



Measuring Illicit Financial Flows (IFFs) in Uzbekistan

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Ensuring achievement of national goals and objectives in the field of sustainable development until 2030



The strategy "Uzbekistan 2030" Presidential Decree of the Republic of Uzbekistan dated September 11, 2023, No. 158.



The resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated February 22, 2022, No. 83, titled "On Additional Measures to Accelerate the Implementation of National Goals and Objectives in the Field of Sustainable Development until 2030".



The composition of the interdepartmental working group on SDG indicators has been approved.



The National Risk Assessment (NRA) of money laundering and terrorist financing activities has been conducted.

Measuring IFFs in Uzbekistan

Participation in the pilot project for measuring IFFs with the assistance of ESCATO in 2021-2022.

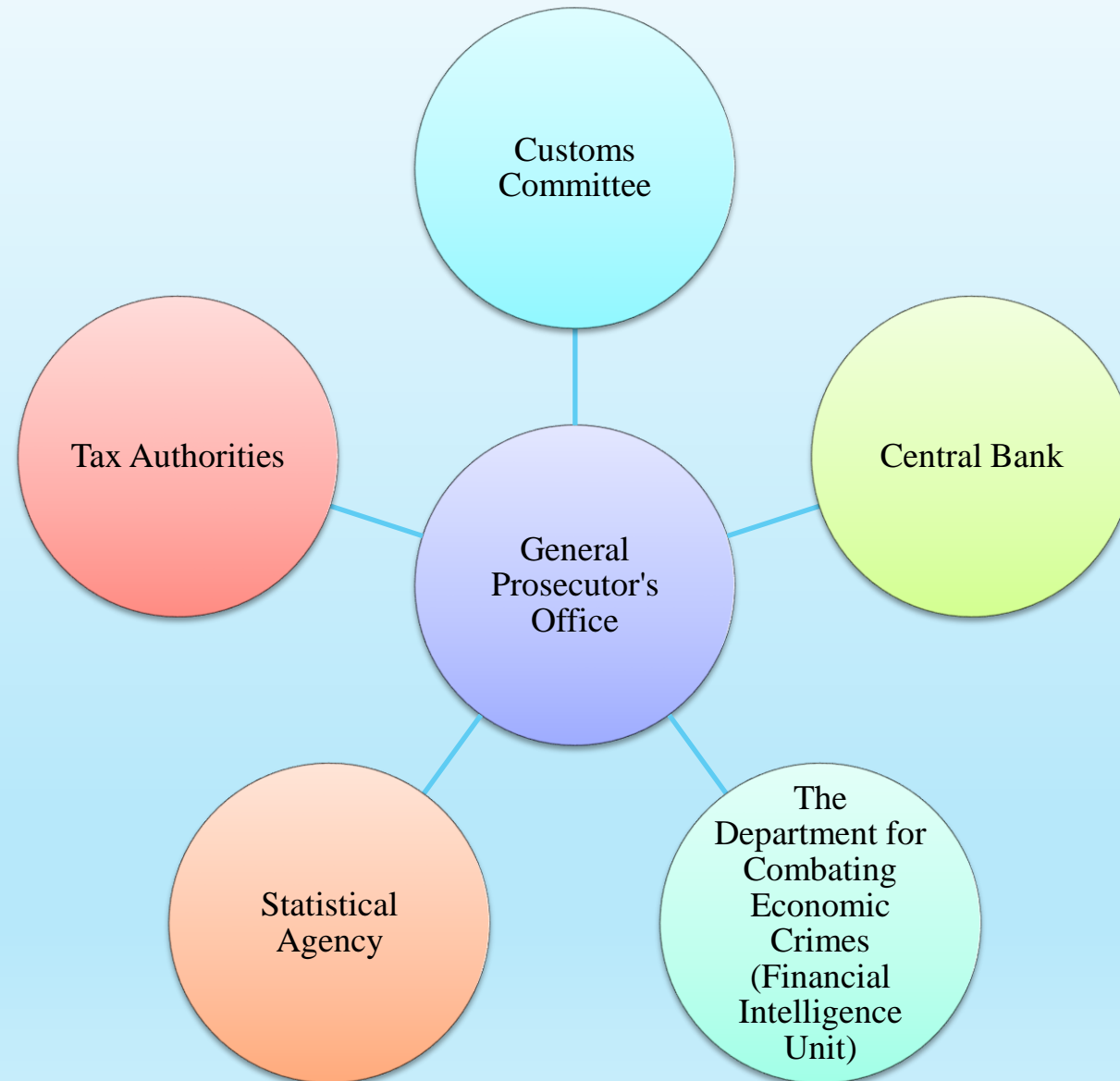
At the initial stage, key directions and methods, participants, measurement methods were identified, and a preliminary analysis of data availability was carried out.

