

Network Insight: Hassan Gozal

The sisters' link to an Iranian businessman whose companies received major construction contracts from the Azerbaijan government

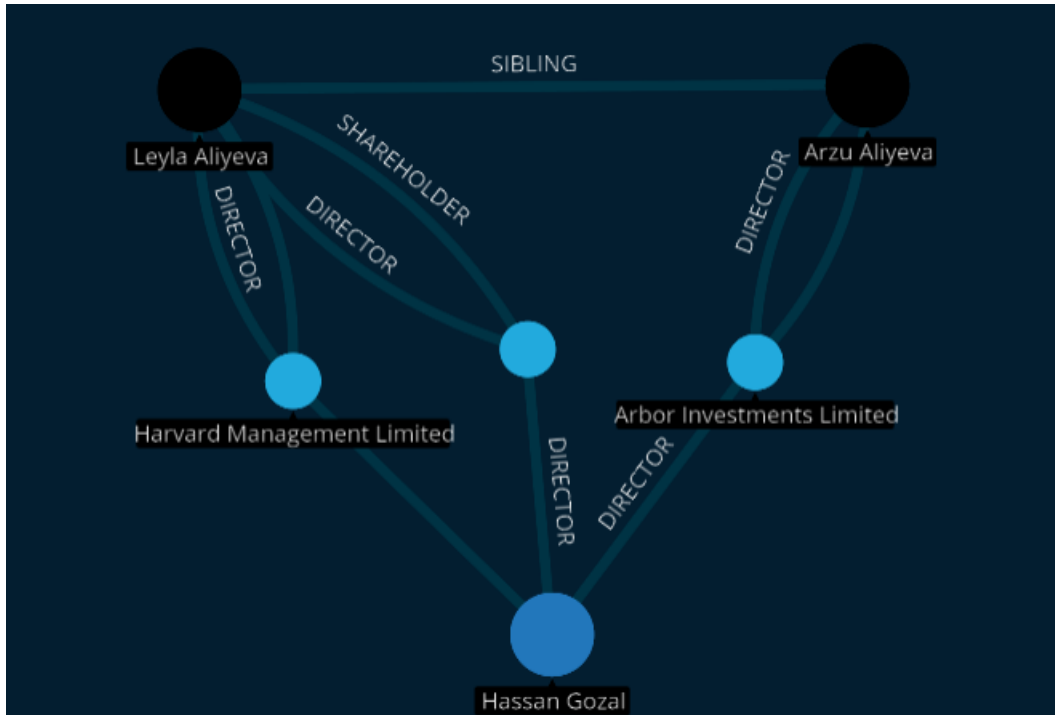
Leyla and Arzu Aliyeva have joined forces with several international businessmen, according to corporate filings, some of whom have amassed fortunes via Azerbaijani state contracts. Doing business with politically exposed persons (PEPs) while receiving government contracts raises questions about conflicts of interests, and according to the Financial Action Task Force (FATF), the risks are heightened when the PEPs are from an autocratic and corruption-prone country, such as Azerbaijan.^[1294] *

One such businessman is Hassan Gozal, an Azerbaijani with companies in Dubai and Turkey.^[556] Hassan and his brother Abdolbari Gozal are linked to scores of companies registered in Dubai's Jebel Ali Free Trade Zone. These have operated under the umbrellas of several holding companies, including Intersun Holding FZCO, Dia Holding FZCO, and DAAX Corporation, which Hassan Gozal chairs.^[154] ^[557] DAAX has investments in oil and gas, energy, construction, property, insurance, and healthcare.^[558]

Gozal brother companies have been major contractors for the Azerbaijani government, having built the iconic Flame Towers in Baku, which stand as international symbols of how the city has used oil funds to modernize, and the Heydar Aliyev Cultural Center.^[559] Companies linked to the Gozal brothers had won construction contracts in and around Baku worth approximately \$4.5 billion, according to a 2013 investigation by the International Consortium of Investigative Journalists (ICIJ).^[556]

Hassan Gozal has served alongside Leyla and Arzu Aliyeva as co-director of three companies in the British Virgin Islands:^[556] Arbor Investments Limited, LaBelleza Holdings Limited, and Harvard Management Limited.^[556] According to the ICIJ, the purpose of the companies is unclear, but steps were taken to hide the sisters' involvement in them.^[556]

