

## CROSS-BORDER FINANCIAL INTELLIGENCE SHARING IN CENTRAL ASIA: BARRIERS, PRACTICES, AND THE CASE OF UZBEKISTAN

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**Annotation.** *This article examines the mechanisms of cross-border financial intelligence sharing in Central Asia in the context of combating terrorist financing. Particular attention is given to the role of financial intelligence units and the challenges associated with information exchange at the regional level. The study analyzes legal, institutional, and technical barriers that limit effective cooperation among Central Asian states. The paper also explores Uzbekistan's recent reforms in the field of anti-money laundering and counter-terrorist financing, highlighting its growing role in strengthening regional collaboration. Based on the analysis, the article identifies key gaps in current practices and proposes practical measures aimed at improving financial intelligence sharing and enhancing the overall effectiveness of counter-terrorist financing efforts in the region.*

**Abstract.** *In the context of increasing global security threats, the issue of terrorist financing has become a major concern, particularly for strategically important regions such as Central Asia. The cross-border nature of financial flows makes it difficult for individual states to effectively combat such threats without strong regional cooperation. This article examines the mechanisms of cross-border financial intelligence sharing in Central Asia, with a particular focus on Uzbekistan as a case study. The study aims to analyze existing practices of financial intelligence exchange, identify key legal, institutional, and technical barriers, and assess Uzbekistan's role in strengthening regional cooperation. The research is based on a qualitative methodology, including the analysis of international standards, national legislation, and academic literature on anti-money laundering and counter-terrorist financing (AML/CFT). The findings reveal that while Central Asian countries have established financial intelligence units and basic cooperation frameworks, significant challenges remain. These include differences in legal systems, limited technological infrastructure, insufficient institutional capacity, and a lack of mutual trust. At the same time, Uzbekistan has made notable progress in aligning its national framework with international standards and actively participating in regional initiatives.*

**Keywords:** *terrorist financing, financial intelligence, financial intelligence units (FIUs), cross-border cooperation, information sharing, Central Asia, Uzbekistan, AML/CFT, anti-money laundering, counter-terrorist financing, regional security, transnational crime, illicit financial flows, legal framework, institutional capacity, international cooperation, FATF standards, financial monitoring, compliance, risk assessment.*

### Introduction

Terrorist financing continues to pose a serious threat to both national and regional security. According to the International Monetary Fund, the effectiveness of counter-terrorist financing measures largely depends on international cooperation and timely exchange of financial

intelligence.<sup>1</sup> In Central Asia, the risks are intensified due to cross-border financial flows and the region's strategic location. Research shows that transnational financial crimes cannot be effectively addressed without coordinated regional mechanisms and information sharing.<sup>2</sup>

Scholars also argue that modern counter-terrorism strategies increasingly focus on tracking and disrupting financial flows<sup>3</sup> rather than only prosecuting criminal acts. This makes financial intelligence a key instrument in preventing terrorism.

Uzbekistan has recently implemented significant reforms in AML/CFT and has become more active in regional cooperation. However, challenges in cross-border information exchange remain.

Organised crime is becoming increasingly interconnected, violent, and global in nature.

Criminal networks exploit international trade routes, digital technologies, and regulatory weaknesses to traffic illicit goods and expand their operations. In this context, money laundering serves as a key enabling mechanism, allowing criminal groups to legitimize their profits and reinvest in further illegal activities.<sup>4</sup>

In Central Asia, the region's position along major trade corridors, combined with evolving financial systems, creates vulnerabilities that can be exploited by transnational criminal organizations. Addressing these threats requires not only detecting suspicious financial flows but also transforming financial intelligence into legally admissible evidence.

As highlighted by EU Ambassador to Bishkek, financial intelligence should not remain an isolated analytical product, but must be converted into evidence capable of supporting prosecutions and enabling asset confiscation. This underscores the importance of strengthening both analytical and legal capacities in combating terrorist financing.<sup>5</sup>

### **Literature Review**

Terrorist financing has become one of the most discussed issues in modern security and economic studies. Most scholars agree that it is not a static problem, but something that constantly evolves together with globalization and financial innovation. The International Monetary Fund points out that combating terrorist financing is only effective when countries work together and share financial intelligence in a timely manner.

A key element in this system is the Financial Intelligence Unit (FIU). In simple terms, FIUs are national bodies that collect and analyze information about suspicious financial transactions.<sup>6</sup> They then share this information with law enforcement agencies when necessary.

The IMF describes FIUs as the "core analytical hubs" of national AML/CFT systems, which connect financial data with investigative work.

The World Bank also highlights an important point: when FIUs and law enforcement agencies work closely together, it becomes much easier to detect and stop illegal financial

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<sup>1</sup> IMF-Countering the Financing of Terrorism: Good Practices to Enhance Effectiveness.

<sup>2</sup> FATF-International Standarts.

<sup>3</sup> The Palgrave Handbook of Criminal and Terrorism Financing Law.

<sup>4</sup> UNODC-Global Study on Organized Crime.

<sup>5</sup> EU-ACT Workshop(Bishkek,2026)

<sup>6</sup> IMF-Financial intelligence Units: An Overview.

activities.<sup>7</sup> This shows that success does not depend only on laws, but also on how well institutions cooperate in practice.

