

GLOBAL FINANCIAL ECOSYSTEM AND PROCESSES OF UNSHADOWING OF BUSINESS ACTIVITIES: THE ROLE OF THE FATF

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Purpose. The purpose of the article is to reveal the specifics of the activities of global financial institutions as legal entities under international public law, important components of the global financial architecture and agents of unshadowing of the world economy using the sample of the Financial Action Task Force (FATF). The postulate of the work defines the leading importance of the institutional mechanism of unshadowing of the global economy for the development and implementation by countries of the unshadowing toolkit in a combination of economic and legal components as a factor of sustainable development.

Results. It was found that the continued expansion of the shadow segment of the global economy actualizes the expediency of researching patterns and features of the processes that cause and accompany it. The global financial architecture is undergoing transformations adapting to the challenges of the shadowing of the world economy, including 1) the implementation of shadow economic transactions by business entities, 2) the deformation of the competitive environment and capitalist market institutions, 3) the distortion of business activity models, 4) the degradation of people's economic behaviour, as consumers and employees, and 5) aggravation of the global environmental problem. The classification of subjects of the unshadowing of the world financial sphere, which play a key role in its architecture, including their division by types 1) international universal organizations, 2) international financial organizations and 3) international specialized institutions, has been carried out. The structure-forming role of normative documents, which determine both the goal-setting and general quantitative characteristics of the environment of financial institutions, as well as the peculiarities of the development and implementation of activities for the unshadowing of economic relations and systems, has been revealed. All countries are only on the way towards effective economic models and sound global financial ecosystem.

Scientific novelty. A new model of the institutional matrix of the global financial ecosystem is proposed, including the green economy and sustainable development components. The peculiarities of FATF in the global financial architecture and processes of unshadowing of business activities are revealed.

Practical value. The obtained results can be used in the improvement of the national policy of countering the shadowing of business activities, reducing the environmental problem, as well as increasing the effectiveness of international economic relations in this area.

Key words: shadow economy, unshadowing, institutionalism, international public law, greening, financial institutions, banking, money laundering, global ecosystem, sustainable development.

Introduction. Powerful transformational impact on all forms and levels of international economic activity come from the processes of economic globalism, which are based on the post-industrial paradigm and have covered all structural subsystems of the world economy in recent decades. It could be shortly expressed in the following trends 1) the deepening of the processes of transnationalization of investment, production, commercial and financial operations, 2) the significant expansion of access of economic actors from various countries to external sources of financing the economic activity, 3) systemic diversification, networking, virtualization and intellectualization. Despite the unconditional competitive advantages that the era of globalization offers to economic entities, the global economy shows a steady trend towards the expansion of the shadow segment. The main reasons for the growth of shadow operations are both in the of ethical origin (steady increase in the scale of transnational organized crime, electronic fraud, cybercrime) and in the economic origin (implementation by multinational corporations of strategies and business-models of offshoring financial and economic operations, illegal and semi-legal tax and commercial practices, erosion of the tax base, etc.).

Modern capitalism has come to understanding that different motivations for economic activity need different approaches to managing and governance. In line with sustainable development concept, one may find economic, legal, ethical and philanthropic motivations for business, but dominance of economic motivations creates a problem for national and global economic perspectives. Developing A. Carroll's ideas of corporate social responsibility Wagner-Tsukamoto S. has proved that the ethical capital constitutes a higher level of capital quality in comparison with legal capital and economic responsibilities [1].

The biggest challenges to the shadowing of the world economy are not so much related to the long-term historical period of its existence, but to the global potential and landscape of the implementation of shadow economic operations. All together it has got various consequences with the key are 1) deformation the many characteristics of the competitive environment and the basic market institutions of the capitalist system; 2) changes of the modern business-models; 3) economic behaviour of business actors and the psychology of the *homo economicus*. So far there are about 70 offshore jurisdictions in the world, which are actively used by companies for the purpose of tax optimization within the framework of intergovernmental agreements on the avoidance of double taxation. The volume of shadow employment (65 % of the total volume of the shadow economy in the EU [2, p. 48]) and unaccounted labour force contingents are also large-scale. The latter especially increased under conditions of intensification of international migration processes since crisis of 2015 and relaxation of national migration legislation while opening for more informal collaboration, especially in Europe [3]. Therefore, it exerts a powerful destabilizing impact on regional labour markets.

