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The impact of legal norms on criminal practices related to money laundering in Kazakhstan: A comparison with the experience of Singapore

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Abstract. The purpose of the study was to clarify the role of regulatory mechanisms in the development and change of methods of money laundering in Kazakhstan, including a comparative analysis of Singapore's legal approach. The study used a qualitative and quantitative comparative design using comparative legal and special legal analysis, a case study based on the Placement-Layering-Integration model within the framework of standards. During the study, it was found that the legal regulation of money laundering in Kazakhstan and Singapore is based on a two-level model of Anti-Money Laundering / Counter-Financing of Terrorism, which combines the criminalisation of money laundering and a financial monitoring system. It was revealed that in Kazakhstan, money laundering is an independent crime and is supplemented by a centralised model of financial monitoring. But in Singapore, criminalisation is implemented through a ban on transactions with property of criminal origin, combined with a developed confiscation regime, and preventive control is provided by sectorally differentiated regulatory requirements of the Monetary Authority of Singapore. Comparative analysis showed that Kazakhstan is dominated by the procedural control model, in which the key restriction at the placement and layering stage is centralised financial monitoring and formalised application of Customer Due Diligence and Enhanced Due Diligence. In Singapore, the legal impact is more differentiated and combines sectorally detailed compliance with the real threat of asset confiscation. It was revealed that these differences form different "regulatory risk ecosystems", within which criminal practices are adapted by optimising to meet procedural requirements or flowing into less regulated segments of the financial system. It was proved that the adaptation of certain elements of the Singapore approach, in particular, the strengthening of property mechanisms at the integration stage and the focus of sanctions on systemic risks, can increase the real regulatory impact of Anti-Money Laundering / Counter-Financing of Terrorism norms in Kazakhstan. The practical significance of the results obtained lies in the possibility of their use by the authorised financial monitoring bodies and regulators of the Republic of Kazakhstan in improving the criteria for assessing client and transaction risks, and in the development of supervisory practice

Keywords: financial security; cross-border financial flows; income legalisation; asset confiscation; economic turnover

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Introduction

Money laundering remains one of the threats to the financial security of states and the stability of the rule of law in the context of globalisation and the growth of cross-border financial flows. The development of digital financial instruments, the complexity of corporate structures, and the active use of international financial centres contribute to the evolution of criminal practices of laundering funds obtained by criminal means. Under these conditions, the effectiveness of countering money laundering is largely determined by the content of legal norms, mechanisms for their implementation, and law enforcement practices. For Kazakhstan, the problem of money laundering is relevant in connection with the transformation of the financial system, participation in international economic processes, and the need to harmonise national legislation with international standards in the field of countering the legalisation of criminal proceeds. Despite the formal compliance of many regulatory provisions with the recommendations of international organisations, scientific research and law enforcement practice record the existence of discrepancies between legal regulation and actual criminal practices. This indicates a limited influence of certain legal norms on the actual behaviour of subjects of financial crimes.

The scientific background on Anti-Money Laundering / Counter-Financing of Terrorism (AML/CFT) in Kazakhstan is dominated by a line that focuses on the ratio of formal regulatory compliance and the actual effectiveness of the system. R.M. Zhamiyeva & M.G. Albekova (2023) argued that the development of a general regulatory framework is accompanied by the preservation of the systems vulnerability to the "efficiency gap", when the presence of requirements does not guarantee a decrease in the ability of criminal practices to mask the origin of funds. They also stressed that the practical effectiveness of AML/CFT significantly depends on the quality of risk management and the heterogeneity of compliance behaviour of different actors, and not on the actual increase in formal responsibilities. The proposed conclusions only partially explained the causal mechanism of the influence of norms on the transformation of criminal schemes, leaving open the question of which legal structures can change the economic logic of "fitting" to procedural requirements.

Another block of literature links the effectiveness of countering income legalisation to the digital transformation of the financial environment, which continues and further increases the complexity of control. B. Yerkenov (2024) showed that digitalisation has shifted risk profiles: traditional detection mechanisms are weaker at detecting transactions that are hidden due to high transaction speeds, remote services, and fragmentation of payment chains. The researcher concluded that legal instruments should cover not only classical banking channels, but also new digital forms of financial interactions, in which income legalisation takes on a different structure. However, according to researcher, the comparative dimension remains insufficiently developed: the question of how jurisdictions with a more behaviourally sensitive compliance model (Singapore) integrate digital risks into regulatory incentives is highlighted in fragments.

Related studies aimed at criminal liability in the economic sphere provide important conclusions for understanding the limitations of "punitive" logic without property and systemic influence. Based on the conclusions of M.A. Utanov *et al.* (2024), the preventive potential of criminal law depends on the quality of normative constructions of the composition of the crime and the practice of proof, since they determine the reality of the risk to the economic benefit of the offender. They separately stressed that the formal existence of sanctions does not provide a deterrent effect when law enforcement focuses on proving completed episodes and does not create long-term legal uncertainty for assets. For money laundering issues, this means preserving the possibility of "deferred legitimisation" of property at later stages, but in the aforementioned study, this logic was not developed to analyse the stages of laundering and the confiscation component as an instrument of influence.

Singapore's experience in the literature is revealed by focusing on sectoral sensitivity and detailing requirements that narrow the scope for using legal markets to launder questionable capital. The paper by V. Ooi (2021) showed that in the non-financial sectors, the effectiveness of AML increases when regulation addresses specific risk channels, in particular, the high cost of goods, asset mobility, and the possibility of rapid conversion and movement. His conclusion is that sectoral specification of requirements reduces the "grey area" for transactions that formally look legitimate but can actually mask the origin of funds.

The Singapore papers also trace the evolution of AML as a policy that creates incentives for regulatory discipline not only through criminal prosecution, but also through autonomous oversight tools. R.E. Menon (2023) described the transition from a "crime prevention" framework to a model where compliance as standardised organisational behaviour becomes a key goal. The researcher noted that this change was reflected in the practical mechanisms of influence: along with the criminal block, the role of supervisory responses is growing, which correct the behaviour of institutions through sanctions, prescriptions, and requirements for risk management systems. For comparison with Kazakhstan, this is important because it allows assessing not only the "existence of norms", but also their ability to create institutional incentives for meaningful compliance. The paper by R.E. Menon (2023) is dominated by an explanation of the policy trajectory, while the question of the measurable impact of specific norms on the adaptation of criminal practices at different stages of laundering remains secondary.

Individual sources are not limited to AML topics but provide relevant conclusions for understanding the economic background in which money laundering finds legal "inputs". R.K. Goel & J.W. Saunoris (2022) showed that investment flows and firm behaviour have a mixed effect: in some cases, they support development, while in others, they

create opportunities for hidden reallocation of resources. It follows that cross-border financial interactions and investment instruments can serve as a "legitimate shell" for dubious capital if regulatory controls remain homogeneous and insufficiently sensitive to the economic content of transactions. However, in this paper, this conclusion was not directly linked to AML/CFT instruments, which reinforces the need for research that links the economic context to legal mechanisms for detecting and deterring money laundering.

