

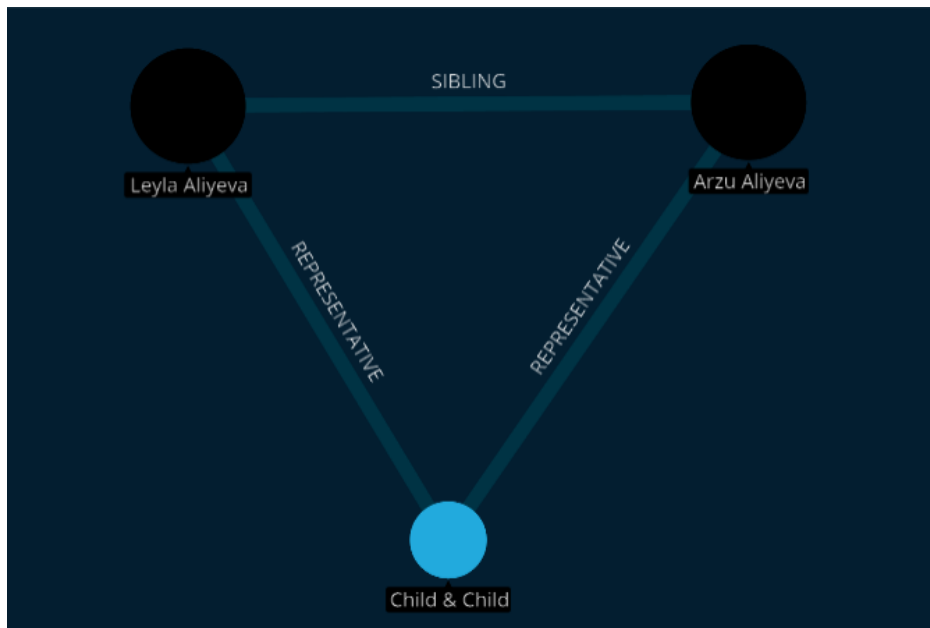
Network Insight: Child & Child

The London law firm that acted for the sisters in London property deals

Leyla and Arzu Aliyeva have engaged several law firms to facilitate high-value real estate acquisitions in the UK.

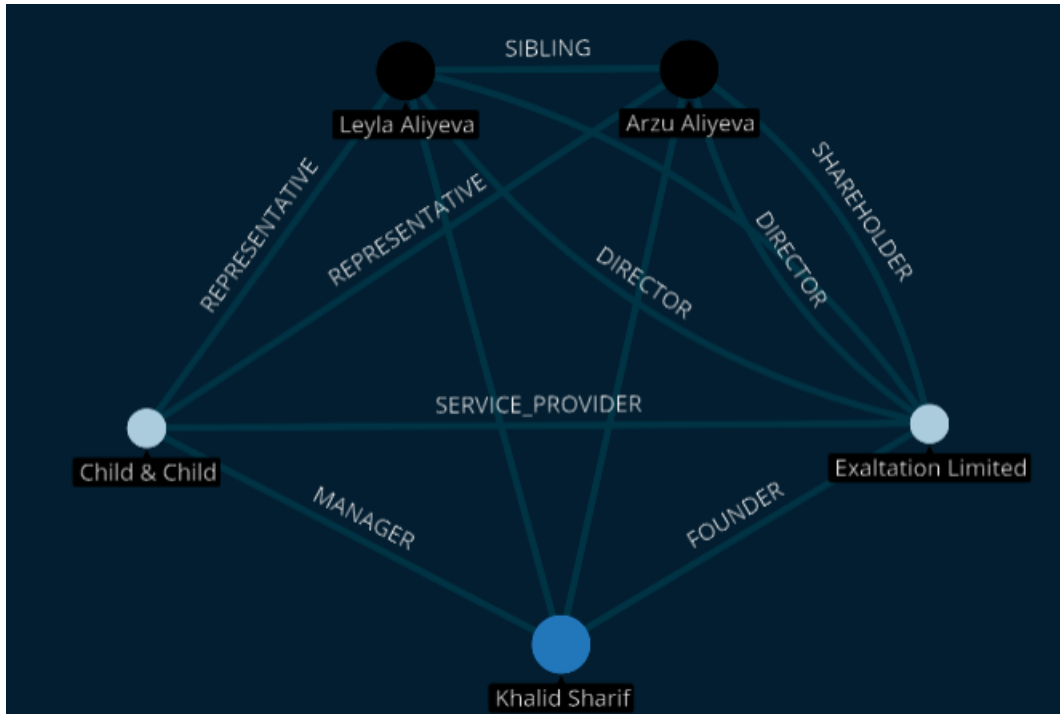
One of these, London law firm Child & Child, acted on a 59.5 million GBP (\$89.4 million) property deal in London on behalf of the sisters between 2015 and 2016.^[664] ^[570] ^[461] ^[1084] The deal fell apart after it was exposed as part of the International Consortium of Investigative Journalists' Panama Papers, a leak of information from offshore law firm Mossack Fonseca.^[570] ^[461]