At the second stage, preliminary measurements were conducted using selected methods, taking data availability into account.

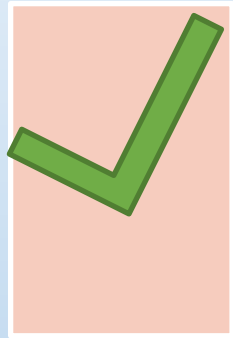
Preliminary results of IFFs measurements in Uzbekistan were presented at the end of 2022.



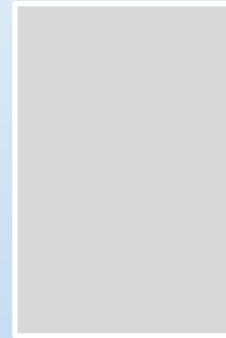
I. National agencies involved in the IFFs measurement



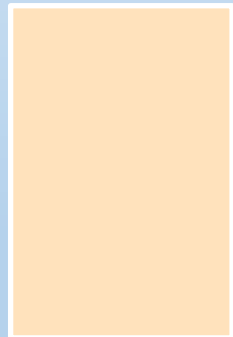
Develop and test methodologies for measuring IFFs in other areas



16.4.1.1 in commercial activities and taxation



16.4.1.2 related to financing of crime and terrorism



16.4.1.3 related to corruption and criminal activities such as theft (embezzlement, robbery)



16.4.1.4 related to criminal activities, in particular from drugs

The selected methods for measuring IFFs - proposed by ESCATO

(in commercial activities and taxation)



**Partner Country
Method**



**Price Filter
Method**



Alternative methods for measuring IFFs - proposed by ESCATO



Offshore financial flows



Illegal remittances (migrant workers)



**Grey re-export
(not applicable)**

Data Sources



International open sources

- UN Comtrade
- TINA


National data sources

- Statistics
- Customs
- Tax
- Pension Fund
- MIA




II. Problems, limitations


Not all the IFFs measurement methods are applicable to Uzbekistan



The proposed measurement methods need further refinement taking to account for national specifics



Lack of certain data and confidentiality of specific information, as well as limited access to some data/information at the national level



Lack of internal legal frameworks and tools for the full involvement of other government agencies in the IFFS measuring process

Further Steps

Breakdown into sub-indicators based on the IFFs sources and measurement methods

Adaptation of methods for IFFS measuring to national characteristics (conditions)
(Hidden financial flows from black markets and illegal economic activities)

Assigning sub-indicators to each ministry and department, as well as conducting training events with involving specialists from government agencies (ministries, departments)

Development of national legal frameworks and tools for the further implementation of the proposed methods for IFFs measuring

Measuring IFFs from criminal activities, particularly drugs (Bangladesh, Maldives, Nepal)

Breakdown into sub indicators

(depending on source and methods)

Tax and Commercial IFFs

- 1.1. Tax and commercial IFFs;
- ...
- 1.2. IFFs from aggressive tax planning

IFFs from crime financing and exploitation type activities

- 2.1. IFFs from exploitation type activities
- 2.2. IFFs from crime financing;
- 2.3. IFFs from terrorism financing

3.1. IFFs from corruption

...

Crime-related IFFs:

- 4.1. IFFs from drug trafficking
- 4.2. IFFs from human trafficking
- 4.3. IFFs from weapon trafficking



Thank you!