The technological dimension of compliance in the contemporary literature is described as a resource for improving the quality of risk detection, and not just as a means of automating formal procedures. Analysis by E. Kurum (2023) pointed out that RegTech solutions change the quality of risk detection by comprehensively matching transactional patterns and network connections, reducing dependence on formal checklists. As a result, the logic of the transition from "procedural compliance" to the analysis of behavioural patterns of operations is formed, which is particularly relevant for jurisdictions where Customer Due Diligence / Enhanced Due Diligence (CDD/EDD) exists without criteria for evaluating their actual effectiveness. In the paper by E. Kurum (2023), the key issue remains forecasting the development of compliance, while the specification of legal design (which norms should change the requirements for risk assessment) requires additional justification in comparison with the practices of states where the relevant approaches are already fixed by regulation.

The criminal dimension of concealment of the origin of assets in the context of money laundering is detailed through attention to the limits of criminalisation and proof. A.A. Ghifari (2025) showed that not only the asset itself has legal significance, but also the legal interpretation of actions aimed at masking its origin, since it determines the framework of proof and the practical possibility of prosecution. The researcher noted that fuzzy or narrow approaches to concealment can lead to the actual legitimisation of assets through procedural barriers, even when their origin is questionable. For comparison between Kazakhstan and Singapore, this is important because it allows linking the problem of the integration stage with confiscation mechanisms and tools for challenging the legitimacy of assets. However, conclusions of A.A. Ghifari (2025) need to be linked to specific national structures and supervisory practices, which forms a request for specialised comparative research.

The purpose of the study was to determine the impact of legal regulation on the development of schemes for legalising criminal proceeds in Kazakhstan based on a comparison with the legal model of Singapore. To achieve this goal, the study provided for solving the following tasks: to characterise the system of legal regulation of countering money laundering in Kazakhstan and Singapore; to carry out a comparative analysis of the impact of legal norms and practices of their application on criminal practices of money laundering in these states; to substantiate areas for improving legal regulation and law enforcement practices of countering money laundering in Kazakhstan, taking into consideration the experience of Singapore.

Materials and Methods

The study was carried out within the framework of a qualitative and quantitative comparative design aimed at analysing the impact of legal norms on the transformation of criminal practices of money laundering. The methodological framework combined comparative legal analysis, case studies, which allowed investigating the regulatory architecture, the practice of its application, and empirical indicators of the effectiveness of AML/CFT regulation. The analytical basis of the study was the Placement-Layering-Integration model proposed and established in the analytical documents of the Financial Action Task Force (2025) (FATF). It was used as a tool for investigating the impact of legal norms on criminal practices of money laundering.

The chronological limits of the study covered 2010-2025, which was conditioned by several factors. Firstly, this period was characterised by the active implementation of the risk-based approach in the AML/CFT policies of states in accordance with the updated Financial Action Task Force (2025) standards. Secondly, in 2023-2024, Singapore and Kazakhstan developed relevant judicial and supervisory practices regarding the confiscation of assets and the application of AML/CFT sanctions, which created an empirical basis for case analysis. The choice of Kazakhstan as the main object of research was conditioned by its belonging to the Eurasian regulatory space, a centralised model of financial monitoring and the relevance of reforms in the field of combating money laundering. Singapore was chosen as the country for comparison because of its reputation as a high-density financial hub for AML/CFT regulation, a sectoral differentiated approach to financial supervision, and a well-developed practice of imposing confiscation and supervisory sanctions.

Comparative legal analysis was applied to identify differences in the regulatory framework for countering money laundering in Kazakhstan and Singapore, in particular, in the methods of criminalisation, institutional organisation of financial monitoring and confiscation mechanisms. The materials for this method were the Criminal Code of the Republic of Kazakhstan No. 167 (1997) and Law of the Republic of Kazakhstan No. 191-IV (2009). Singapore's regulations were additionally analysed, Corruption, Drug Trafficking and Other Serious Crimes (1993) (CDSA) and Terrorism (Suppression of Financing) Act (2002) (TSFA). The special legal method was used for doctrinal analysis of the content of legal norms, their systematic interpretation and determination of the internal logic of AML/CFT regulation. The purpose of applying this method was to clarify the legal nature of the obligations of financial monitoring entities, the correlation of criminal and financial regulatory instruments, and the legal consequences of integrating assets into legal circulation.

The case study method was used to analyse the practical impact of legal norms on criminal practices of money

laundering and to test theoretical conclusions on examples of law enforcement. The purpose of using this method was to identify how regulations are implemented in specific situations and how they affect the behaviour of financial institutions and offenders. The empirical basis of the case analysis was the mutual assessment of the AML/CFT system of the Republic of Kazakhstan prepared by the Eurasian Group (Financial Action Task Force, 2023), the materials of the supervisory practice of the MAS – Monetary Authority of Singapore (2025a), and the Singapore Court of Appeals decision in Merlur Binte Ahmad v Public Prosecutor (Criminal Motion No. 36, 2024).

The method of comparative legal benchmarking was applied to develop areas for improving the legal regulation and law enforcement practice of countering money laundering in the Republic of Kazakhstan, considering the experience of Singapore. The study was based on open sources and officially published materials, which limits the ability to analyse latent aspects of criminal practices. In addition, the comparison focused on the two jurisdictions, which did not allow for universal generalisations, but provided depth for institutional analysis.

Results and Discussion

Legal regulation of anti-money laundering in Kazakhstan and Singapore

Legal regulation of countering money laundering is an element of the national policy in the field of ensuring financial security and countering economic crime. It establishes regulatory conditions within which prohibited behaviour is defined, criminal liability for the legalisation of proceeds obtained by criminal means is established, and mechanisms for preventing the use of the financial system for illegal purposes are consolidated. In this sense, legal regulation performs not only a punitive, but also a preventive function aimed at reducing the attractiveness of financial crimes by increasing the risk of their detection and punishment (Durguti *et al*., 2023).

The generally accepted anti-money laundering model is based on a combination of criminalisation of relevant acts, a financial monitoring system, and a set of preventive measures (Isaac *et al*., 2020). Criminalisation provides an opportunity to bring to justice not only for the primary crime, but also for further concealment or disguise of the illegal origin of income, which expands the tools of law enforcement agencies. Financial monitoring, in turn, is aimed at early detection of suspicious transactions by assigning special responsibilities to financial institutions and other entities defined by law. Preventive measures, in particular, mandatory identification and verification of clients, identification of ultimate beneficial owners, are aimed at complicating the use of financial institutions to conceal the illegal origin of funds and their further legalisation in official economic circulation.

