I. GENERAL PROVISIONS

Article 1. The Purpose of the Law

The purpose of this Law is to regulate relations pertaining to the fight against money laundering and terrorist financing.

Article 2. The Legislation on Combating Money Laundering and Terrorist Financing

The legislation on combating money laundering and terrorist financing consists of this Law and other laws and regulations.

If the rules established by an international treaty to which Uzbekistan is a party differ from those contained herein, the treaty rules shall apply.

Article 3. Money Laundering and Terrorist Financing

"Money Laundering" means a socially dangerous act punishable by law that involves giving the appearance of legitimacy to the origin of property (funds or other assets) by means of transfer, conversion or exchange thereof, as well as non-disclosure or concealment of the original nature, source, location, way of disposal, movement, genuine rights in relation to the funds or other assets or ownership thereof, where such funds or other assets have been obtained as a result of criminal activity.

"Terrorist Financing" means a socially dangerous act punishable by law aimed at supporting the existence and functioning of a terrorist organization, preparing and committing terrorist acts, and providing and raising, directly or indirectly, funds, resources or other services for terrorist organizations or persons assisting or participating in terrorist activities.

II. MOUNTING ANTI-MONEY LAUNDERING AND TERRORIST FINANCING EFFORTS

Article 4. Anti-Money Laundering and Terrorist Financing Efforts

The anti-money laundering and terrorist financing efforts include:

control exercised by the designated government authority;

internal controls; and

customer due diligence

control exercised by the designated government authority; internal controls; and customer due diligence


Article 5. Control Exercised by the Designated Government Authority

"Control Exercised by the Designated Government Authority" means a set of measures undertaken by the designated government authority to verify the information submitted by institutions carrying out transactions with funds or other assets as well as to exercise other powers provided herein.


Article 6. Internal Controls

"Internal Controls" means the activities of institutions carrying out transactions with funds or other assets aimed at detecting transactions subject to mandatory reporting to the designated government authority.

The process of exercising internal controls shall involve establishing the procedure for recording the required information and ensuring its confidentiality; personnel qualification and training requirements; and the criteria for detecting, as well as the indicators of, transactions with funds or other assets subject to mandatory reporting to the designated government authority.

The internal control rules for institutions carrying transactions with funds or other assets shall be drafted and approved by the respective oversight, licensing and registration authorities jointly with the designated government authority, or, in the absence thereof, by the designated government authority.
The monitoring and enforcement of the internal control rules shall be carried out by the bodies responsible for approval of the said rules, as well as by the designated government authority.


Article 7. Customer Due Diligence
Institutions carrying out transactions with funds or other assets shall undertake customer due diligence measures when:

- establishing business and civil relations in circumstances specified in the internal control rules;
- carrying out occasional transactions with funds or other assets in circumstances specified in the internal control rules;
- carrying out suspicious transactions;
- having doubts as to the veracity of the previously obtained customer identification data.

Customer due diligence measures undertaken by institutions carrying out transactions with funds or other assets shall necessarily include:

- verification of the identity and authority of the customer and persons represented by him using the appropriate documents;
- identification of the beneficial owner or the person controlling the customer (legal entity) by studying the ownership and control structure of the customer using the constituent documents;
- conducting on-going due diligence on the business relationship and scrutiny of transactions with funds or other assets carried out by the customer in order to ensure their consistency with the customer's profile and its activities.


Article 8. The Designated Government Authority
The designated government authority, to be appointed by the Cabinet of Ministers of the Republic of Uzbekistan, shall exercise control over the transactions with funds or other assets for the purpose of combating money laundering and terrorist financing in accordance with the procedure established by this Law.

Article 9. Powers of the Designated Government Authority
The designated government authority shall:
- coordinate the work of institutions carrying out transactions with funds or other assets and authorities engaged in the fight against money laundering and terrorist financing;
- analyse the data on transactions with funds or other assets obtained in accordance with this Law;
- if there are sufficient grounds, refer the information on transactions with funds or other assets linked to money laundering and terrorist financing to the relevant authorities engaged in the fight against money laundering and terrorist financing;
- send orders to suspend transactions with funds or other assets for not more than two business days if the submitted transaction report pertaining to such transactions was deemed, based on the finding of a subsequent review, to be substantiated;
- request and obtain, free of charge, information necessary to combat money laundering and terrorist financing, including information from computer databases and information systems.

(Articles 4-6, as amended by RU Law No. ZRU-212 of April 22, 2009 - Corpus of laws of the Republic of Uzbekistan, 2009, No. 17, Art. 210)

exercise other powers in conformity with applicable law.

Article 10. Binding Nature of the Decisions Taken by the Designated Government Authority
Decisions taken by the designated government authority with regard to the fight against money laundering and terrorist financing shall be binding upon all ministries, government committees and agencies, local public authorities, companies, institutions, organizations as well as officials and private persons.

III. TRANSACTIONS WITH FUNDS OR OTHER ASSETS AND INSTITUTIONS CARRYING OUT SUCH TRANSACTIONS

Article 11. Transactions with Funds or Other Assets
"Transactions with Funds or Other Assets" means the actions taken by legal and natural persons in respect of funds or other assets aimed at establishing, modifying or terminating the property rights and obligations thereof.
Article 12. Institutions Carrying Out Transactions with Funds or Other Assets
Institutions carrying out transactions with funds or other assets include the following:

- banks and other credit institutions;
- professional securities market participants;
- members of exchanges;
- insurers and insurance brokers;
- institutions providing leasing services;
- institutions conducting funds transfers, payments and settlements;
- pawnshops;
- institutions conducting lotteries and other risk-based games;
- dealers in precious metals and precious stones;
- persons providing services and engaging in transactions related to the purchase and sale of real estate;
- notary offices (notaries), law firms (lawyers) and audit firms in preparing and carrying out transactions on behalf of clients.


