B.D. Yerkenov

M. Yesbulatov Almaty Academy of the Ministry
of Internal Affairs of the Republic of Kazakhstan, Almaty, Kazakhstan
e-mail: bolatyerkenov@gmail.com

LEGAL INSTRUMENTS OF COMBATING LEGALIZATION (LAUNDERING) OF PROCEEDS OF CRIME IN CONDITIONS OF DIGITAL EVOLUTION OF THE REPUBLIC OF KAZAKHSTAN

The article investigates domestic legal instruments used in combating legalization (laundering) of proceeds of crime in the conditions of digital criminal development. The purpose of this article is to introduce the results of the authors' research area to the scientific community. Legalization (laundering) of proceeds of crime poses a serious threat to the financial stability and economic security of the state as a whole. One of the factors having a negative impact on the traditional financial system has become the spread of digital assets, including cryptocurrencies, NFT – tokens, the volume of transactions has an annual exponential growth. The main principle of legalization of criminal proceeds assumes complete disclosure of criminal activities from law enforcement and controlling authorities and their further involvement in legitimate economic activities, as blockchain technologies allow to perform these activities anonymously. Measures taken by state authorities to prevent criminal legalization (laundering) of money and proceeds, such as regulations, financial transaction monitoring systems, international cooperation and measures to strengthen financial transparency are analyzed. The development, adoption and implementation of a comprehensive system of measures aimed at protecting the rights and legitimate interests of citizens and society, the state and the organization of the legal mechanism in combating money laundering requires the adoption and consistent implementation of effective measures.

The significance of the performed research resides in the possibility of application of the obtained results in the field of combating criminal legalization (laundering) of proceeds. In the course of the research, the article highlights the issues of efficiency and possible upgrading of legal instruments in the context of combating criminal legalization (laundering) of proceeds in Kazakhstan. Emphasis is placed on the efficiency of these instruments and possible implementation difficulties.

Key words: legalization, laundering of the criminal income, combatting, digital assets, cryptocurrencies.

Б.Д. Еркенов

Қазақстан Республикасы IIM М. Есболатов атындағы Алматы академиясы, Алматы қ., Қазақстан
e-mail: bolatyerkenov@gmail.com

Қазақстан Республикасының цифрлық дамуы жағдайында қылмыстық жолмен алынған кірістерді заңдастыруға (жылыстатуға) қарсы күрестің құқықтық құралдары

Мақалада қылмыстық жолмен алынған кірістерді заңдастыруға (жылыстатуға) қарсы күресте қолданылатын отандық құқықтық құралдар қылмыстың цифрлық дамуы жағдайында қарастырылады. Қылмыстық жолмен алынған кірістерді заңдастыру (жылыстату) жалпы мемлекеттің қаржылық тұрақтылығына және экономикалық қауіпсіздігіне елеулі қатер төндіреді. Дәстүрлі қаржы жүйесіне теріс әсер ететін факторлардың бірі сандық активтердің таралуы, соның ішінде. криптовалюталар, NFT – транзакциялар көлемі жыл сайынғы экспоненциалды өсімге ие таңбалауыштар. Ақшаны жылыстатудың негізгі қағидасы қылмыстық әрекеттерді құқық қорғау және бақылаушы органдардан толығымен жасыруды және оларды заңды экономикалық қызметке одан әрі тартуды қамтиды, өйткені блокчейн технологиялары бұл әрекетті жасырын түрде жүзеге асыруға мүмкіндік береді. Қылмыстық жолмен алынған ақшаны және кірістерді заңдастыруды (жылыстатуды) болдырмау бойынша мемлекеттік органдардың атқаратын шаралары, мысалы, нормативтік құқықтық актілер, қаржылық операцияларды бақылау жүйелері, халықаралық ынтымақтастық және қаржылық ашықтықты күшейту шаралары талданады. Азаматтар мен қоғамның, мемлекеттің құқықтары мен заңды мүдделерін қорғауға және қылмыстық кірістерді заңдастыруға (жылыстатуға) қарсы іс-қимылдың құқықтық тетігін ұйымдастыруға бағытталған шаралардың кешенді жүйесін әзірлеу, қабылдау және іске асыру мақсатында тиімді тетіктері қажет.