The regulatory framework for countering money laundering in the Republic of Kazakhstan (RK) is built as an integral system of legal norms, which combines criminal law provisions on responsibility for the legalisation of criminal proceeds and special financial and regulatory legislation aimed at their prevention and detection. This design corresponds to the generally recognised international AML/CFT model and provides a distinction between repressive and preventive elements of legal regulation. The basic legislative act in the field of countering money laundering is the Law of the Republic of Kazakhstan No. 191-IV (2009). It is this law that forms the regulatory basis for financial monitoring, defining the concept, principles, and tools of preventive counteraction to the legalisation of criminal proceeds. Its significance lies in the fact that it does not focus on punishing a criminal offence already committed but establishes mandatory rules of conduct for participants in financial and property transactions to prevent the use of the financial system to conceal the illegal origin of funds. In international analytical documents in Law of the Republic of Kazakhstan No. 191-IV (2009), the Financial Action Task Force (2023) is explicitly defined as the central element of the national AML/CFT system.

The second system-forming regulation is the Criminal Code of the Republic of Kazakhstan No. 167 (1997), in which money laundering is fixed as an independent crime. Liability for the legalisation (laundering) of money and/or other property obtained by criminal means is provided for in Article 218 of the CC RK. The normative significance of this article is to establish a criminal law ban on actions aimed at giving illegal income the appearance of legal origin, concealing its true source or masking the movement of the relevant property. Thus, the criminal legislation fixes the limits of socially dangerous behaviour and creates legal grounds for bringing the perpetrators to justice, and for applying procedural measures related to the seizure and confiscation of assets.

The category of money laundering in the legal system of Kazakhstan has a two-level character, reflecting the different functions of criminal and financial legislation. In the criminal legal sense, money laundering appears as a crime, the composition of which is described through specific actions with illegally obtained funds or property and a mandatory sign of awareness of their criminal origin. This approach makes it possible to criminalise not only the complete integration of illegal income into the legal economy, but also actions aimed at concealing their origin. In financial and legal terms, on the contrary, money laundering is considered not as an established crime, but as a risk that must be identified and neutralised at an early stage. The Law of the Republic of Kazakhstan No. 191-IV (2009) uses the categories of "countering the legalisation of proceeds" and "financial monitoring", establishing the obligation to prevent the financial system from being involved in illegal schemes even before a criminal offence has been proven.

In the anti-money laundering system in the Republic of Kazakhstan, the range of financial monitoring subjects and the scope of their responsibilities are determined by the Law of the Republic of Kazakhstan No. 191-IV (2009). The legislator applied a functional approach, according

to which the subjects of financial monitoring include organisations and persons whose activities are related to the conduct of financial transactions or operations with property, and which can potentially be used to legalise criminal proceeds. This category includes financial organisations, in particular banks, organisations that carry out certain types of banking operations, insurance companies, participants in the securities market, and other entities of the non-financial sector defined by law, in respect of which the obligation of financial monitoring is established. The main procedural obligation of financial monitoring entities is to submit reports to the authorised body on transactions subject to financial monitoring, and on suspicious transactions regardless of their amount, if, based on a combination of indicators, they may be related to the legalisation of criminal proceeds or the financing of terrorism. This mechanism ensures the inclusion of the private sector in the preventive control system and provides an information basis for further analysis and response by the state. The scope of obligations of financial monitoring entities in Kazakhstan is clearly defined and is aimed at implementing the preventive component of AML/CFT. The law imposes on them the obligation to identify and verify clients and their representatives, identify ultimate beneficial owners, apply a risk-based approach to establishing and maintaining business relationships, and constantly monitor financial transactions. An important element of these responsibilities is documenting relevant information, storing it within a certain time frame, and ensuring that authorised bodies can access such data within the framework of the law.

Institutional coordination of financial monitoring in Kazakhstan is entrusted to Financial Monitoring Agency of the Republic of Kazakhstan (n.d.), which performs the functions of the national financial intelligence unit. The agency provides reception and analytical processing of messages from financial monitoring entities, forms generalised financial intelligence materials and transmits them to law enforcement agencies in cases provided for by law. Thus, the regulatory model of financial monitoring in Kazakhstan is based on a combination of the responsibilities of the private sector and the centralised analytical function of the state body, which corresponds to the generally accepted international architecture of AML/CFT.

The regulatory framework for countering money laundering in Singapore is formed as a consistent system of criminal law and financial regulation aimed at preventing, detecting, and stopping the legalisation of proceeds from crime. As in Kazakhstan, this system is based on the international AML/CFT model but is characterised by a clearer functional distinction between the criminalisation of money laundering and preventive financial control, and a high degree of centralisation of regulatory powers. The criminal law basis for combating money laundering in Singapore is the Corruption, Drug Trafficking… (1993) Act. This law prohibits any transactions or other actions with property in cases where a person knows or has grounds to suspect that such property is a benefit from criminal activity. A special feature of CDSA is that the criminalisation of money laundering is directly combined with the legal regime for the seizure and confiscation of criminal proceeds. As a result, the legislator focuses not only on punishing the very fact of legalising illegal funds, but also on eliminating the economic basis of criminal activity by depriving offenders of the benefits received. Along with the CDSA, Singapore's AML/CFT legislative core is the Terrorism (Suppression of Financing) Act (2002), which regulates countering the financing of terrorism. The TSFA criminalises the provision or collection of funds for terrorist purposes and also provides mechanisms for freezing the assets of individuals and organisations associated with terrorist activities. Together, the CDSA and TSFA form a complete criminal law model that covers both money laundering and terrorist financing, ensuring the regulatory integrity of AML/CFT regulation.

The financial and regulatory level of countering money laundering in Singapore is primarily focused on preventing and early detection of risky financial transactions. The central role in this block is played by Monetary Authority of Singapore (n.d.), which has the authority to develop mandatory regulatory standards and monitor their compliance. The main regulatory tool is the mandatory Notices Monetary Authority of Singapore (n.d.), which detail AML/CFT requirements for financial institutions depending on their sector of activity. For each category of entities, separate regulations are established that consider the specifics of the relevant financial services and risks. For banks, such a basic act is Monetary Authority of Singapore (2025b), which defines responsibilities for identifying and verifying customers, identifying ultimate beneficial owners, assessing risks, continuously monitoring operations, storing information, and reporting suspicious transactions. Similar in structure, but sectorally adapted Notices apply to other financial institutions, including non-bank financial companies, insurance organisations, market intermediaries and payment services, which ensures the unity of regulatory standards, provided that industry-specific features are taken into consideration.

In Singapore's legal system, the definition of money laundering is functionally delineated. In the criminal law dimension, it is implemented through the description of prohibited actions in Corruption, Drug Trafficking… (1993), where the key elements are the presence of knowledge or reasonable suspicion of the criminal origin of property and the commission of actions aimed at its use, concealment, or disguise. In the financial and regulatory dimension, money laundering is considered not as a proven crime, but as a potential risk to the financial system. Accordingly, the MAS regulations do not establish the elements of a crime but define standards of appropriate conduct for financial institutions to detect and block suspicious financial flows until the criminal law qualification. The subjects of AML/CFT control in Singapore are financial institutions and other legally defined categories of entities that are required to comply with the regulatory requirements of the Monetary Authority of Singapore (n.d.).