Article 13. Transactions with Funds or Other Assets Subject to Reporting to the Designated Government Authority
Transactions with funds or other assets, whether carried out or being prepared, that have been deemed, in the course of exercising internal controls by institutions carrying out transactions with funds or other assets, suspicious shall be reported to the designated government authority.

"Suspicious Transaction" means a transaction, whether already carried out, being carried out or in the process of being prepared, with funds or other assets suspected, on the basis of the criteria and indicators established by internal control rules, of being carried out for money laundering and terrorist financing purposes.

Transactions with funds or other assets where one of the parties to the transaction is a person permanently residing, situated or registered in a country which is not involved in the international fight against money laundering and terrorist financing shall also be subject to reporting to the designated government authority.


Article 14. Transactions with Funds or Other Assets Subject to Reporting to the Designated Government Authority in Special Cases
Transactions with funds or other assets shall be reported to the designated government authority and suspended hereunder when there is information obtained in the established manner that one of the parties to such transactions is:

- a legal or natural person involved or suspected to be involved in terrorist activities;
- a legal or natural person that, directly or indirectly, owns or controls an institution involved or suspected to be involved in terrorist activities;
- a legal person owned or controlled by a natural person or institutions involved or suspected to be involved in terrorist activities.


Article 15. Responsibilities of Institutions Carrying Out Transactions with Funds or Other Assets
Institutions carrying out transactions with funds and other assets shall:

- undertake customer due diligence measures;
- upon detection of suspicious transactions with funds or other assets subject to reporting to the designated government authority, report such transactions to the designated government authority in the prescribed manner not later that one business day following the date of detection thereof;
- suspend transactions with funds or other assets specified in Article 14 hereof, except for transactions involving the crediting of incoming funds to a natural or legal person's account, for three business days from the day on which such transaction would have been carried out and report it to the designated government authority on the day of suspension thereof. The suspended transaction shall be resumed if the institution carrying out transactions with funds or other assets does not receive within the specified period a suspension
order from the designated government authority;  
introduce and implement internal control procedures.


**Article 16. Refusal to Carry Out Transactions with Funds or Other Assets**

If natural or legal persons fail to provide the necessary identification documents, institutions carrying out transactions with funds or other assets shall refuse to carry out their transactions, except for transactions involving the crediting of incoming fund to a natural or legal person's account.

**Article 17. Transactions with Funds or Other Assets in Foreign Currency**

If a transaction with funds or other assets is carried out in foreign currency, its amount in the national currency shall be determined in accordance with the procedure established by applicable law.

**IV. INFORMATION RELATING TO THE FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING**

**Article 18. Provision of Information Relating to the Fight against Money Laundering and Terrorist Financing**

The procedure for providing information relating to the fight against money laundering and terrorist financing to the designated government authority, as well as for reporting natural or legal persons involved or suspected to be involved in terrorist or other criminal activities to institutions carrying out transactions with funds or other assets, shall be established by the Cabinet of Ministers of the Republic of Uzbekistan.

Disclosure, in the established manner, of information on transactions with funds or other assets of legal and natural persons or any other data to the designated government authority shall not constitute a violation of commercial, bank or any other legally protected secret.

(Articles 18 was amended to include paragraph 2 pursuant to RU Law No. ZRU-212 of April 22, 2009 - Corpus of laws of the Republic of Uzbekistan, 2009, No. 17, Art. 210).

**Article 19. Confidentiality and Security of Data**

The designated government authority and its staff shall ensure confidentiality and security of data constituting commercial, bank or other secrets that have become known to them.

The staff of institutions carrying out transactions with funds or other assets, the designated government authority and other authorities involved in the fight against money laundering and terrorist financing shall not notify legal or natural persons about any investigative measures being undertaken against them.


Institutions carrying out transactions with funds or other assets, the designated government authority and other authorities involved in the fight against money laundering and terrorist financing shall, in a manner established by applicable law, restrict access to and prevent disclosure of the information relating to the fight against money laundering and terrorist financing.

**Article 21. Retention of Information on Transactions with Funds or Other Assets, Identification Data and Customer Due Diligence Records**

Institutions carrying out transactions with funds or other assets shall retain information on transactions with funds or other assets, identification data and customer due diligence records for a period stipulated by applicable law, but for not less than five years from the date of completion of such transactions or termination of business relationships with customers.


**Article 22. International Cooperation in Combating Money Laundering and Terrorist Financing**

International cooperation in combating money laundering and terrorist financing shall be carried out in accordance with the laws and international treaties of the Republic of Uzbekistan.

The designated government authority shall be authorized to request foreign competent authorities to share the required information with, as well as to respond to the inquiries of, foreign competent authorities.

(Articles 22 was amended to include paragraph 2 pursuant to RU Law No. ZRU-212 of April 22, 2009 - Corpus of laws of the Republic of Uzbekistan, 2009, No. 17, Art. 210).
Article 23. Settlement of Disputes
All disputes related to the fight against money laundering and terrorist financing shall be settled in accordance with the procedure established by applicable law.

Article 24. Liability for Non-Compliance with the Law on Combating Money Laundering and Terrorist Financing
Persons failing to comply with the Law on Combating Money Laundering and Terrorist Financing shall be held liable in accordance with the established procedure.

I. KARIMOV
President of the Republic of Uzbekistan

Tashkent
August 26, 2004
No. 660-II