Зерттеу барысында мақалада Қазақстандағы қылмыстық заңдастыруға (жылыстатуға) қарсы іс-қимыл контекстіндегі құқықтық құралдардың тиімділігі мен ықтимал жақсарту мәселелері көтерілді. Бұл құралдардың тиімділігіне және оларды пайдаланудағы мүмкін проблемаларға ерекше назар аударылады.

Түйін сөздер: заңдастыру, қылмыстық кірістерді жылыстату, қарсы іс-қимыл, цифрлық активтер, криптовалюта.

Б.Д. Еркенов

Алматинская академия МВД РК им. Макана Есбулатова, г. Алматы, Казахстан
e-mail: bolatyerkenov@gmail.com

Правовые инструменты противодействия
криминальной легализации (отмыванию)
в условиях цифрового развития Республики Казахстан

Статья исследует отечественные правовые инструменты, используемые в противодействии легализации (отмыванию) доходов от преступной деятельности в условиях цифрового развития преступности. Цель настоящей статьи является ознакомление научного сообщества с результатами области исследования авторов. Легализация (отмывание) доходов от преступной деятельности представляет серьезную угрозу для финансовой стабильности и экономической безопасности государства в целом. Одним из факторов, оказывающих негативное влияние на традиционную финансовую систему, стало распространение цифровых активов, в т.ч. криптовалют, NFT – токенов, объем сделок, с которыми имеет ежегодный экспоненциальный рост. Основным принципом легализации преступных доходов предполагает полное сокрытие преступной деятельности от правоохранительных и контролирующих органов и дальнейшее их вовлечение в законную экономическую деятельность, поскольку технологии блокчейн позволяют осуществлять эту деятельность анонимно. Анализируются меры, принимаемые государственными органами для предотвращения криминальной легализации (отмывания) денег и доходов, такие как нормативно – правовые акты, системы мониторинга финансовых транзакций, международное сотрудничество и меры по укреплению финансовой прозрачности. Для выработки, принятия и осуществления комплексной системы мероприятий, направленных на защиту прав и законных интересов граждан и общества, государства и организации правового механизма в противодействии легализации (отмывания) преступных доходов, требуется принятие и последовательное осуществление эффективных механизмов.

Ценность проведенного исследования заключается в возможности применения полученных результатов в области противодействия преступной легализации (отмывания) доходов. В ходе исследования в статье подняты вопросы результативности и возможные улучшения правовых инструментов в контексте противодействия преступной легализации (отмыванию) доходов в Казахстане. Особое внимание уделяется эффективности этих инструментов и возможным проблемам в их применении.

Ключевые слова: легализация, отмывание преступных доходов, противодействие, цифровые активы, криптовалюта.

Introduction

The industry of digital assets is growing rapidly around the world. Today, a number of countries allow digital assets to be used as settlement tools, to attract investment, and for other purposes.

The application of digital assets has obvious advantages from the consumer's point of view. In particular, they include high speed of transactions; the absence of a single centralized intermediary issuing virtual assets, which significantly reduces the associated costs, and, accordingly, the cost of transactions; the privacy; a simplified procedure for raising funding during ICO (Initial coin offering – a form of investment attraction) for the implementation of commercial and charitable projects (Razdorozhny 2019: 147).

Meanwhile, the development of Internet capabilities and the increasing digitalization of payment processes have revolutionized the ways in which the proceeds of crime are laundered. New technological advances, including in social media, online platforms, online gambling, mobile payments, transfers, digital and cryptocurrencies, and anonymization software, have reduced the risks and costs for professional "launderers" associated with their criminal activities (http://www.fatf-gafi.org/publications/methodandtrends/documents/professional-money-laundering.html).

In this regard, the development of blockchain technologies, using digital assets (cryptocurrencies, NFT – tokens) created on their basis, which are not tied to the financial system of any state, carry high

risks and threats associated with criminal legalization (laundering) of proceeds, remaining in the shadow of state financial monitoring.

Among the risks arising from the use of digital assets is the anonymity of blockchain users. Although the full version of the distributed ledger is stored locally with each user, each user is anonymous, as the only tool to identify the user in the distributed ledger is a unique cryptographic key, which is a set of symbols and by itself does not in any way lead to its holder. In case the user uses such means as VPN-connection, TOR and similar technologies, multiple transfers of digital assets from one wallet to another, use of special services of cryptocurrency mixers, such as Coinmixer.se, detection of the user is practically impossible. This circumstance creates significant risks associated with combating money and income legalization (laundering) (Kumukov 2018: 144).