Their responsibilities include implementing internal policies and procedures, managing risks, training personnel, maintaining records, and reporting suspicious transactions. Institutional model of AML/CFT in Singapore is based on the delineation and coordination of powers between the financial regulator and law enforcement agencies. MAS regulates and oversees compliance with AML/CFT requirements in the financial sector (Financial Action Task Force, 2025), while the functions of financial intelligence are assigned to the Suspicious Transaction Reporting Office (n.d.) (STRO), which ensures the reception, processing and analytical processing of reports of suspicious transactions with the subsequent transmission of relevant information to the competent law enforcement agencies.

Thus, the analysis of the legal regulation of money laundering in Kazakhstan and Singapore indicates the development in both countries of comprehensive AML/CFT models that combine the criminalisation of money laundering with a system of financial monitoring and institutional control. Differences in regulatory techniques, methods of criminalisation, the nature of regulatory requirements, and the distribution of powers between state bodies determine different conditions for the functioning of preventive and repressive mechanisms (Table 1).

Table 1. Comparative characteristics of the legal regulation of money laundering in Kazakhstan and Singapore

Comparison criteria	Kazakhstan	Singapore
General AML/CFT model	Two-tier model that combines a criminal ban on money laundering with a centralised financial monitoring system. Legal impact is realised mainly through standardised procedural requirements	Two-level model with a combination of criminalisation and sectorally differentiated financial regulation. Legal impact is fragmented by sector, but more intense by depth of control
Criminalisation of money laundering	Money laundering is fixed as an independent crime; criminal liability occurs for actions aimed at money laundering, regardless of the stage of their integration	Criminalisation is implemented through the prohibition of operations with property of criminal origin, which is closely related to the regime of seizure and confiscation of assets
Financial monitoring design	Centralised model with a single authorised financial intelligence body; a legally defined list of subjects and standard responsibilities	Sectoral differentiated model; requirements are detailed through mandatory Notices of the financial regulator, which consider the product, customer and risk profile
Subjects of control	Wide range of financial and non-financial entities whose activities can potentially be used for income legalisation	Licensed financial institutions of various sectors, whose activities are subject to constant supervision by MAS
Scope and nature of entities obligations	Formalised responsibilities for identifying customers and beneficiaries, monitoring transactions, reporting and storing information; emphasis on procedural compliance	Comprehensive compliance requirements that include risk management, ongoing transactional monitoring, internal control, and personal management responsibility
Institutional organisation	Centralised financial intelligence within a government agency that provides data accumulation and retrospective analysis	Functional distribution of powers between the financial regulator (MAS) and the financial intelligence unit (STRO)
Enforcement and sanctions mechanisms	Mainly criminal law and administrative measures applied after detection of violations	Active application of supervisory sanctions, significant financial fines and confiscation of assets as independent instruments of regulatory influence

Source: compiled by the author based on Monetary Authority of Singapore (n.d.), Suspicious Transaction Reporting Office (n.d.), Corruption, Drug Trafficking… (1993), Criminal Code of the Republic of Kazakhstan No. 167 (1997), Law of the Republic of Kazakhstan No. 191-IV (2009)

Table 1 provides a comparative description of the legal regulation of anti-money laundering in Kazakhstan and Singapore, indicating significant differences in AML/CFT models in each country. Kazakhstan uses a centralised system with clearly defined responsibilities of entities and more formalised control procedures, which creates certain barriers to flexibility in the market. Singapore, on the other hand, offers a more flexible, sectorally differentiated model that allows requirements to be tailored to different financial sectors and reduces the risks of regulatory bias. However, Singapore also has a clear focus on the effective application of confiscation mechanisms and tough sanctions, which allows for more intensive control. Thus, although both countries have two-tier AML/CFT systems, Kazakhstan is focused on procedural compliance, and Singapore is focused on deeper regulation with a focus on real mechanisms for influencing financial institutions. These differences in the design of financial monitoring and legal organisation may have an impact on the overall effectiveness of countering money laundering in each country.

The results obtained are consistent with conclusions of A. AlQudah *et al.* (2025), which in a comparative analysis of the economies of the European Union, the G20, BRICS, and CIVETS, proved that the effectiveness of countering money laundering largely depends on the quality of institutional governance and regulatory coherence of AML systems. The researchers stressed that the formal existence of criminalisation and financial monitoring is not a sufficient condition for effectively curbing illegal financial flows without clear coordination between regulatory and law enforcement agencies. A similar conclusion follows from the study: both Kazakhstan and Singapore have developed complex AML/CFT models, but differences in the distribution of powers and regulatory techniques determine a different balance between preventive and repressive elements. However, the results complement approach by

A. AlQudah *et al.* (2025) demonstrating that not only the level of economic openness, but also the nature of the legal structure of financial monitoring determines the functioning of the AML system.

The results of the study also partially correlate with the results of F.M. Ajide & T.A. Ojeyinka (2024), who analysed the impact of AML regulation on sustainable development in developing countries. Their study showed that excessively strict or formalised AML requirements can create additional regulatory barriers without a proportional increase in the effectiveness of countering financial crimes. The analysis of legal regulation in Kazakhstan confirms this thesis in terms of the risk of formalising preventive procedures, when the implementation of regulatory requirements may become self-sufficient. The study of Singapore shows that the combination of detailed regulatory controls with actual confiscation mechanisms reduces the likelihood of such a regulatory bias, which allows clarifying the conclusions of F.M. Ajide & T.A. Ojeyinka (2024) on the universality of the negative effects of AML-encumbrance.

Individual results of the study correlate with conclusions of I. Ofoeda (2022), who in a global empirical analysis found a link between AML regulation and financial inclusion. The researcher concluded that expanding the obligations of financial monitoring entities may limit the access of certain categories of clients to financial services, especially in jurisdictions with a high level of formalisation of procedures. In the context of this study, a similar risk can be traced in the Kazakhstan model, where centralised financial monitoring and strictly defined responsibilities of control entities can create additional barriers for certain market segments. The Singapore model demonstrates that a sectorally differentiated and risk-based approach allows maintaining a balance between financial inclusion and the effectiveness of AML/CFT regulation, which partially corrects the generalised conclusions of I. Ofoeda (2022). Thus, the results obtained are not only consistent with contemporary empirical studies but also expand them by analysing in detail the role of normative architecture in the development of national AML/CFT systems.

Impact of legal norms on criminal practices of money laundering: A comparative analysis of Kazakhstan and Singapore

Legal norms in the field of countering money laundering perform a function that goes beyond the formal establishment of prohibitions and sanctions. They form a regulatory environment in which subjects of financial crimes assess acceptable and risky ways of money laundering, adapting their behaviour to the requirements of legislation and the practice of its application. In this sense, legal regulation acts not only as a tool for responding to offences already committed, but also as a factor that indirectly affects the choice of strategies, tools and organisational forms of money laundering (Akartuna *et al.*, 2025). This impact is manifested, firstly, in the transformation of the possibilities of committing money laundering, when the introduction of certain legal requirements increases the complexity, cost or risk of using certain financial transactions and channels. Secondly, legal norms affect the incentive system, changing the relative attractiveness of certain methods of money laundering, depending on the probability of detection and legal consequences. Thirdly, regulatory restrictions lead to changes in money laundering instruments, contributing to the reorientation of criminal practices to alternative mechanisms, jurisdictions or financial technologies. For further analysis of the impact of legal norms on criminal practices of money laundering, an analytical model is used that considers the process of money laundering as a sequence of interrelated stages: the introduction of funds into the financial system (placement), their further stratification and masking of origin (layering) and integration into legal economic activity (integration).