Some researchers, such as Tim Parkman, emphasize that today's AML/CFT systems are highly interconnected. In other words, no country can fully protect itself alone, because financial crime easily crosses borders.<sup>8</sup>

Academic studies also show that financial intelligence sharing helps uncover complex criminal networks that would otherwise remain hidden<sup>9</sup>. At the same time, researchers point out real problems: different legal systems, weak coordination, and lack of trust between countries often slow down cooperation.

The Palgrave Handbook of Criminal and Terrorism Financing Law also explains that modern counter-terrorism strategies are shifting focus. Instead of only reacting to crimes, authorities now try to follow the money and stop financial flows at an early stage.

However, when we look at Central Asia, many studies still show that cooperation is not as strong as it could be. Even though systems exist, practical challenges like legal differences and limited trust still create barriers between states.

### **Methodology**

This article uses a qualitative research approach, meaning it focuses more on understanding ideas, systems, and relationships rather than numbers. The goal is to better understand how financial intelligence sharing works in Central Asia, especially in the case of Uzbekistan.

First, the study looks at legal documents and national AML/CFT frameworks. This helps to understand how each country regulates financial intelligence and what kind of systems they have in place.

Second, a comparative approach is used. This means different Central Asian countries are compared to see how their systems are similar or different, and where cooperation works well or faces difficulties.

Third, the research includes a case study of Uzbekistan, focusing on its recent reforms, institutional improvements, and growing participation in regional cooperation. This helps to show how one country is trying to improve its system in practice.

The study also relies on existing academic research, international reports, and policy documents. These sources help to build a more complete and realistic picture of the topic.

Overall, this approach allows the research to move beyond theory and better understand real-world practices and challenges. The aim is not only to describe the situation but also to evaluate it and suggest practical improvements.

### **Analysis and Discussion**

#### **1. Current Practices of Financial Intelligence Sharing**

Central Asian countries have established FIUs that cooperate through bilateral and multilateral frameworks.

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<sup>7</sup> World Bank-Financial Intelligence Units Working with Law Enforcement Authorities.

<sup>8</sup> Tim Parkman-Mastering Anti-money Laundering and Counter-Terrorist Financing.

<sup>9</sup> Journal of Financial Crime

Studies show that financial intelligence sharing is one of the most effective tools in combating cross-border financial crimes, particularly terrorist financing.

However, cooperation remains inconsistent, and delays in information exchange are common.

## 2. Barriers to Effective Cooperation

Several factors limit effective cooperation:

Legal differences between countries

Technical and infrastructural limitations

Institutional weaknesses

Research articles emphasize that legal fragmentation and lack of harmonized regulations are major obstacles to effective cross-border intelligence sharing.

In addition, scholars highlight that limited trust and political sensitivities often restrict full transparency between states.

## 3. Uzbekistan's Role

Uzbekistan has made significant progress in strengthening its AML/CFT framework.

Recent studies note that Uzbekistan has improved its compliance with international standards and increased its engagement in regional cooperation mechanisms.

The country actively participates in international initiatives and works toward improving financial transparency.

Experts suggest that countries with stronger domestic frameworks, like Uzbekistan, can play a leading role in promoting regional cooperation.

## 4. Recommendations

To improve financial intelligence sharing:

Harmonize legal systems

Invest in digital infrastructure

Strengthen institutional capacity

Promote trust-building initiatives

International research highlights that sustainable cooperation depends not only on legal frameworks but also on mutual trust and technological compatibility.

## 5. Practical Approaches to Strengthening Financial Intelligence Cooperation

Recent international training initiatives provide valuable insights into practical methods of improving financial intelligence sharing and combating terrorist financing. In particular, a workshop held on January 19–21, 2026 in Bishkek, Kyrgyzstan, organized with the participation of EU Global Facility and EU-ACT experts, highlighted key operational challenges and solutions in this field.

Experts emphasized the importance of integrating financial investigations into broader criminal investigations. Practical sessions demonstrated that parallel financial investigations allow authorities to trace asset flows while simultaneously building criminal cases. This approach significantly increases the effectiveness of identifying illicit financial networks.

In addition, cross-border tracing and mutual legal assistance mechanisms are essential for following financial flows across jurisdictions, especially in regions like Central Asia where financial activities often extend beyond national borders.

Another important tool is the use of open-source intelligence (OSINT), which enables investigators to identify beneficial ownership structures and verify financial data using publicly available information.

Furthermore, asset recovery and confiscation mechanisms play a crucial role in disrupting terrorist financing by targeting the financial resources of criminal networks.

Finally, understanding evidentiary standards is essential, as improperly presented financial intelligence may be rejected in court, weakening prosecution efforts.

These practical approaches highlight that strengthening operational capacity is just as important as developing legal frameworks, particularly in improving regional cooperation in Central Asia.

### **Conclusion**

Cross-border financial intelligence sharing is essential in combating terrorist financing in Central Asia.

Both international organizations and academic studies confirm that without effective cooperation, efforts to counter terrorist financing remain limited.

Uzbekistan's reforms and active role in regional initiatives demonstrate its potential to enhance cooperation mechanisms.

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