Back in 2015, in their Guidance on the Risk-Based Approach for Convertible Virtual Currencies, FATF experts noted that in the near term, only convertible virtual currencies that can be used to transfer value to/from fiat currencies and the regulated financial system are likely to pose money laundering/terrorist financing (ML/TF) risks. Therefore, countries should focus their AML/CFT efforts, within a risk-based approach, on convertible virtual currencies that pose a higher ML/TFrisk (https://eurasian-group.org/files/uploads/files/FATF_documents/FATF_Guidances/ROP_Virtualnye_valyuty.pdf).

It is notable that also UN Security Council Resolution No. 2462 (UN, 2019), urged all states to improve the traceability and transparency of financial transactions, including by fully utilizing new and emerging financial and regulatory technologies to enhance the availability of financial services and facilitate effective implementation of anti-ML/TF measures (https://www.un.org/securitycouncil/ru/content/sres24622019).

Materials and methods

The present study was carried out by applying a set of methods traditionally used in legal science, i.e.: general scientific, historical-legal, comparative-legal, formal-logical, system-structural. Along with the above methods, private methods that meet the goals and objectives of the subject of the study are applied: analysis and evaluation of narrative sources, international legal acts ratified by the Republic of Kazakhstan, relevant to the issues under consideration.

Review of the literature

A number of domestic scientists such as Smagulov A.A., Sandrachuk M.V., Syzdykov E., Temirbulatov S.G., Temiraliev T.S., Ukanov G.K. and others have studied the issues of criminal legalization (laundering). At the same time, a number of candidate dissertations (Beisenov A.M., Beskempirov I.S., Bosholov A.S., Davydov V.S., Denega O.P., Nigmatulin A.Y.) are devoted to certain aspects in the studied sphere.

Among the scientists of the near abroad countries it is necessary to note the scientific works of Ananikyan D.S., Arefiev A.Y., Baranov R.A., Bagautdinova S.K., Bershtam B.E., Busarova O.A., Volzhenkin B.V., Gaukhman I.M., Garifullin R.F., Dikanova T.L., Zhesterov P.V., Zimin P.V., Zhalinsky A.E., Zhurbin R.E., Zhesterov P.V., Zhesterov P.V, Karabash A.O., Karleba V.A., Klepitsky I.A., Kobets P.N., Krayushkin A.A., Lyaskalo A.N., Makarevich A.A., Mikhailov V.I., Movesyan A.G., Osipov N.R., Pogosyan G.O., Pakhomchik S.D., Proshunin M.M., Rodikova E.M., Rudaya T.Y., Stakh A.A., Hakimova E.R., Khomich O.V., Cherney V.V., Shakhmatov A.V., Shapiro L.G.

The research of issues in this area has been the subject of studies of scientists from foreign countries such as Grant V., Gray L., Greenberg T., Dah E., Kerner H.H., Robinson D., Samuel D., Stieranka J., and others.

Despite the significant contribution made by the authors of these research to the study of individual issues of combating legalization (laundering) of proceeds of crime, today, taking into account the digital revolution in the ways of legalization (laundering) of proceeds of crime, the issue of a comprehensive approach to solving institutional problems affecting the effectiveness of combating this phenomenon has remained practically outside the scope of scientific research. In particular, the works of the mentioned scientists are mainly devoted to the issues of theoretical aspects of the etymology of the concept of legalization (laundering) of criminal proceeds, its place in the structure of the "shadow" economy, criminological reasons contributing to its commission, criminal law, criminal procedure and criminalistic directions of counteraction to crimes of this nature. In this regard, given the relevance of the digital transformation of crime, including the use of digital assets, the issues of detection and disclosure of these crimes in this way practically no attention has been paid, as indicated, in particular, by the current lack of effective, scientifically based methods in this area.

In this regard, in our opinion, the necessity has arisen to revise qualitatively the approaches in combating criminal legalization (laundering) affecting the efficiency of detection and disclosure of the above-mentioned type of crime committed in the conditions of digital transformation and to develop recommendations that may affect the situation in general.