The placement stage (introduction of funds into the financial system) is the primary stage of legalisation of criminal proceeds, at which illegal funds first take the form of financial assets or are included in circulation through transactions that can create an initial legitimate financial footprint (Andiojaya, 2025). At this stage, legal norms have the most pronounced preventive potential, since it is here that it is possible to block or significantly complicate further stratification of transactions. In Kazakhstan, the legal impact on the placement stage is mainly concentrated in the financial monitoring legislation, which sets mandatory requirements for identifying customers, verifying ultimate beneficial owners, and reporting suspicious transactions. These rules do not directly prohibit the introduction of funds into the financial system, but they change the conditions for such introduction, since they make it dependent on the passage of formalised procedures for monitoring and recording primary financial information. As a result, legal regulation affects placement not through a direct ban, but through the creation of a regulatory environment in which any initial fundraising is accompanied by an increased risk of their falling into the sphere of financial monitoring. From the standpoint of the impact on criminal practices, this means that in the Kazakhstan model, the key limitation of the placement stage is not a criminal sanction, but the probability of identifying a transaction as suspicious within a centralised financial monitoring system. Since financial monitoring entities are required to form client profiles and correlate financial transactions with established risk indicators, the initial introduction of funds requires compliance with the regulator's expectations regarding "normal" financial behaviour. The mutual assessment of the national AML/CFT system of the Republic of Kazakhstan also notes that the effectiveness of financial monitoring at the placement stage directly depends on the quality of Customer Due Diligence and Enhanced Due Diligence (CDD/EDD) procedures, and on the timely submission of reports of suspicious transactions (Mutual Evaluation report..., 2023). As a result, legal norms affect placement criminal practices indirectly – by narrowing the range of acceptable ways to enter the financial system and

increasing the role of formalised compliance with compliance requirements.

The centralised model of financial monitoring in Kazakhstan forms a specific regulatory effect that is important for behavioural analysis (Financial Monitoring Agency, n.d.). In the context of a significant number of formalised procedures, there is a risk that compliance with the established rules begins to be perceived as a self-sufficient goal, regardless of the actual economic content of operations. In this configuration, the legal impact on the placement stage is manifested as an incentive to focus on formally acceptable behavioural patterns aimed at minimising signs that can be regarded as abnormal. Consequently, the law does not eliminate the possibility of illegal entry of funds into the financial system but transforms it into a form that is more sensitive to procedural control and formalised risk assessment criteria.

In Singapore, the impact of legal regulations on the placement stage has a different logic, due to the combination of preventive financial control with a strict criminal law structure that provides for a real risk of asset confiscation. Criminalisation of transactions with property of criminal origin, combined with advanced mechanisms of seizure and confiscation, means that the initial introduction of funds into the financial system is associated not only with the risk of detection, but also with the risk of loss of the asset itself. Such a legal construction changes the economic feasibility of placement, since the potential losses in the event of detection significantly exceed the purely procedural consequences.

The MAS regulatory requirements detail the rules of conduct of financial institutions depending on the sector, type of financial product, and risk profile of the client. For the placement stage, this means that the intensity of legal pressure is not the same for all channels of entry into the financial system. The choice of a particular financial instrument or institution is accompanied by a different level of verification of sources of funds and the depth of regulatory control, which makes individual channels of initial input of funds more vulnerable to supervisory intervention. This impact of legal regulations on placement practices is illustrated by the supervisory actions of MAS, when in 2025 nine financial institutions, including Credit Suisse, United Overseas Bank, and Union Bank of Switzerland, were fined a total of SGD 27.45 million for violating AML/CFT requirements related to shortcomings in customer risk assessment and transaction monitoring at the initial stage of financial transactions (Monetary Authority of Singapore, 2025a). In the behavioural dimension, this leads to a direct impact of legal norms on the structure of criminal practices, since increasing the regulatory density and risk of sanctions reduces the attractiveness of individual channels of initial input of funds into the financial system.

An additional element of the impact of legal norms in Singapore is the active application of supervisory sanctions for violations of AML/CFT requirements. Such sanctions are used not only as a response to established criminal offences, but also as an independent regulatory tool aimed at ensuring the proper quality of primary control procedures. The Monetary Authority of Singapore (n.d.), which includes the imposition of significant financial sanctions on banks for shortcomings in verifying sources of funds and client risks, indicates that the effectiveness of compliance at the placement stage is considered as a key element of the stability of the financial system. As a result, even potential gaps in primary control are perceived by financial institutions as an area of increased regulatory risk, which increases filtering at the entrance.

Comparative analysis showed that in both jurisdictions, the law does not eliminate the placement stage but rebuilds its functional architecture. Kazakhstan is dominated by a model in which legal influence is implemented through centralised financial monitoring and standardised procedural requirements that increase the importance of formal compliance with compliance rules. In Singapore, the legal impact is more differentiated and combines detailed sectoral compliance with the real threat of confiscation and supervisory sanctions, which directly changes the economic incentives for the initial introduction of funds.

The layering stage in the classical money laundering model serves to complicate the traceability of illicit funds through multiple financial transactions, changing asset forms, and using intermediate structures (El Harras & Salahddine, 2025). In the legal system of Kazakhstan, the impact on the layering stage is formed primarily through financial monitoring tools, which provide for the obligation to record, store, and analyse information about financial transactions, and through the centralised nature of data processing by the authorised financial intelligence body. Legal norms do not limit the number or complexity of transactions as such, but establish requirements for their documentation, identification of parties, and logical consistency with the client's profile. As a result, layering in the Kazakhstan model unfolds in conditions of increased transactional visibility, where the key risk is not a single operation, but the accumulation of anomalies in the chain of financial behaviour. From a behavioural standpoint, this means that legal norms affect the layering stage by increasing the importance of structural consistency of operations. Since financial monitoring entities are required to constantly monitor business relationships and identify deviations from expected behaviours, multi-stage transactions that do not make obvious economic sense increase the risk of forming a suspicious profile. In this configuration, criminal practices are adapted not by maximising the complexity of schemes, but by formally "equalising" them with typical financial patterns, which again emphasises the procedural nature of legal influence.