Many sectors of economy fall under impact of shadow economy, understanding of which could open the way to more ethical, sustainable development. The most large-scale sectors, where the shadow economy takes place, include the trade in illegal drugs, the volume of which is estimated annually from USD 426 to 652 bln; human trafficking – 150.2 bln, illegal deforestation – 52–157 bln, illegal fishing – 15.5 to 36.4 bln, illegal extraction of minerals – 12–48 bln, theft of crude oil – 5.2 to 12 bln [4, p. xi]. Criminal income from the shadow trade in wildlife objects is also significant, estimated at the level of USD 7 to 23 bln per year, which is about 25% of the revenues received from the legal trade in wildlife [5, p. 12].

In other words, the modern processes of shadowing the global economy go far beyond the actual economic activity and cover a wide range of problems related to the preservation of biodiversity, environmental protection and sustainable development. That is, the toolkit of unshadowing used by states and their groups covers a wide range of international governmental and non-governmental organizations, informal clubs of countries, public and societal institutions, endowed with various functional powers in the field of combating dirty money laundering, countering illegal capital outflow and terrorist financing. Together, they form a global financial ecosystem with institutional architecture at its core that has a universal character and affects the development of all sectors of the economy. However, authors failed to find an institutional model of global financial ecosystem.

It is quite clear that these transactions annually generate enormous volumes of illegal financial flows. IMF experts estimate the size of shadow economy to be in between 15–35 % of GDP depending on the economy type [6]. This makes at least USD 13 trln work within global shadow economy creating obstacles in fulfilling national budgets, decision making and meeting sustainable development goals. These money are often actively transferred to offshore jurisdictions, input into legal businesses and reinvested in legal markets. We should also take into account the significant weakening of institutions of state power and mechanisms of criminal justice. The top 10 countries with the highest risk of money laundering, terrorist financing and corruption as of March 2023 are Afghanistan, South Africa, Albania, Barbados, Burkina Faso, Cambodia, UAE, Gibraltar, Haiti and Cayman Islands [7].

Therefore, the existence, scale and negative impact of the shadow economy are key arguments for the development of the unshadowing policy. Achieving its goals is possible on the basis of constantly improving the efficiency of the institutional system of unshadowing of the world economy, the core of which we consider to be global institutional setup of financial organizations, but not limited only by them in developing ethical framework.

Review of literature. Global financial system should be approached as ecosystem [8], which is a part of global ecosystem and has got economic output. What is more, global value of ecosystem services exceeds USD 125 trln per year, which is more than official global GDP [9]. So, it is attractive for many economic actors despite the level of development of the country or regulatory setup.

Experts of international organisations demonstrate leadership in research of shadow economy as they find the right stakeholder to fulfil their mission. Most of them represent IMF, FATF, OECD and Transparency International. In developed economies researchers, like B. Torgler and F. Schneider, often concentrate on finding correlation between tax morale and institutional quality, which affect the shadow economy [10]. Important ethical aspect is related with corruption and the shadow economy which are complements in low-income countries as Dreher A. and Schneider F. have shown [11]. Albeit the more developed a country is the better environmental quality could be expected with less shadow economy and low corruption [12]. Meanwhile, shadow economy may act as a complement to the public economy for mitigating government-induced distortions [13].