Results and discussion

At this stage, the Republic of Kazakhstan has taken a number of organizational and legal measures to implement international standards to regulate the activities of digital asset turnover.

Since Kazakhstan joined the Eurasian Group on Combating Money Laundering and Financing of Terrorism (hereinafter – EAG) in 2011, which is a regional body similar to the Financial Action Task Force (hereinafter – FATF), the country has been implementing international institutions and recommendations on combating money laundering and terrorism financing, which resulted in the successful completion of the mutual evaluation procedure on combating money laundering and financing of terrorism. (https://eurasiangroup.org/ru/mutual-evaluation-report-of-the-republic-of-kazakhstan-has-been-published-on-the-eag-website).

Thus, the term "digital asset" was first enshrined in domestic legislation in June 2020 (https://adilet.zan.kz/rus/docs/K940001000_), and already in February 2023 the Law "On Digital Assets in the Republic of Kazakhstan" was officially published (https://adilet.zan.kz/rus/docs/Z2300000193).

It is necessary to note that according to the Law of the Republic of Kazakhstan "On Informatization" (p. 55-1 art. 1), "digital asset" is defined as property created in electronic digital form with the use of cryptography and computer calculations, which is not a financial instrument, as well as an electronic digital form of certification of property rights. Also, in this law (Art. 31-1) it is established that a digital asset is not a means of payment. One of the types of digital asset is a "digital token", defined as a digital means of recording, exchange and certification of property rights (https://adilet.zan.kz/rus/docs/Z2200000141/info).

The main legal act regulating the sphere of combating ML/TF in Kazakhstan is the Law of the Republic of Kazakhstan "On Combating Legalization (Laundering) of Proceeds of Crime and Financing of Terrorism" dated July 1, 2016 (https://adilet.zan.kz/rus/docs/Z090000191). The regulatory act estab-

lishes a set of measures to be implemented to prevent ML/TF, including:
- identification and assessment of ML/TF risks.
- customer due diligence.
- monitoring of financial transactions.
- reporting of transactions subject to financial monitoring.
- cooperation with law enforcement and other government agencies.
- international cooperation.

It is to be noted that the AML/CFT Law also includes persons engaged in the issuance of digital assets, organization of trading of such assets, as well as provision of services on exchange of digital assets for money, valuables and other property as subjects of financial monitoring.

Within the established legal framework in Kazakhstan, various legal instruments are used for combating ML/TF:
- identification and assessment of ML/TF risks: financial monitoring entities are obliged to carry out identification and assessment of ML/TF risks in relation to their clients and transactions.
- customer due diligence: financial monitoring subjects are obliged to conduct customer due diligence, including the examination of the origin of their funds.
- monitoring of financial transactions: financial monitoring subjects are obliged to monitor financial transactions of their clients in order to identify suspicious transactions.
- reporting on transactions subject to financial monitoring: financial monitoring subjects are obliged to submit to the Financial Monitoring Agency (FMA) reports on transactions falling under the definition of transactions subject to financial monitoring.
- Cooperation with law enforcement and other state bodies: subjects of financial monitoring are obliged to cooperate with law enforcement and other state bodies within the framework of investigations related to ML/FT.
- international cooperation: Kazakhstan interacts with other countries in the sphere of combating ML/TF within the framework of international organizations and bilateral agreements.

Briefly about the institutional mechanism of combating money laundering.

Thus, for the purposes of implementing measures to combat money laundering and terrorist financing, Kazakhstan has established a system of state bodies and organizations with appropriate powers. It includes:

- Financial Intelligence Unit of the Financial Monitoring Agency of the RK.

- Economic Investigation Service of the Agency for Financial Monitoring of the Republic of Kazakhstan.

- National Bank of the Republic of Kazakhstan.

- Prosecutor's Office of the Republic of Kazakhstan.

- National Security Committee of the Republic of Kazakhstan.

- Anti-Corruption Agency of the Republic of Kazakhstan.

- Ministry of Internal Affairs of the Republic of Kazakhstan.