The centralised model of financial monitoring in Kazakhstan creates a specific effect of risk concentration. Since analytical processing of information is carried out within a single state body, layering becomes vulnerable not only to initial detection, but also to retrospective analysis (Financial Monitoring Agency, n.d.). This nature of the

legal impact on the layering stage is confirmed by the conclusions. This means that even formally correct transactions can be re-evaluated in aggregate after receiving additional data. Thus, the legal impact on the layering stage in the Kazakhstan model manifests itself as a long-term regulatory pressure that limits the possibility of safe accumulation of complex transaction chains. In Singapore, the impact of legal norms on the layering stage has a different structural logic (Monetary Authority of Singapore, n.d.). Although financial monitoring also plays a key role here, legal regulation combines preventive requirements with strict criminal liability for transactions with property in respect of which there is knowledge or reasonable suspicion of its criminal origin. This design directly changes the risk profile of layering, since each additional transaction not only increases the probability of detection, but also expands the potential volume of assets to be seized or confiscated.

The MAS regulatory standards detail transaction monitoring requirements, considering the type of financial product, the complexity of the client structure, and the cross-border element of transactions (Monetary Authority of Singapore, n.d.). For the layering stage, this means that the legal pressure is differentiated: complex multi-level transactions, especially involving foreign jurisdictions or corporate shells, are automatically subject to increased oversight. In the behavioural dimension, this transforms criminal practices, reducing the appeal of classic multiple "stratification" models and encouraging the search for less obvious but more regulated "quiet" channels. The practice of holding financial institutions accountable for shortcomings in detecting suspicious transactions enhances the preventive effect of legal norms, since it forces financial sector entities to act cautiously at the layering stage. As a result, financial institutions are less likely to serve clients with opaque structures or atypical cash flows, which directly affects the availability of tools for stratification of illegal income.

Comparative analysis showed that in both jurisdictions, the law does not eliminate the possibility of layering but significantly changes its functional role in the overall structure of money laundering. In Kazakhstan, the legal impact is conditioned by the nature of procedural and analytical pressure focused on identifying inconsistencies in the totality of operations. In Singapore, this impact is more stringent and multidimensional, combining sectoral differentiated monitoring with a real threat of criminal and property consequences.

The integration stage in the money laundering model is associated with giving illegally obtained assets the appearance of legal ones by including them in official economic circulation (Monetary Authority of Singapore, n.d.). At this stage, funds or other property cease to interact directly with the financial system in a narrow sense and are integrated into real economic processes – investments, business activities, asset acquisition, project financing. Accordingly, the legal impact on integration focuses not so much on controlling transactions, but on regulating the legitimacy of the origin of assets, the possibility of their further use, and the risk of loss through confiscation mechanisms. In the legal system of Kazakhstan, the influence of norms on the integration stage is formed primarily through a combination of a criminal ban on the legalisation of criminal proceeds and mechanisms for further financial and property control. Criminalisation of the legalisation of proceeds from crime creates a legal basis for challenging the legitimacy of assets even after the completion of complex financial transactions. This means that the integration of funds into formally legitimate economic activities does not guarantee their protection from criminal and legal consequences in the event of establishing an illegal origin. From a behavioural standpoint, this construction changes the logic of integration. Since the risk of criminal liability and confiscation persists even after the inclusion of assets in economic circulation, legal norms encourage the transformation of criminal practices towards formally legal, but economically neutral or ineffective forms of integration. In other words, the law does not block the very possibility of integration but increases the value of the "protective distance" between the asset and its primary criminal origin, which affects the choice of tools and the pace of legalisation. The Kazakhstan model also provides for the possibility of retrospective analysis of assets in criminal proceedings. Even after their formal inclusion in the economy, assets remain vulnerable to further investigation of their origins. In this sense, the legal impact on integration is delayed: the legal consequences may occur much later than the completion of financial transactions. This creates an environment of increased legal uncertainty, in which the integration of assets does not mean the final "completion" of the money laundering process.

In Singapore, the impact of legal norms on the integration stage has a more pronounced property and economic dimension (Monetary Authority of Singapore, n.d.). Criminal law provisions that combine the prohibition of the legalisation of criminal proceeds with broad powers to seize and confiscate assets directly affect the economic feasibility of integration. Assets, even successfully incorporated into legal circulation, may be subject to confiscation if their criminal origin is established, regardless of the form in which they are used. As a result, criminal practices are adapted not by deeper integration, but by limiting the scale or turnover of assets, which reduces the attractiveness of traditional models of long-term legalisation.

This approach to the integration stage is confirmed by Singapore's judicial practice. In the case of Criminal Motion No. 36 (2024), the Court of Appeal examined the issue of collecting the benefits of criminal activity and confirmed that the right to confiscation of assets extends not only to direct profits from illegal acts, but also to property that could be integrated into the economy if it constitutes benefits derived from criminal activity, in the sense of Corruption, Drug Trafficking… (1993). This decision demonstrates that in the Singapore legal model, the integration stage does not confer automatic "legal immunity" to integrated assets even after their formal inclusion into econom-

ic circulation, as they remain the subject of criminal-law consequences and confiscation measures.

Differences in national models of legal regulation, in the ratio of criminal law and financial regulatory instruments, determine the development of different types of criminal practices of money laundering. That is why the comparative analysis of Kazakhstan and Singapore allowed tracing how the specifics of legal norms and mechanisms for their implementation affect the nature, complexity, and adaptability of criminal proceeds legalisation schemes, creating various models of criminal behaviour within the formally joint international standards AML/CFT (Table 2).

Table 2. Comparative characteristics of the impact of legal norms on the stage of money laundering in Kazakhstan and Singapore

Kazakhstan	Singapore
Placement	
Legal impact is concentrated in the financial monitoring legislation, which establishes mandatory procedures for identifying customers, verifying beneficial owners, and reporting suspicious transactions. Criminalisation is not directly aimed at the very fact of depositing funds but creates a high risk of recording abnormal behaviour. In the behavioural dimension, this leads to a focus on formal compliance with compliance requirements and a narrowing of the range of acceptable channels for entering the financial system	Preventive requirements of the AML/CFT are combined with strict criminal liability and the risk of asset confiscation. MAS regulatory standards differentiate the level of control depending on the financial instrument and the client's profile. This changes the economic feasibility of the initial introduction of funds and encourages the avoidance of channels with high regulatory densities
Layering	
Impact of law is implemented through the requirements for documenting, storing, and analytically processing transactions, and through the centralised nature of financial intelligence. Multi-stage operations are evaluated collectively, which increases the value of retrospective analysis. In the behavioural dimension, this encourages schemes to adapt by formally aligning transactions to typical financial patterns instead of making them as complex as possible	The layering stage is under the combined pressure of sectoral differentiated monitoring and a real threat of criminal law and property consequences. Each additional transaction increases not only the probability of detection, but also the potential amount of assets that can be confiscated. This reduces the attractiveness of multi-level transactional structures and changes the structure of criminal practices
Integration	
Criminalisation of income legalisation and the possibility of a retrospective challenge to the origin of assets form a deferred legal risk. Formal integration of assets into business activities does not guarantee their legal stability. In the behavioural dimension, this encourages economically neutral forms of integration that minimise attention from law enforcement agencies	The combination of criminal law provisions with broad confiscation powers preserves a high risk of loss of assets after their integration into legal circulation. Judicial practice confirms that the use of assets in legitimate economic activities does not create legal immunity. This reduces the economic attractiveness of deep integration and transforms incentives at the final stage of money laundering