Scientific schools of the Kyiv National Economic University named after Vadym Hetman and other Ukrainian researchers have recently shown considerable interest in better understanding of the shadow economy and unshadowing policy, although global financial organizations and the institutional system of unshadowing of the world economy become rare subject of research. In particular, M. Ruzhenskyi et al. consider the policy of unshadowing in the context of improving the investment climate [14]. O. Makarov identifies the shadow economy as one of the factors of the high share of cash circulation in the national economy [15]. Researchers like V. Kyrylyuk refer shadow economy to non-market tools of competition [16]. It is important that, as proved by Y. Kharazishvili, unshadowing represents a significant potential for growth and modernization [16]. In our earlier papers the green mechanism of unshadowing of the global economy has found reasoning [18].

Scientists often devote to the study of particular components of the functioning of the shadow economy and their impact on certain aspects of social development. In particular, Z. Lutsyshyn proves that the activities of offshore jurisdictions and the offshoring of business in general pose a challenge to national fiscal security [19]. That is why, as O. Plotnikov et al. discovered, the transformation of the fiscal sphere in the EU integration involves taking measures aimed at unshadowing [20]. In their research R. Augustyn and I. Demkiv concentrated on the creation of an institutional setup for unshadowing in the social sphere [21].

There are some studies of the shadow economy from a sectoral approach, which can contribute to its selective overcoming. Thus, I. Babets, having thoroughly studied the institutional tools of unshadowing of the transport services market, emphasizes the importance of increasing the effectiveness of organizational and economic levers [22]. I. Tyutyunyk suggests applying tax gaps in the activities of industrial enterprises as a tool for unshadowing of the economy [23].

The institutional dimension of unshadowing, especially taking into account the international disposition of Ukrainian economy, rarely became the object of research. However, researchers often cite particular institutional flaws, when trying to explain the lack of unshadowing results. Thus, while assessing the level of the shadow economy, M. Kuznetsov and O. Dubrovina concluded that the methods of combating

the shadow economy in Ukraine are unsystematic and amount to punitive sanctions [24]. The weakness of organizational management is called by M. Yulek and O. Yatsenko as one of the reasons for the significant volume of the shadow sector and the receipt of additional income by citizens [25]. A number of works by O. Rohach et al. are devoted to the search for ways to improve the institutional architecture and the international economic order as a whole, which should lead to unshadowing of global financial architecture [26–28]. Legal dimension comes over the economic one. New practices could be expected in global transformation towards sustainability. Especially it will come vital when deciding how to recover the environment and looking for those who is to pay for this [29]. So, unshadowing has got economic, legal and environmental dimensions at a time.

In the Ukrainian scientific discourse, there is still a lack of both a generalization of the components of the institutional setup of unshadowing of the world economy, and an in-depth assessment of the features of the evolution and functions of international financial institutions in the context of achieving the goals of unshadowing of the world economy. Unshadowing of the world economy can be achieved by overcoming the problem of applying effective tools and models for improving the institutional architecture and international economic order. Unfortunately, the formulation of the problem is at an initial stage. That is why we consider the disclosure of the fundamentals of the positioning of international financial institutions as the most influential agents of change to be the most urgent at the moment, and devote the article to this. Moreover, the effective use by the Ukrainian economy of the advantages of the modern architecture of the global financial sector, as well as the potential for integration with the EU and post-war recovery and socio-economic development should be based on a thorough understanding of peculiarities in the field of unshadowing of economic processes.

Materials and methods. The purpose of the article is to reveal the peculiarities of the global financial organizations as important components of the institutional system of unshadowing of the world economy on a sample of the FATF.

Institutional paradigm has been set as the key approach to the research of global financial ecosystem in combination with institutionalized factors. Considerable input has been made by usage of networked economy concept, including incorporation of networks, platforms and ecosystems into the institutional matrix of global financial ecosystem. Shadow capital movement made it vital to combine economic and legal points of view to come to more sound results.