Meanwhile, law enforcement agencies, on the basis of the Joint Agreement (No. 1009-dsp of 14.10.2020) submit to the Financial Intelligence Unit of the Financial Monitoring Agency (hereinafter – FMSA FIU) requests authorized by prosecutors to obtain financial information, including from foreign partners, when conducting parallel financial investigations, investigations of predicate offences and ML/TF. The information obtained from the FMSA is used to collect evidence both at the stage of criminal investigations and in criminal cases (https://eurasiangroup.org/ru/mutual-evaluation-report-of-the-republic-of-kazakhstan-has-been-published-on-the-eag-website).

There are still issues that need to be resolved despite all the adopted normative-legal norms and memorandums on interagency cooperation regulating the ML/TF sphere.

As of today, at the legislative level, there is still no full-fledged regulation of unsecured digital assets in the territory of the Republic of Kazakhstan, including purchase, sale and exchange. The Law of the Republic of Kazakhstan "On Digitalization" only states that the issuance and circulation of unsecured digital assets (cryptocurrencies) is allowed only within the framework of the International Financial Center "Astana".

In turn, the use of unsecured digital assets poses high risks of money laundering and terrorist financing.

The lack of a mechanism for tracking the flow of digital assets and information about their holders prevents law enforcement agencies from detecting financial and economic offenses committed using this financial instrument.

This omission contributes to an increase in the share of the shadow economy, the growth of corruption and destabilization of the economy in general. (https://adilet.zan.kz/rus/docs/U2200001038#z182).

This raises the relevant question of what legal means are available to control unsecured digital assets.

According to a number of Kazakhstani scientists, there are a lot of issues in the legislation of the Republic of Kazakhstan, which are currently not regulated: there are no definitions of the terms "cryptocurrency wallet", "cryptocurrency hot wallet", "cryptocurrency cold wallet", "virtual account", "crypto exchange" or "organization of trading in digital assets"; there are no provisions ensuring legal regulation of interaction between crypto exchanges and second-tier banks, as well as their clients (individuals and legal entities); there are no requirements for crypto exchanges and their cyber security Also of particular importance is the legalization of digital assets held by certain citizens. These provisions are important because they will be the basis for the formation of legal mechanisms in the field of digital assets (https://doi.org/10.52026/2788-5291_2023_72_1_98).

In the context of digital development, traditional approaches to combating ML/TF require adjustments. Digital technologies create new opportunities for committing crimes and money laundering, which requires the introduction of new legal instruments.

Considering the specifics of cryptocurrencies and recommendations of specialized international organizations, according to Safarli A.H., it is possible to outline the following measures to address the current issues of using unsecured cryptocurrencies for money laundering by involving cryptocurrency exchanges in the implementation of international anti-money laundering and combating the financing of terrorism (AML/CFT) programs, as follows:

- restricting access to users from countries under international sanctions.

- removal of anonymous cryptocurrencies from the platforms.

- organizing cooperation with analytical services that facilitate the fulfillment of requirements for monitoring clients and transactions.

- participation in the regulation of the industry through cooperation with national financial regulators and creation of their own associations aimed at forming common standards of international level.

- strengthening cooperation with law enforcement, tax authorities, as well as international organizations such as Europol, etc. (mgimo.ru/science/diss/safarli-a-h.php?utm_source=google.com&utm_medium=organic&utm_campaign=google.com&utm_referrer=google.com).

Positive experience of European countries in combating money laundering through the use of cryptocurrencies and other digital assets should also be noted. Thus, the Finance Ministers of the EU member states approved at a meeting in Brussels a comprehensive set of rules for the regulation of cryptocurrency assets – the European Parliament adopted this document in April 2023. The rules will be implemented in 2024. According to the document, from January 2026, cryptocurrency service providers are obliged to record the names of senders and recipients of crypto assets during transactions, regardless of the number of transfers (www.consilium.europa.eu/en/press/press-releases/2024/01/18/anti-money-laundering-council-and-parliament-strike-deal-on-stricter-rules).

In our opinion, the introduction of a procedure for identifying both originators and beneficiaries of cryptocurrency transactions offers promising opportunities in combating the illegal phenomenon under study. This will increase the transparency of transactions of digital assets, reduce the anonymity of users, and facilitate cooperation with law enforcement agencies of other countries in the field of AML/CFT.

