

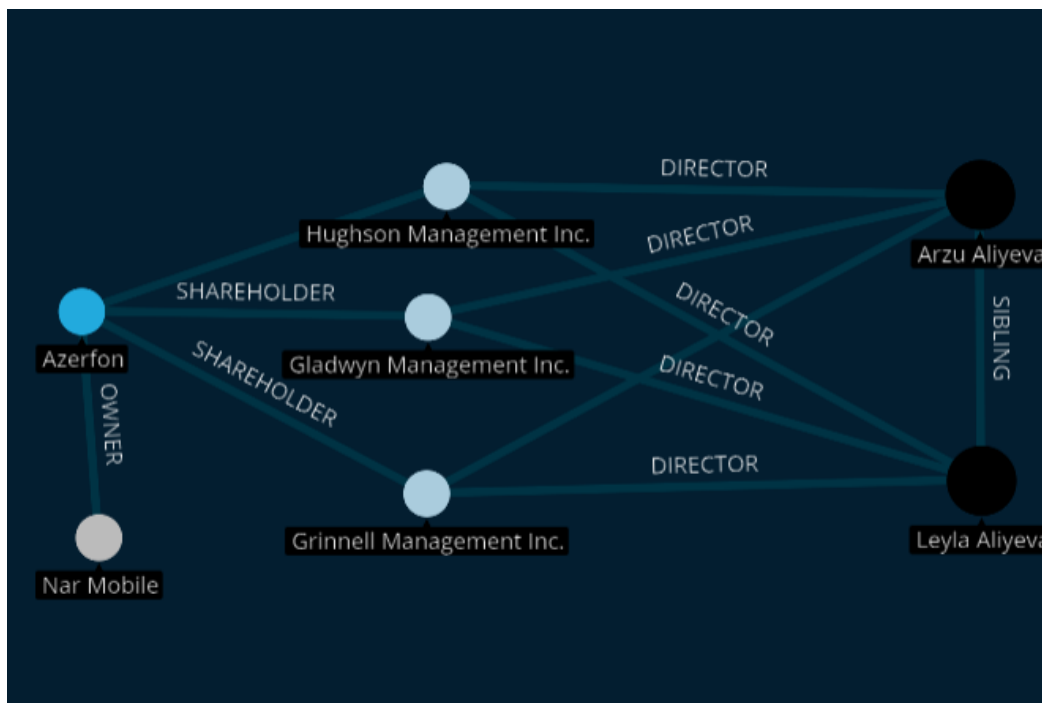
## Network Insight: Azerfon

### The sisters' stake in a major Azerbaijani telecom company

Leyla and Arzu Aliyeva secretly acquired a stake in Azerfon, a major Azerbaijani telecommunication company that trades as Nar Mobile, at some stage after it was founded in 2007. If the sisters continue to own or control a significant stake in Azerfon, this raises concerns that they may be in a position to monitor phone calls and internet activity in Azerbaijan.<sup>[918] [1258] [1259] [522] [917] [1356]</sup>

For the acquisition, the sisters used three companies based in Panama, a major Central American tax haven where international business companies can be incorporated without disclosing their ultimate owners.<sup>[522]</sup> The use of corporate structures to obscure ownership by politically exposed persons (PEPs) is a red flag for suspicious activity, according to the Financial Action Task Force (FATF),<sup>[1294]</sup> and the risks are heightened when the PEPs are from autocratic and corruption-prone countries such as Azerbaijan.<sup>[1294]</sup> \*

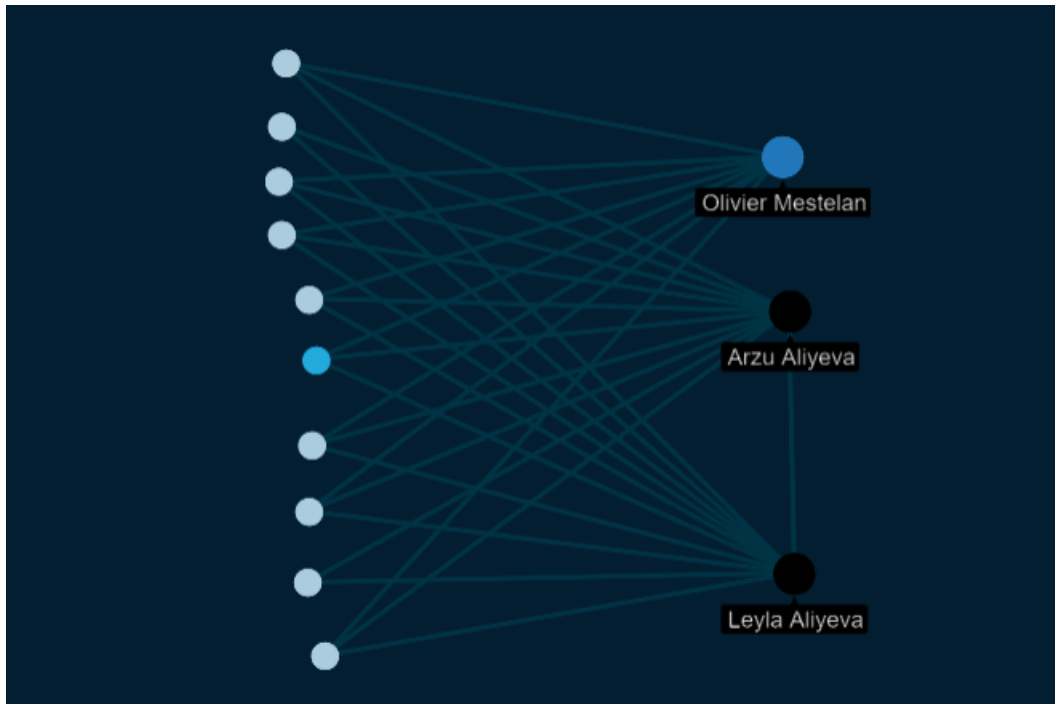
Azerfon told The Sentry that Leyla Aliyeva, Arzu Aliyeva, and the three Panama companies, Hughson Management Inc., Gladwyn Management Inc., and Grinnell Management Inc., do not currently hold stakes in Azerfon: “Our management approach is based on integration of highest standards into everything we do. In particular, our corporate governance is built upon a set of internal regulations and policies that allows the



\* The Financial Action Task Force (FATF) is an international body that develops and promotes policies to protect the global financial system and sets standards for money laundering controls.

management to mitigate potential non-compliances and subsequent risks which could ultimately affect our reputation as a reliable partner and service provider.”<sup>[1402]</sup>

The sisters’ Panama companies were part of a larger network of 15 Panama companies, all of which were controlled by the sisters and most of which were linked to Olivier Mestelan, a Swiss lawyer and art collector.<sup>[1]</sup> Mestelan incorporated the companies on behalf of the sisters and served as treasurer for some of them.<sup>[186] [49] [43] [21] [24] [29] [27] [34] [301] [38] [39] [45] [48] [54] [55] [61] [63] [68] [69] [73] [72] [77] [76] [125] [126] [128]</sup>



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