The research was carried out by the office method, which is primarily based on the study of publications by domestic and foreign authors. In addition, using the method of scientific abstraction, the authors tried to single out those components of the general discourse of the study of the institutional dimension of the global shadow economy and unshadowing policies, which have not yet found sufficient disclosure in Ukrainian scientific periodicals. Fulfilment of the first function of science regarding the thorough description of the research subject was the key. At the same time, the

authors summarized their experience and extrapolated their areas of specialization to the subject of research. Visualization methods of illustrative and calculation-statistical materials to demonstrate the obtained conclusions and generalizations were helpful.

The sources of data used in the research come from Scopus and Google Scholar search systems accompanied by institutional repository of KNEU. Most of the data sources are of international origin. International organisations open access publications have been used to start discussions on the tasks of the research.

Results and discussion. The colossal scale and diversified institutional and economic forms of international shadow operations testify to the presence of a number of objective factors that ensure their reproduction both on a national and international scale. This fact increasingly prompts national governments to implement effective strategies, levers and mechanisms of unshadowing of the global economy. As international experience shows, they are currently implemented through both fiscal, administrative and institutional channels, which collectively enable states to significantly mitigate negative manifestations of market and state failures.

Characterizing the institutional mechanism of unshadowing of the global economy, one should first of all note the determining role of international organizations, which play the role of important institutional platforms for the development and implementation of unshadowing tools by states. The key role in the global institutional system of unshadowing of the world economy is currently played by such subjects as:

- international universal organizations (such as the UN, OECD, Council of Europe and Interpol);
- international financial organizations (World Bank Group, IMF, Basel Committee, EBRD);
- international specialized institutions (the Group for the Development of Financial Measures to Combat Money Laundering (FATF), the Special Expert Committee of the Council of Europe for the Evaluation of Measures in the Field of Combating Dirty Money Laundering, the Egmont and Wolfsberg Groups).

At the same time, FATF is rightfully considered to be the leading international specialized institution in the field of unshadowing of the global economy. This institution was founded back in 1989, becoming a kind of reaction of the national governments of the OECD member states to the growing threats of illegal cross-border movement of capital to its gaining of a global scales. The scope of the unshadowing competences of this institution, whose members are currently 36 states of the world [30], includes the development and implementation of international standards for combating the laundering of criminal proceeds and the financing of terrorism. The specified function is implemented through systematic monitoring and control of member countries' compliance with the specified standards, in-depth research into possible risks of shadow activity, establishment of similar FATF regional organizations and deepening of cooperation with other specialized international organizations and institutions.

Institutional setup of global financial ecosystem could be considered for better

understanding as a kind of matrix (Fig. 1). Roles of various institutions are distributed according to international agreements, which, as a rule, appear after global transformational events. It was Bretton-Woods after the World War 2, Kingston after global energy crisis of 1970th, when most important organisations appeared. In the proposed matrix we combine different types of international organisations, national bodies, private actors and institutionalised behavioural determinants, which all together outline general institutional framework of global financial ecosystem. So global financial ecosystem could develop as fair, legal field for distribution of global GDP. Unshadowing of the world economy and business activities make this field even more attractive and competitive.

		INTERNATIONAL ORGANISATIONS			
		universal	financial	specialized	
		UN, OECD, Council of Europe and Interpol	World Bank Group, International Monetary Fund, Bank of International Settlements, EBRD	Financial Stability Board, Financial Action Task Force	
BEHAVIOURAL DETERMINANTS	societal priorities	G7 leaders Group of 20	London and Paris clubs of creditors Egmont and Wolfsberg Groups;	Basel Committee on Banking Supervision	National Strategies and international cooperation
	global targets	Sustainable Development Goals, Principles for Responsible Investment	Environmental, Social, and Corporate Governance, OECD Principles of governance	regional financial markets, European system of financial supervision	National bank, Treasury, Ministry of Finance
	ethical norms	corporate social responsibility, MONEYVAL	liquidity, interest rate; flows and settlements	Islamic banking & finance, FATF Global Network	market regulators and supervisors
	education & research	financial knowledge, behavioural finance	financial research & innovations	financial attitude, financial literacy, green finance	national culture
	professional standards	International Accounting Standards Board, International Organization of Securities Commissions, International Association of Insurance Supervisors	core principles for systemically important payment systems, IT & FinTech	credit & investment ranking, payment and settlement, clearing, market integrity, audit, insolvency	infrastructure and NGOs
		retail investors & accountants	brokers and intermediaries	banks, insurance, funds, MNC & Banks	
		PRIVATE ACTORS			

Figure 1. Institutional matrix of global financial ecosystem

Source: created by the authors.