Nevertheless, law firms are required under UK law to ascertain whether their clients are politically connected and take "adequate steps" to mitigate the high risk of money laundering presented by such clients.^[1294] ^[1298] According to a disciplinary tribunal, a Child & Child lawyer failed to do this.^[461]

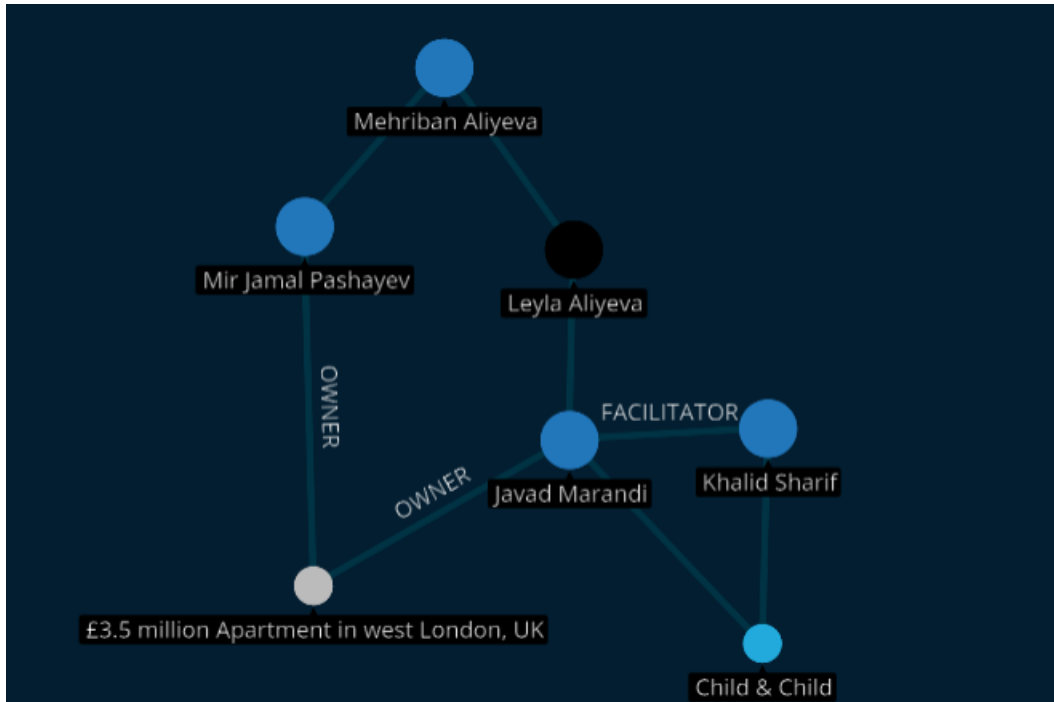


In 2019, Khalid Sharif, the Child & Child partner at the center of the deal,^[664] was ordered by a disciplinary tribunal to pay 85,000 GBP (\$108,280) in fines and costs for failing to record that Leyla and Arzu Aliyeva, on whose behalf he was acting, were the daughters of the president of Azerbaijan.^[570] ^[461] ^[1085] According to the tribunal's judgment, Sharif acquired Exaltation Limited, a British Virgin Islands company,^[706] for the sisters, and payments amounting to 14.3 million GBP (\$21.8 million) were made and returned, minus expenses, after the deal collapsed.^[461] ^[504] The tribunal heard that Sharif ought to have flagged Leyla and Arzu Aliyeva as

politically exposed persons (PEPs) and conducted in-depth financial checks.^[461] However, Sharif “didn’t consider” these steps, and when he was asked if the Aliyeva sisters were PEPs, he told a colleague to tick a box marked “no.”^[570]



Sharif also acted for Javad Marandi, UK-based property tycoon and associate of Leyla Aliyeva.^[570] Between 2013 and 2014, Sharif helped Marandi “gift” a 3.5 million GBP (\$5.6 million) West London flat to Mir Jamal Pashayev,^{[664] [570] [461] [706] [519] [1086]} a cousin of first lady and current Vice President Mehriban Aliyeva.^[519] Sharif’s disciplinary tribunal found that the transaction had several red flags, such that it presented a “significant risk that money laundering was taking place.”^[461] In the aftermath, Sharif left Child & Child,^[1370] and the firm was dissolved in 2023.^[867]



Citations

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