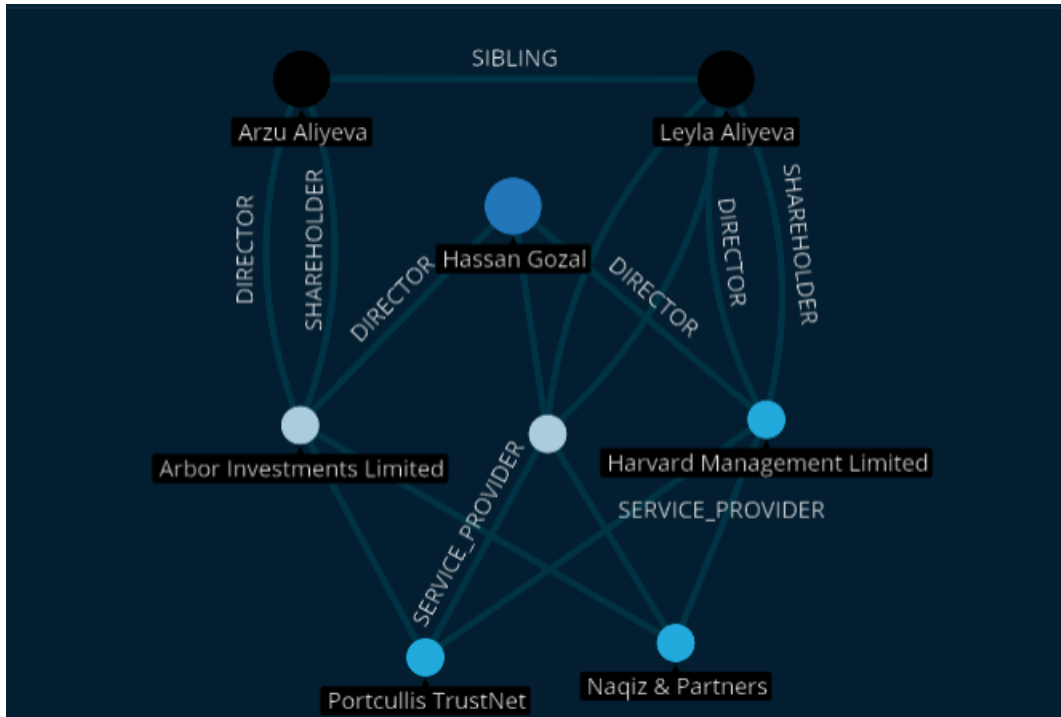
* The Financial Action Task Force (FATF) is an international body that develops and promotes policies to protect the global financial system and sets standards for money laundering controls.



All three BVI companies used the same offshore intermediary, Malaysia-based Naqiz & Partners, and all three were registered by Portcullis TrustNet, a Singapore-based offshore services provider, the ICIJ found.^[556] After the ICIJ's reporting, BVI authorities fined Portcullis TrustNet \$205,000 for anti-money laundering failures.^[1054]

The use of intermediaries such as law firms and company formation agents to create corporate structures to obscure beneficial ownership is a red flag for potentially suspicious activity, according to the FATF.^[1294]

Naqiz & Partners told The Sentry that they could not comment: "As practicing lawyers, we are restricted by the laws of our jurisdiction and by our professional ethics to comment on clients data."^[1405]



Citations

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- 556 Stefan Candea and Khadija Ismayilova, “Offshore Companies Provide Link Between Corporate Mogul and Azerbaijan’s President,” International Consortium of Investigative Journalists, April 3, 2013, available at: <https://www.icij.org/investigations/offshore/offshore-companies-provide-link-between-corporate-mogul-and-azerbaijans-president/>
- 557 DAAX Corporation, “Hassan Gozal: Chairman’s Bio,” available at: <https://www.daaxcorporation.com/chairman-bio> (last accessed July 3, 2023).
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- 1294 Financial Action Task Force, “Politically Exposed Persons (Recommendations 12 and 22),” June 2013, available at: <https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/Guidance-PEP-Rec12-22.pdf.coredownload.pdf>
- 1405 Naqiz & Partners response to the Sentry, August 30, 2024.