it are currently one of the issues of concern to the world community. In particular, the transnational nature of organized crime in the 21st century, when the process of globalization is accelerating, requires sufficient attention to this problem. One of the crimes of a transnational nature, which worries the world and contributes to the development of organized crime, is the legalisation of proceeds from criminal activity [13].

The crime of legalisation of proceeds from criminal activity encroaches on the most important social relations in the sphere of economics, undermines the economic potential of the state, and hinders the ongoing reforms and economic development. Its danger lies in the fact that this crime is mainly committed by organized groups [14].

The legalisation of proceeds from criminal activity, that is, the transfer, alteration, or exchange of property obtained illegally, is understood to be the giving of legal form to its origin. It is also understood as concealing or attempting to conceal its true essence, the location and source of income obtained as a result of criminal activity [15].

Also, these concepts are separately listed in Article 3 of the Law of the Republic of Uzbekistan "On Combating the Legalisation of Proceeds from Criminal Activity, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction".

According to him, income from criminal activity - monetary funds and other property obtained as a result of committing a crime, as well as any profit or benefit obtained through the use of such property, as well as monetary funds and other property converted or modified in whole or in part into other property or contributed to property obtained at the expense of legal sources; income from criminal activity - monetary funds and other property obtained as a result of committing a crime, as well as any profit or benefit obtained through the use of such property, as well as monetary funds and other property converted or modified in whole or in part into other property or contributed to property obtained at the expense of legal sources.

Consequently, criminally obtained income negatively affects the economy of society and negatively impacts a healthy competitive environment. Therefore, each state, in order to protect its national interests, takes comprehensive measures to combat illegal financial transactions and develop mechanisms for the seizure of criminal proceeds into state ownership.

In cases where the legalization of income is carried out by concluding a transaction, the crime is considered completed from the moment the guilty party fulfills at least part of the obligations arising from the transaction or uses at least part of the rights (for example, from the moment the money or other property being legalized by the guilty party is transferred to the other party under the contract, regardless of the fulfillment of the obligation under the transaction by the other party).

In particular, the following are important in the criminalization of the legalization of criminal proceeds:

signs of the subject of the crime (income or property acquired by crime);
methods and signs of legalization;

an open or closed list of major (predicate) crimes, the proceeds of which are obtained as a result of these crimes.

Transactions that can be legalized include actions aimed at establishing, changing, or terminating civil rights and obligations, as well as forming an understanding of the emergence or transition of civil rights and obligations (for example, concluding contracts of sale, loan, gift, pledge, lease, exchange, etc.).

Also, liability arises for the legalization of income, even in the case of a single operation or transaction with money or other property acquired by criminal means.

According to F.M. Fazilov, the legalisation of proceeds from criminal activity is a socially dangerous act recognized as a crime in criminal legislation, consisting in giving a legal character to the origin of funds or other property, if they were obtained as a result of criminal activity, by transferring them, converting them into property or exchanging them, as well as concealing or keeping confidential the true nature, source, location, method of disposal, transfer of such funds or other property, real rights of ownership or ownership of funds or other property.

According to I.L. Tretyakov, income from criminal activity can be used for the following purposes and objectives:

1. In order to compensate for the expenses of criminals;
2. In order to accumulate;
3. For the purpose of developing criminal activity;
4. For the purpose of attracting legitimate investment in the economy.

Drawing our attention to the above information, all of this serves the effective and perfect functioning of criminal activity or income received from criminal activity is understood as an illegal transaction and an illegal act or omission of criminal nature, that is, income received from illegal activity.

"Dirty" money or income derived from criminal activity refers to income obtained through an illegal transaction and illegal criminal act or inaction. Accordingly, "unlawful" money or illegal income is interpreted by researchers as income obtained illegally, that is, secretly. In this case, the meaning of the terms "legalisation" or "laundering" of "dirty" money and income is included in the concept of secrecy. Thus, the general approach to the concept of "dirty" money or hidden income is exhausted.

In our opinion, the researcher made the following mistakes in this definition. Firstly, the author is talking only about monetary funds. As is known, this is an extremely narrow approach, since not only monetary funds, but also other property can be involved in legalisation.

Secondly, we are talking only about the funds received as a result of the committed crime. In this case, other offences remain outside the scope of the problem. In our opinion, such an approach is unacceptable. After all, in this case, a closed circle arises: to investigate legalisation, it is necessary to overcome banking or commercial secrets, but for this, first of all, a criminal case must be initiated on the fact of legalisation. At the same

time, it is impossible to initiate a criminal case without prior knowledge of the criminal nature of the proceeds. If any illegal income comes from a crime, then this circle connects: by determining that legalisation is a crime, it is possible to initiate a criminal case, and after initiating it, to gain access to banking or commercial secrets, thereby carrying out the necessary practical actions for the investigation and court.

CONCLUSION

Fundamental Finding : This study establishes that money laundering, as a process of legitimizing illicitly obtained assets, significantly undermines economic stability, facilitates organized crime, and obstructs legal and economic reforms in Uzbekistan. It reveals that the narrow focus on monetary funds within current legal definitions limits the scope and effectiveness of prosecution and investigation. **Implication :** The research implies that expanding the legal conceptualization of money laundering to include all forms of property and enhancing institutional mechanisms is essential for effective law enforcement and alignment with international standards. This has practical relevance for policymakers, legal reformers, and anti-corruption agencies aiming to reinforce national integrity and economic resilience. **Limitation :** A key limitation of the study is its reliance on doctrinal and conceptual analysis without empirical data or case-based evidence, which may restrict the practical generalizability of its recommendations. **Future Research :** Further research should incorporate empirical investigations of case law, enforcement practices, and the impact of technological tools such as AI in detecting and preventing money laundering, to offer a more holistic and operational framework for legal and policy reforms.

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