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## ANALYSIS OF THE WORLD EXPERIENCE IN THE SPHERE OF RESISTANCE TO LEGALIZATION OF CRIMINAL INCOME IN THE CONTEXT OF THE POSSIBILITY OF ITS USE IN UKRAINE

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*Summary. Specificity of institutional environment of money laundering is investigated in this paper. Peculiarities of national models of financial monitoring in various countries are also described.*

*Possibilities of major world experience of money laundering using in the Ukrainian financial monitoring system are generalized.*

**Key words:** *financial monitoring, income legalization, national system of financial monitoring, risk.*

**Statement of the problem.** The article deals with the specifics of institutional support in the sphere of counteraction and prevention of the legalization of income obtained by criminal way. The peculiarities of the models of national systems of financial monitoring in different countries were determined. We summarized the possibilities of using by the national system of financial monitoring of Ukraine the leading experiences in the sphere of counteraction and prevention of the legalization of income obtained by criminal way.

The globalization of the economy and the global financial crisis led to the differentiation of tax systems, modes of financial transactions, security levels of financial information about the client. These processes form the preconditions for growth risks of inclusion of financial institutions in the process of legalization of income obtained by criminal way. To prevent similar trends the national systems of financial monitoring have been actively developing in recent years. The advancing fight against the legalization of income obtained by criminal way is provided by the functioning of the specialized Financial Intelligence Units in every state.

**The recent research and publications analysis.** A significant number of researchers investigated the peculiarities of functioning of national systems of financial monitoring abroad, in particular, S. Butkevych, T. Volkovyns'ka, O. Havryliuk, S. Gurzhiy, N. Drebot, O. Sidel'nyk, Y. Dubko, I. Dyakonova and others.

Despite these authors' significant contribution in the studied problem, earlier formulated conclusions

and proposals require corrections and additions inclusive of the possibilities of introduction of the leading experiences in the sphere of counteraction and prevention of the legalization of income obtained by criminal way in the practical activities of the subjects of financial monitoring of Ukraine.

**The objective of the article** is to summarize the leading experiences in the sphere of counteraction and prevention of the legalization of income obtained by criminal way and the development of the proposals concerning its use in the activities of national system of financial monitoring in Ukraine.

**Justification of scientific results.** The formation and operation of the national system of financial monitoring in different countries of the world is determined by the dynamic of the history of the processes of legalization of proceeds obtained by criminal way and terrorist financing. The experience of most countries shows that along with the government agencies responsible for collecting taxes and fees, issues of financial security are taken care by a number of specialized financial divisions. In addition to that to prevent tax evasion and other financial crimes the financial intelligence units are created that perform the collection and analysis of information processing. Differences between the financial intelligence units are determined by certain factors, resulting from their specific activities, functional capabilities, but they are aimed at ensuring of the activity coordination between law enforcement agencies. In some countries, the financial intelligence units are administrative bodies, the rest are acting as police and law enforcement. The experience of countries with developed financial

intelligence indicates that their efficiency is determined only by the presence of a certain legal framework and the effective system for collecting, processing, transmission and provision of financial information, the identification of the initiators of financial transactions. Transmissions of information transfer across different countries significantly influence the effectiveness of financial monitoring in general. Only direct channels of information transfer from the financial intelligence units to financial institutions and regulators contribute to the effectiveness of financial monitoring. In the case of information transfer from the financial intermediaries to the state regulators in the sphere of finance, and then to the financial intelligence units, the effectiveness of the national financial monitoring system is significantly reduced.

For the selected criteria a mixed model of financial monitoring was formed and developed in Ukraine. There was found the place for the practice of an active cooperation with international institutional structures in the field of counteraction

of the legalization of income in order to exchange experience in the process of development of schemes and mechanisms legalization of income. Recent trends in the reorganization of the State Service of Financial Monitoring of Ukraine have direction to the integration of the local associations and involvement in information exchange as mandatory subjects of financial monitoring, lawyers and notaries. At the same time there are certain shortcomings in the financial monitoring due to the specific financial system of Ukraine:

- poor information transparency of financial intermediaries;
- undeveloped organized stock market;
- existence of possible tax avoidance through offshore operations.

In accordance with the research of specific financial monitoring in the world we can identify the most promising areas of use of certain features of international experience in the national system of financial monitoring in Ukraine.

**Table 1**

*Possible use of international experience in the process of reforming of the national system of financial monitoring in Ukraine (authoring)*

Country	Feature that can be used in Ukraine
Canada	transfer of the unused planned budget to the next budget period
USA	wide coordination of interaction of bodies that oppose the legalization of proceeds obtained by criminal way and terrorist financing
Italy	submission of financial monitoring to the central bank and automated risk-oriented information processing system
Australia	the combination of courses not only counteraction of legalization of proceeds obtained by criminal way and financing of terrorism, but also tax evasion for implementing financial monitoring
China	distinction between different departments of management functions and implementing financial monitoring under a single authorized
Finland	authority responsibility for the process of preliminary investigation
Belgium	reliance of the functions of coordination of activities of the bodies of financial monitoring at the legislative level on the authorities in the sphere counteraction of legalization of proceeds obtained by criminal way and financing of terrorism, functions of coordination of financial monitoring
Great Britain	prohibition of the information transfer about tax offenses to other states

Summarizing the analyzed models, it should be noted that the selection process of the means of regulation of the financial monitoring is not spontaneous; it is characterized by the properties of the economic feasibility and the historical development of the country, the size of the country, the number of financial institutions operating, the volume of financial

transactions, foreign exchange and financial regimes, internal construction and structure of the financial system and a number of other factors.

The above analysis of the experience in financial monitoring in the world can be transformed and implemented in Ukraine only taking into account national peculiarities of the process of financial

monitoring. Keep in mind that most of the defined features of using the experience of financial monitoring in Ukraine have the prospect of implementation in case of legal and information support.

**Conclusions.** Notwithstanding the introduced opposite trend, we believe that any model of the financial monitoring system must comply with the system principles and has the properties of consistency, efficiency and specificity that determines its realistic

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