There is no less interesting suggestion of L.V. Sannikov, paying attention to the recommendations noted already in the close cooperation of countries with each other in the field of regulation of digital asset turnover:

- increase the implementation of tools to enhance the ability to research virtual assets (VAS). All countries or FATF member states should continue capacity building initiatives on distributed ledger technologies and their role in preserving or preventing money laundering or terrorist financing. Guidance and training initiatives, exchange programs and international conferences, and the development of public-private partnerships (PPPs) are needed. These activities can provide an up-to-date view of this growing threat.

- applying rules to regulate virtual asset service providers (VASP) to prevent money laundering.

- all countries or FATF member states are encouraged to establish clear regulatory frameworks and processes to support the registration of AML/CFT rules necessary to supervise VASPs, such as cryptocurrency exchanges, custodial wallet providers, and other entities that issue or transfer VAS, as recommended. VASPs should be regulated in the same manner as other financial intermediaries and should contribute to the global development of AML/CFT through compliance programs, risk-based due diligence, reporting, etc. VASPs should

be required by AML/CFT regulations to report suspicious transactions and conduct enhanced due diligence on customers and their transactions.

- strengthening elements of international cooperation. Cooperation and information sharing are essential to dismantling criminal organizations. In this regard, all countries/states are encouraged to utilize available global platforms for international investigations, such as those provided by Interpol, Europol, Egmont Group and FIU.net, in addition to judicial channels of cooperation and assistance. Public-private partnerships and cooperation initiatives between law enforcement agencies and private companies, universities, non-governmental organizations, etc. should be actively encouraged to support the flow/sharing of information and the development of new technologies and investigative techniques. It can strengthen the ability of officers to trace illicit financial flows and/or obtain additional information in a timely manner from a VASP based overseas.

- improving the application of a multidisciplinary approach. VAS-related investigations require a combination of traditional and specific investigative techniques to gather evidence of the underlying criminal activity. Therefore, a multidisciplinary approach in this area is needed, incorporating expertise in cybercrime and financial investigations that can be utilized not only in the investigative field itself, but also to improve training and regulation. Synergy between financial and cyber investigators is essential; joint teams composed of investigative experts from both fields are strongly recommended.

- promoting new technologies applied to financial investigations involving digital assets. New technologies in financial investigations are critical to improving the confiscation and efficiency of financial investigations, as well as mitigating the associated risks. Research and innovation of tools that can assist in the investigation and prevention of money laundering and terrorist financing committed through virtual assets is strongly encouraged.

- adapting an investigative strategy. Each criminal scheme utilizing digital assets is different. Therefore, prosecuting authorities should adapt their anti-money laundering strategies to the identified typology of such crimes. In addition, the tracking of transactions involving digital assets should become an ongoing task (https://cyberleninka.ru/article/n/legalizatsiya-kriptovalyuty-v-rossii-problemy-i-perspektivy).

At the same time, we believe that artificial intelligence (AI) technologies should be considered as

one of the most promising tools to enhance the effectiveness of combating ML/TF.

Such a tool can be used for various tasks in the field of combating ML/TF, including:

- big data analytics: AI algorithms can analyze large amounts of financial data to identify suspicious transactions and patterns.

- detecting irregularities: AI can detect deviations from normal financial behavior that may indicate ML/TF.

- transaction classification: AI models can categorize transactions by ML/TF risk.

- risk prediction: AI can predict ML/TF risk based on historical data and current customer behavior.

- reporting automation: AI can automate the process of reporting transactions subject to financial monitoring.

Further training of AI professionals is also needed. This issue requires a comprehensive approach that combines education and training, practical experience, certification and accreditation, cooperation and knowledge sharing.

The opinion of A.M. Saitbekov can be accepted here, according to whom it is difficult to foresee some of the risks arising in the sphere of public administration and related to digitalization. For example, regardless of the level of technology development, there is always the possibility of technical failures that can lead to temporary inaccessibility to services or data loss. The state is required to control the quality of digital infrastructure through auditing and certification policies. At the same time, it should be taken into account that digital infrastructure requires regular updates and qualified support, which can be a problem, especially for budgetary organizations. Digitalization requires new skills and knowledge among employees of public bodies. Institutions are not always ready to quickly adapt and retrain their staff. Lack of professional staff can also be considered one of the risks of digitalization of public administration (kostacademy.edu.kz/akademija/ooniirid/zhurnal/gilim4_79_2023.pdf).