The current 40 recommendations of the FATF are primarily focused on the formation and constant improvement of existing unshadowing tools as an object of global economic regulation, maximum protection of national and international

financial systems from abuses in the field of money laundering and criminally redistributed property. In other words, the object of FATF's norms is both the laundered property itself (that is, the proceeds of crime that have successfully undergone laundering procedures) and the money invested by criminals in the legal economy. If we talk about the economic content of the "shadow capital" category, then it should be understood as a set of economic relations regarding the accumulation of illegally obtained funds with their subsequent withdrawal from the control of the legal accounting and taxation system in order to allocate national income in the interests of limited social groups. Let us emphasize that in the shadow economy the added value is created too, which includes both the wages of employees and the income of economic entities. The latter at the stage of distribution are reduced by the amount of corruption rent, thereby increasing the total income of the subjects of the shadow economy and continuing already at the stage of exchange of the social product.

In this regard, it is appropriate to note that the first edition of the FAFT's forty recommendations was drawn up back in 1990 and was aimed at countering the abuse of financial systems by certain entities that launder funds obtained from the trade in narcotics. As the scale of shadow economic operations grew, the aforementioned recommendations were revised in 1996 consider the threats of transnational organized crime, already associated with the laundering of dirty money obtained from the trade in weapons, people, counterfeits, cultural values, objects of wildlife nature etc. In turn, 2001 was marked by a significant expansion of the FATF's functional mandate to the level of combating the financing of international terrorism and terrorist organizations, which led to the development of nine special recommendations in this area. Finally, in 2012 and 2023, the last revisions of the FAFT recommendations took place, which, together with the Special Recommendations, were adopted by more than 180 countries of the world as a universal international standard for combating money laundering and terrorist financing [31, p. 7].

It is worth emphasizing that 2012 was marked by the transformation of the FAFT international unshadowing standards to the risk-oriented approach, which gave national governments new quality of tasks in the field of protecting their financial systems from money laundering. It is primarily about identifying different categories of money laundering risks and optimizing the allocation of resources for the implementation of various types of preventive measures. At the same time, the FAFT, although it does not carry out a typology of the risks of dirty money laundering, nevertheless delegates this function to the current national systems of unshadowing of the economy, reserving the right to make final decisions regarding their adequacy to the measures proposed by this institution.

As of now, all recommendations developed by the FATF clearly regulate a consistent system of measures that member states must implement to combat money laundering, terrorist financing, and the proliferation of weapons of mass destruction. Despite the fact that different countries have quite different national legislation in this field, different administrative and operational frameworks for combating dirty money

laundering, as well as fundamentally different structures of national financial systems, due to the recommendations of the FATF, a universal standard of unshadowing of economic transactions is currently in effect at the global level. It is capable of adaptation in any corner of the planet thanks to universal approaches to assessing the risks of economic shadowing by countries; development of national policies in the field of unshadowing and internal coordination of anti-corruption actions; combating money laundering, terrorist financing and proliferation; application of preventive measures for the financial sector; establishment of functional powers and responsibilities of various competent bodies; increasing transparency and accessibility of beneficial ownership; promotion of international cooperation in the field of counteracting the shadowing of the global economy [31, p. 7].