Source: compiled by the author based on Corruption, Drug Trafficking… (1993), Criminal Code of the Republic of Kazakhstan No. 167 (1997), Law of the Republic of Kazakhstan No. 191-IV (2009)

Thus, legal norms in both jurisdictions not only change the functional logic of the placement, layering and integration stages, but also form specific regulatory risk zones due to the specifics of the regulatory architecture. In the Kazakhstan model, the emphasis on centralised financial monitoring and procedural standardisation of compliance increases the transparency of primary control, while simultaneously creating the risk of formalising compliance, in which complex or atypical transactional configurations may remain out of analytical focus. This situation helps to adapt criminal practices to formal risk assessment criteria without reducing the opportunities for multi-level disguise of funds. In the Singapore model, by contrast, the high detail of sectoral AML/CFT requirements and the strict combination of preventive controls with confiscation and supervisory sanctions increase real regulatory pressure at all stages of money laundering. Such detail objectively creates a risk of regulatory predictability, in which offenders optimise their behaviour for specific regulatory patterns and choose financial instruments or segments with a lower control density. The asymmetry between the level of regulation of different sectors of the financial market leads to a redistribution of criminal activity in favour of less regulated or new financial channels.

Taken together, the comparative analysis showed that legal norms in Kazakhstan and Singapore do not so much eliminate criminal practices of money laundering as redistribute them between stages, tools, and channels, depending on the configuration of regulatory pressure. Differences between these jurisdictions form different "risk ecosystems" in which incentives, costs, and expected con sequences of illegal financial activities vary. It is these structural differences that make it necessary to further analyse the possibilities of improving legal regulation and adjusting AML/CFT policies, taking into consideration the identified regulatory risk zones.

The results obtained are consistent with the conclusions of J. Ferwerda *et al.* (2020), who, based on the gravity model, showed that strengthening national AML regimes does not lead to a decrease in the total volume of money laundering, but causes its spatial and institutional redistribution. The researchers proved that criminal financial flows

gravitate towards jurisdictions or sectors with lower levels of regulatory pressure, which confirms the adaptive nature of criminal practices. A similar mechanism was found in this study: in Kazakhstan, the formalisation of financial monitoring procedures at the placement stage contributes to the shift of criminal activity to segments with a lower control density, while in Singapore, a differentiated sectoral approach changes the economic feasibility of individual channels for depositing funds. The results complement model by J. Ferwerda *et al.* (2020) through a step-by-step analysis of the impact of legal norms on various stages of money laundering.

The results of this study also correlate with the findings of P. Gerbrands *et al.* (2022), which, based on network analysis, demonstrated that AML policies change the structure of financial networks, reducing the intensity of individual nodes, but at the same time stimulating the development of alternative routes. The researchers emphasised that regulatory pressure rarely leads to a breakdown of the money laundering network but instead rebuilds its configuration. Within the framework of the comparative analysis, a similar effect can be traced at the layering stage: in Kazakhstan, legal norms encourage formal alignment of transactions under typical financial patterns, while in Singapore – a decrease in the attractiveness of multi-level schemes due to a combination of monitoring and confiscation risks. Thus, the results obtained confirmed the network logic of the influence of AML norms proposed by P. Gerbrands *et al.* (2022), but they specified it from the standpoint of legal architecture.

However, the results of the study partially differ from the critical approach proposed by P.M. Gilmour (2022), who argued that the current AML system is predominantly focused on formal compliance with procedures and has limited impact on actual criminal practices. The paper emphasised that excessive regulatory detail could lead to "procedural compliance" without a significant deterrent effect. The analysis confirmed this thesis only partially: the Kazakh model really revealed the risk of formalising compliance with requirements, which makes it possible to adapt criminal practices to procedural criteria. The example of Singapore shows that the combination of detailed compliance with the real threat of confiscation and supervisory sanctions significantly increases the behavioural impact of legal norms, which somewhat contradicts the general scepticism expressed by P.M. Gilmour (2022).

In general, the results of the study confirm the opinion that legal norms in the field of countering money laundering do not eliminate criminal practices, but transform their structure, complexity and distribution between the stages of legalisation. A comparative analysis of Kazakhstan and Singapore clarified this approach, showing that the nature of such transformation directly depends on the ratio of procedural financial control and criminal and property consequences. Thus, the results obtained are not only consistent with existing empirical and theoretical studies but also expand them through a deeper analysis of the role of normative architecture in the formation of criminal behaviour.

Areas for improving the legal regulation and practice of countering money laundering in Kazakhstan, taking into consideration the experience of Singapore

The comparative analysis of the impact of legal norms on criminal practices of money laundering in Kazakhstan and Singapore shows that the further development of the national AML/CFT system of the Republic of Kazakhstan may be associated not with a formal expansion of the list of responsibilities of financial monitoring entities, but with the correction of the regulatory architecture in order to increase its behavioural and economic impact. The results obtained indicate that within the framework of the Kazakhstan model, there is a dominant procedural approach, in which compliance with the formal requirements of the Law of the Republic of Kazakhstan No. 191-IV (2009) is not accompanied by a decrease in opportunities for complex and multi-level schemes for legalising criminal proceeds.

In this context, the issue of revising approaches to the implementation of the risk-based approach consolidated in Articles 5 and 6 of the Law of the Republic of Kazakhstan No. 191-IV (2009). An analysis of the current legislation has shown that it establishes the obligation to apply CDD/EDD procedures but does not define clear criteria for evaluating their actual effectiveness in terms of identifying complex transactional structures. Considering the experience of Singapore, a possible area of development is the regulatory clarification of the requirements for assessing client and transaction risks, in particular by fixing in the bylaws of the authorised financial monitoring body the obligation to include not only the formal compliance of operations with the client's profile, but also their aggregate economic content and interrelation within long financial chains. Such a correction can reduce the risk of compliance formalisation, in which criminal practices are adapted to procedural criteria without proportionally reducing regulatory risks.

The comparative analysis also revealed the possibility of strengthening the sectoral differentiation of AML/CFT requirements in Kazakh law. The Law of the Republic of Kazakhstan No. 191-IV (2009) establishes a single framework of responsibilities for a wide range of financial monitoring entities, which ensures the regulatory integrity of the system, but simultaneously creates conditions for redistributing criminal activity into segments with a lower intensity of actual control. Based on the practice of the Monetary Authority of Singapore (n.d.), where AML/CFT requirements are detailed through sectoral regulations depending on the type of financial product and the risk profile of clients, a possible development area for Kazakhstan is the expansion of bylaws, which would provide for increased monitoring standards for transactions with a cross-border element, complex corporate structures, and atypical investment instruments. This approach can reduce the effect of regulatory uniformity and increase the asymmetry of regulatory influence in relation to the riskiest channels.