A number of other countries are also considering the need to regulate new technologies. In late April 2023, Japanese publication Kyodo reported that the G7 countries – the US, UK, Germany, Japan, Canada, Italy, France – are working on international standards for the use of AI (https://english.kyodonews.net/news/2023/04/17d71e422eb9-g-7-agree-to-pursue-responsible-ai-amid-rapid-spread-of-chatgpt-use.html).

As of today, Kazakhstan has developed the Concept of Artificial Intelligence Development, prioritizing the following sectors of the economy for the introduction of artificial intelligence: – public administration; – healthcare; – education; – finance; – logistics; – agriculture; – industry (legalacts.egov.kz/npa/view?id=): – public administration; – healthcare; – education; – finance; – logistics; – agriculture; – industry (legalacts.egov.kz/npa/view?id=14945497).

Yet, the Concept fails to mention issues related to law enforcement, in which its use can play a significant role not only in combating ML/TF, but also cybercrime in general.

Conclusion

In the context of digital development, Kazakhstan faces new challenges in combating ML/TF. Existing legal instruments must be adapted to new technologies and adapted to changing threats. New legal instruments, such as the use of AI, blockchain-based transaction analysis, access to beneficial ownership data, and enhanced international cooperation, are required to improve the effectiveness of the ML/TF response. By taking these measures, Kazakhstan can strengthen its system of combating ML/TF and reduce the risks associated with this phenomenon.

Attention should be paid to the capabilities of AI, increasingly playing an important role in combating cybercrime. The advantages of AI, such as speed, accuracy, objectivity and automation, make it possible to combat this phenomenon more effectively. However, there is a need to consider the challenges and limitations associated with the use of AI and to develop a clear regulatory framework for its responsible use. As AI develops and integrates with other technologies, it is expected to continue to play a crucial role in anti-criminal money laundering and national security.

For these purposes, recommendations should be made to supplement the Concept for the Development of Artificial Intelligence for 2024-2029 with the inclusion of law enforcement agencies on the use of AI technologies in combating not only ML/TF, but cybercrime in general.

The author has identified potential AML/CFT risks due to the development of digital assets and proposed recommendations for their minimization.

As a result of the study, the following conclusions were made:

Firstly, digital asset is a high-tech segment of monetary circulation, which represents an objective new stage in the development of the settlement system, which contains many risks and threats to the national anti-criminal legalization (laundering) system.

Secondly, the following risks of using digital assets for money laundering have been identified: simplicity of cross-border transfers, anonymity and speed of transactions, lack of proper control and regulatory framework for unsecured cryptocurrencies and minimization of the risk of money laundering through cryptocurrencies.

Thirdly, the main drawback in combating these risks is the weak legal regulation of unsecured cryptocurrencies in Kazakhstan. We consider it necessary to improve domestic legislation in the field of regulation of digital assets based on the experience of European countries with the identification of senders and receivers of digital assets.

Promising tools that can increase the effectiveness of combating ML/TF in Kazakhstan include:

- The use of artificial intelligence (AI): AI can be used to analyze large volumes of financial data and identify suspicious transactions.
- analyzing blockchain transactions: blockchain technology creates opportunities to track and analyze financial transactions carried out through cryptocurrencies.
- use of beneficial ownership data: access to information on the beneficial owners of legal entities and individuals allows identifying the ultimate recipients of funds and preventing their use for criminal money legalization (laundering).
- strengthening international cooperation: it is necessary to expand cooperation with other countries in the field of combating ML/TF, including within the framework of bilateral agreements and international organizations, such as the Financial Action Task Force (FATF), Europol.

By taking these comprehensive measures, Kazakhstan can strengthen its system of combating ML/TF and reduce the risks associated with this illegal phenomenon.

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Information about authors:

Bolat Doszhanovic Yerkenov – doctoral student of the M. Yesbolatov Almaty academy of the MIA of the Republic of Kazakhstan, lieutenant colonel of the police, master national security and military case (Kazakhstan , Almaty c., email: bolatyerkenov@gmail.com).

Авторлар туралы мәліметтер:

Еркенов Болат Досжанович – Қазақстан Республикасы ІІМ М. Есболатов атындағы Алматы академиясының докторанты, полиция подполковнигі, ұлттық қауіпсіздік және әскери іс магистрі, (Қазақстан, Алматы қ., email: bolatyerkenov@gmail.com).