Climate for economic development and adherence to recommendations may be characterised by various assessments of international organisations and business experts. FATF offers a unique approach to this task. For instance, several assessments have been made in Germany and Turkey by FATF, while in Poland and Ukraine by MONEYVAL (table). It turns out that none of the countries has got all goals at highest level of effectiveness. There only 2 countries in the world that have first goal at highest level of effectiveness, but none for 2nd, 3rd, 4th, 5th and 7th goal. Ukraine and neighbour countries have substantial level of effectiveness for several goals – Germany for 4 goals; Poland 3, Turkey – 2, Ukraine – 2. The situation is different for all goals, but the appropriate supervision.

FATF's efficiency could be assessed by other outcomes. The effectiveness of the FATF's activities is evidenced, in particular, by the fact that due to compliance with its recommendations, the money laundering and terrorist financing risk index decreased in Belgium from 4.65 in 2016 to 4.01 in 2022, in Luxembourg – from 5.89 to 4.78, in the Netherlands – from 4.99 to 4.06, respectively [32], and in Brazil – from 5.95 in 2015 to 4.98 in 2021 [33]. Another example, after the inclusion of the Islamic Republic of Iran in the FATF list in 2012 (as a jurisdiction with significant flaws in the money laundering legislation), the exchange rate of the Iranian real against the US dollar fell by almost 60 % over the next two years. At the same time, inflation reached 40 %; about USD 100 bln of foreign exchange reserves of Iran placed in foreign bank accounts were not repatriated due to sanctions [34]; and a number of financial sanctions were also imposed on countries that continued to cooperate with Iran in the field of finance.

Global financial ecosystem becomes even more united when actors take a look from the point of view of network theory. The high effectiveness of FATF activities is largely ensured by development of a global network of institutions specializing in the unshadowing of the world economy. It currently unites more than 200 national governments and about 20 international observer organizations [35, p. 22]. In particular, the network includes such institutions as:

- Asia-Pacific Group on Money Laundering;
- Caribbean group for the development of financial measures;
- Eurasian group on combating money laundering and financing of terrorism;

- Eastern and Southern Africa Anti-Money Laundering Group;
- Financial Action Task Force of Latin America;
- Intergovernmental Action Group against Money Laundering in West Africa;
- Middle East and North Africa Financial Action Task Force;
- Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism.

Table 1

Comparison of Ukraine’s neighbour economies by level of effectiveness

Key goals	Country, report type and date					
	Germany	Poland	Turkey		Ukraine	
	MER	MER	MER+FURs	MER	MER+FURS	MER
	2022	2021	2022	2019	2020	2018
Money laundering and terrorist financing risks are understood	SE	ME	SE	SE	SE	SE
International cooperation delivers appropriate information and action	SE	SE	SE	SE	ME	ME
Supervisors appropriately supervise, monitor and regulate financial institutions	ME	ME	ME	ME	ME	ME
Financial institutions adequately apply preventive measures and report	ME	SE	ME	ME	ME	ME
Legal persons and arrangements are prevented from misuse for money laundering or terrorist financing	ME	SE	ME	ME	ME	ME
Financial intelligence appropriately used investigations	ME	ME	ME	ME	SE	SE
Money laundering offences and activities are investigated and subject to dissuasive sanctions	ME	ME	ME	ME	LE	LE
Proceeds and instrumentalities of crime are confiscated	SE	LE	ME	ME	ME	ME
Terrorist financing offences and activities are investigated and persons who finance terrorism are subject to dissuasive sanctions	SE	ME	ME	ME	ME	ME
Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds	ME	ME	LE	LE	ME	ME
Persons and entities involved in proliferation of weapons of mass destruction are prevented from raising, moving and using funds	ME	ME	LE	LE	ME	ME

Note. **HE** – High level of effectiveness; **SE** – Substantial level of effectiveness; **ME** – Moderate level of effectiveness; **LE** – Low level of effectiveness; **MER** – Mutual Evaluation Report; **FUR** – Follow-Up Report.

Source: authors’ compilation based on [37].