Improving the mechanisms of legal influence on the integration stage is also important, given the persistence of deferred legal risk in the Kazakh model. Although criminal liability for the legalisation of proceeds from crime is provided for in Article 218 of the Criminal Code of the Republic of Kazakhstan No. 167 (1997), law enforcement practice focuses primarily on proving the completed elements of a crime, rather than systematically challenging the legitimacy of integrated assets. Singapore's experience, particularly the practice of using confiscation mechanisms regardless of the form of further use of assets, indicates the possibility of strengthening the property component of legal influence. For Kazakhstan, this may mean clarifying the norms of criminal and criminal procedure legislation regarding the possibility of confiscation of assets integrated into economic activities, provided that their criminal origin is proved, even in the absence of complex transaction schemes in the late stages of legalisation.

The results of the study also indicate the need to develop the relationship between financial monitoring and supervisory sanctions. In the Singapore model, administrative and regulatory measures are used as an autonomous tool for influencing the behaviour of financial institutions, and not solely as a derivative of criminal prosecution. In the context of Kazakhstan, this actualises the development of the practice of applying sanctions for violating the AML/CFT requirements stipulated by the Law of the Republic of Kazakhstan No. 191-IV (2009), with a focus on systemic deficiencies in risk detection and management, rather than just formal violations of procedures. This approach can help create institutional incentives for meaningful rather than declarative compliance. Together, these areas of improvement indicate that the implementation of certain elements of the Singapore approach in the Kazakh legal system should be carried out considering national institutional specifics and without direct copying of regulatory decisions. The shift from a predominantly procedure-oriented to a more behaviourally sensitive model of AML/CFT regulation may limit the ability to adapt criminal practices to formal requirements and increase the regulatory impact of legal regulations at all stages of money laundering.

The results obtained regarding the dominance of the procedural approach in the Kazakhstan AML/CFT model are consistent with the conclusions drawn in the study by C. Friedrich & R. Quick (2019). Analysing the German non-financial sector, these researchers concluded that the expansion of formal responsibilities of AML entities without simultaneously strengthening their economic and behavioural orientation leads to the formalisation of compliance and a decrease in its preventive effectiveness. Similar to the situation found in Kazakhstan, C. Friedrich & R. Quick (2019) recorded the adaptation of illegal practices to standardised CDD/EDD procedures, which is not accompanied by a significant reduction in the risks of money laundering. Moreover, the results of this study complement their conclusions, focusing not only on the institutional behaviour of financial monitoring subjects, but also on the normative architecture as an independent factor in reproducing procedural inertia.

Conclusions about the need to strengthen sectoral differentiation of AML/CFT requirements correlate with the results of the study by G.L. Schiavo (2022), dedicated to a comparative analysis of supervisory mechanisms within the European Union. The researcher emphasised that a unified legal framework without considering the specifics of financial products and risk profiles of clients creates gaps in actual supervision and promotes regulatory arbitration. A similar effect of normative uniformity can be traced in the Kazakhstan model, where a single framework of responsibilities contributes to the redistribution of criminal activity into segments with a lower intensity of control. However, in contrast to the accent of G.L. Schiavo (2022) on supranational institutional contradictions, the results of this study focus on the potential of bylaws as a tool to increase the asymmetry of regulatory influence without violating the regulatory integrity of the national system.

The results on the limited effectiveness of the criminal law response at the integration stage generally confirmed the empirical conclusions obtained by C. Tuhirirwe & R. Alexander (2025) in a study of countries assigned to the "grey list". The researchers demonstrated that the formal compliance of national legal systems with international FATF standards does not reduce the scale of money laundering in the absence of effective mechanisms of property influence and autonomous supervisory sanctions. Similar to the situation in Kazakhstan, in the jurisdictions they have studied, law enforcement practice focuses mainly on proving the completed elements of a crime, while integrated assets often remain outside the scope of systemic challenge. The results of this study extend approach of C. Tuhirirwe & R. Alexander (2025), demonstrating that the combination of confiscation mechanisms with regulatory sanctions inherent in the Singapore model can reduce deferred legal risk even without a radical revision of criminal law. Together, a comparison of the results obtained with the presented studies confirmed that the increase in the effectiveness of AML/CFT regulation is not associated with a quantitative increase in formal responsibilities, but with a qualitative transformation of regulatory influence. The transition to a more behaviourally and economically sensitive model, as tested in Singapore, is consistent with contemporary scientific approaches and simultaneously considers the institutional constraints of the Kazakh legal system.

Conclusions

Based on the results of the analysis, it was found that the legal regulation of countering money laundering in Kazakhstan and Singapore is based on the two-level AML/CFT model, which combines the criminalisation of money laundering and the financial monitoring system with a preventive focus. In Kazakhstan, money laundering is legally consolidated as an independent crime. This allows clearly distinguishing between the criminal and financial levels of regulation, while creating the risk of formalised

compliance with regulatory requirements by private sector entities. Singapore has a different regulatory framework in which criminalisation of money laundering is implemented through a ban on transactions with property of criminal origin, combined with a developed regime for the seizure and confiscation of assets, while preventive control is provided by sectoral differentiated regulatory requirements of the Monetary Authority of Singapore. Functional differentiation between the financial regulator and the financial intelligence unit and detailing the responsibilities of financial institutions through special Notices, create a more flexible regulatory environment, while increasing the risk of adapting money laundering schemes to complex and highly detailed compliance rules.

It was revealed that Kazakhstan is dominated by a model of procedural legal influence, in which the key constraints at the placement and layering stages are centralised financial monitoring, formalised application of CDD/EDD procedures, and the possibility of retrospective analysis of transactions and assets. This model increases the transparency of primary control, but also creates the risk of formalising compliance, which encourages the adaptation of criminal practices to formal risk assessment criteria without eliminating the possibility of multi-level masking of funds. In Singapore, the legal impact on criminal practices is more differentiated and rigid, combining sectoral detailed financial monitoring with the real threat of criminal law and property consequences, particularly the confiscation of assets at all stages of money laundering. It was established that law enforcement practice under Article 218 of the CC RK focuses mainly on proving the completed elements of a crime, which forms a deferred legal risk at the integration stage and limits the property component of legal influence.

It was established that improving the effectiveness of the AML/CFT system of the Republic of Kazakhstan should be carried out by moving from a predominantly procedural-oriented to a more behaviourally sensitive regulatory model, with the development of autonomous supervisory sanctions and a focus on systemic risks. This approach limits the adaptive potential of criminal practices to formal requirements and enhances the real regulatory impact of legal norms at all stages of money laundering. The prospects for further research relate to an empirical analysis of how sectoral differentiated AML/CFT requirements, the use of RegTech solutions, and autonomous supervisory sanctions affect the transformation of criminal money laundering practices at the layering and integration stages in the context of cross-border financial flows.

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The author independently developed the research concept and methodology, collected and systematised legal sources and analytical materials on AML/CFT regulation in Kazakhstan and Singapore. He conducted the comparative legal analysis, examined the impact of legal norms on money laundering practices at the placement, layering, and integration stages, and substantiated recommendations for improving Kazakhstan's AML/CFT regulation.

Conflict of Interest

None.

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