At the same time, despite the persistent and consistent implementation of FATF's policy of introducing international anti-money laundering standards into the agenda and activities of national financial institutions, the key goals of functioning of this organization in the global ecosystem of unshadowing of the economy still have not been achieved. The main reasons for this lie primarily in the imperfections of the legislation developed by national governments in this area, the low level of its compliance with international standards, low executive discipline, corruption and the lack of effective control systems for the cross-border movement of capital. Cultural, institutional, and socio-economic factors that determine the internal potential of countries to implement FATF standards into national economic practice also deserve special attention. For instance, the transparency of financial funds and financial operations of persons, who are politically important for a particular state, is currently available in only 40 % of countries; and with respect to politically responsible persons, no more than 0.9 % of countries of the world carry out the identification recommended by FATF, as required by the established standards [36, pp. 72, 81–83].

The visualisation of institutional matrix of global financial ecosystem may open a discussion for building a better model global financial ecosystem. The proposed dimensions are universal to cover the key actors. One specific group of actors which could be of a discussion nature is infrastructure, however it may be supported by any of the key actors (private, national or international), so we put it into the place of intersection of interests and compromise of many actors. The matrix could be also criticised for being not complete and some elements missing, while author tried their best to make it as full as possible, but improvements may be discussed.

Comparisons of countries' current models reveal that there are no absolutely sound models so far. So, the task is to set every stakeholder on the way for improvements, which is closely related to the adherence to quality management models.

Components of green economy and sustainable development are found in activities of every element of institutional matrix of global financial ecosystem. This makes the proposed matrix a useful tool for designing a sound strategy by all types of actors of the global financial ecosystem. As the purpose was to prescind and focus on FATF, the critics may call on absence of some important elements of the global financial ecosystem, as well as, on absence of links between elements and actors.

Conclusions. In the absence of a global regulatory body, the institutional architecture of unshadowing of the world economy relies on a number of diversified universal and financial organizations, as well as specialized institutions. In the economic sphere, FATF has the greatest achievements, which actively both cooperates with other international organizations and develops a network of institutions specializing in the field of unshadowing of the economy.

Summing up, we may emphasize the following key illations. Firstly, despite the activities of international institutions in the field of unshadowing of the global economy, a number of aspects of this extremely complex problem remain unsolved. This requires the joint efforts of the world community, especially, in the field of

increasing the transparency of all types of financial transactions in terms of identifying their initiators and goals. It is in contrast to the currently dominant practice of introduction of additional procedures that result only in the increase of the level of transaction costs for businesses and their outflow to the shadow segment of the global economy.

Secondly, today there is also the issue of removing all possible regulatory, administrative and organizational obstacles in interstate cooperation in the field of combating shadow operations and money laundering. It is about the formation of financial intelligence databases by countries and their inclusion in systems of interstate information exchange.

Thirdly, the hierarchy of the economic, legal, ethical and philanthropic motivations outline the four levels of factors of shadowing for business activity and economic development. Therefore, institutional matrix of the global financial ecosystem should develop fair complex of societal priorities, global targets, education and research processes, professional standards and ethical norms for proper transition towards green economy and sustainable development model.

The limitations of the paper are set by the borders of focus on FATF, while borders of global financial ecosystem are much wider, and on processes of unshadowing of business activities, which are not the only components of development of green and sustainable economy. It has turned out that global processes are more complex and should consider many other aspects, like human resources and national cultures, scenarios of the future and technological liberalisation, as well as human rights, global democracy and integration. Absence of universal global databases with national statistics also set limitations on the depth of investigation.

Offering the institutional matrix of global financial ecosystem could help researchers with further building of a better model of global financial ecosystem. Input of links between elements and actors into the institutional matrix of global financial ecosystem could make it more complicated and closer to reality. Depending on the purpose of further research the focus may change within the matrix, which could make development of global financial ecosystem more research based and better fit to the interests of most stakeholders. Network approach may give some other type of possible visualisation of global financial ecosystem. Even more complex matrix of global financial ecosystem could be built in order to take into account many other dimensions of development of green and sustainable economy as well as it could be linked with other ecosystems, like global innovation ecosystem.

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