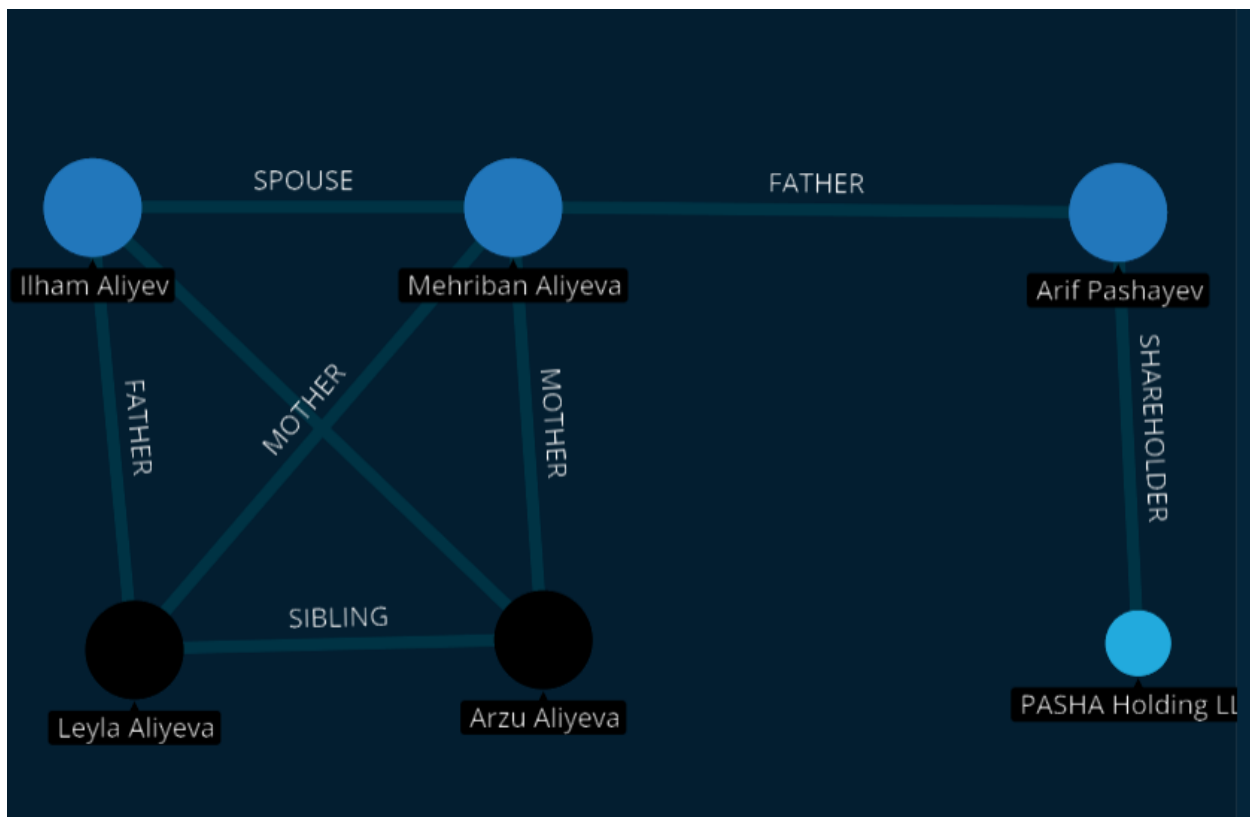


Network Insight: PASHA Holding

The sisters' ownership of a huge Azerbaijani conglomerate

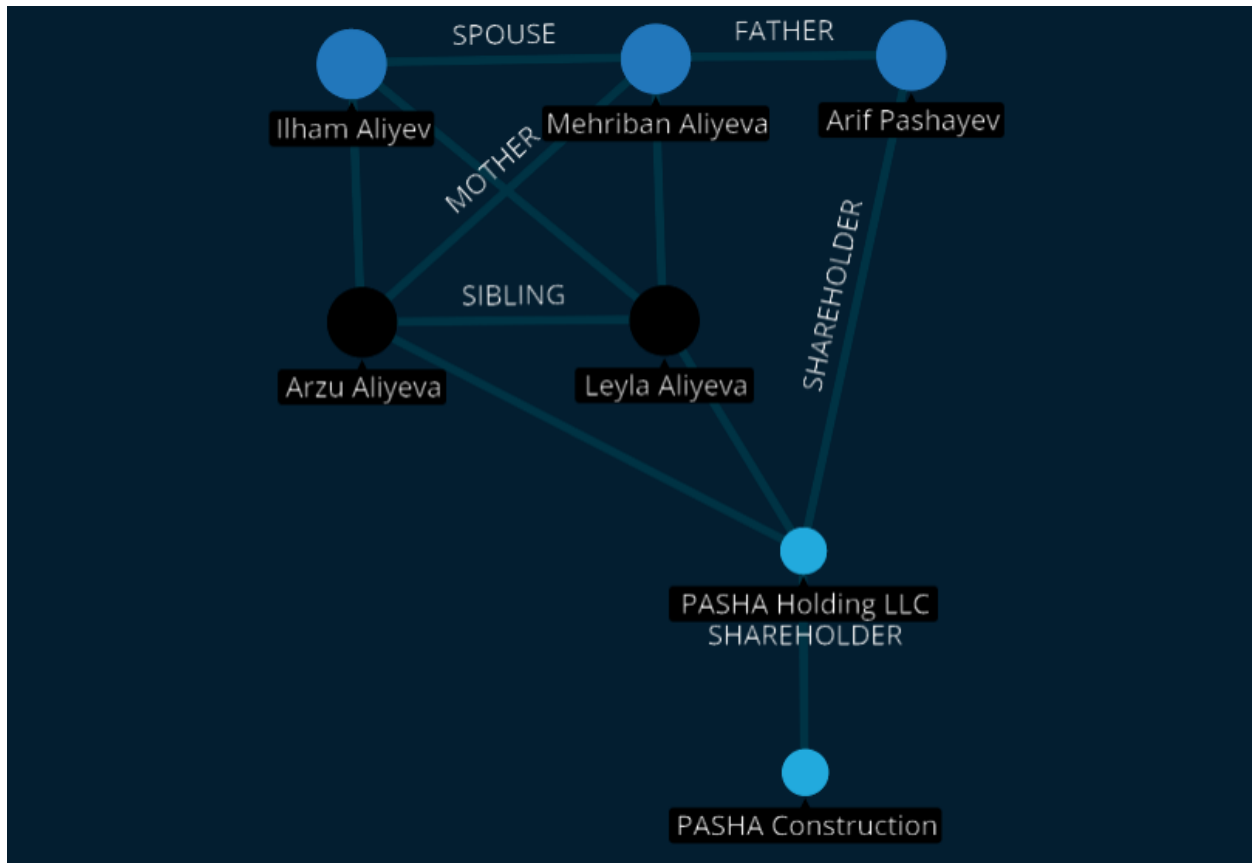
For the ruling Aliyev family, business has long been a family affair. Vice President Mehriban Aliyeva's father, Arif Pashayev, became the driving force behind PASHA Holding, a sprawling Azerbaijani conglomerate that was set up in 2006, shortly after Ilham Aliyev came to power. A research scientist with scores of academic articles and patents to his name, Pashayev spent the latter part of his career heading several prestigious Azerbaijani scientific and aviation academies. And while he had no previous track record as an entrepreneur, his family connections granted him a rare business opportunity.^{[525] [876] [903] [682] [1355]}



Today, PASHA Holding is one of the largest conglomerates in Azerbaijan.^[997] According to its last published figures, its assets—including subsidiaries in banking, insurance, investment, construction, travel and tourism, and technology—are valued at 20.5 billion manats (\$12.05 billion).^{[527] [1407]}

PASHA Holding's ownership has been shrouded in secrecy. However, until at least 2012, it was beneficially owned by Pashayev. From 2013, his granddaughters Arzu and Leyla Aliyeva were the beneficial owners. When opening accounts at Malta's Pilatus Bank in 2016, the Aliyeva sisters disclosed that they owned the conglomerate.^{[1406] [341] [997] [1336] [1112] [1270]}

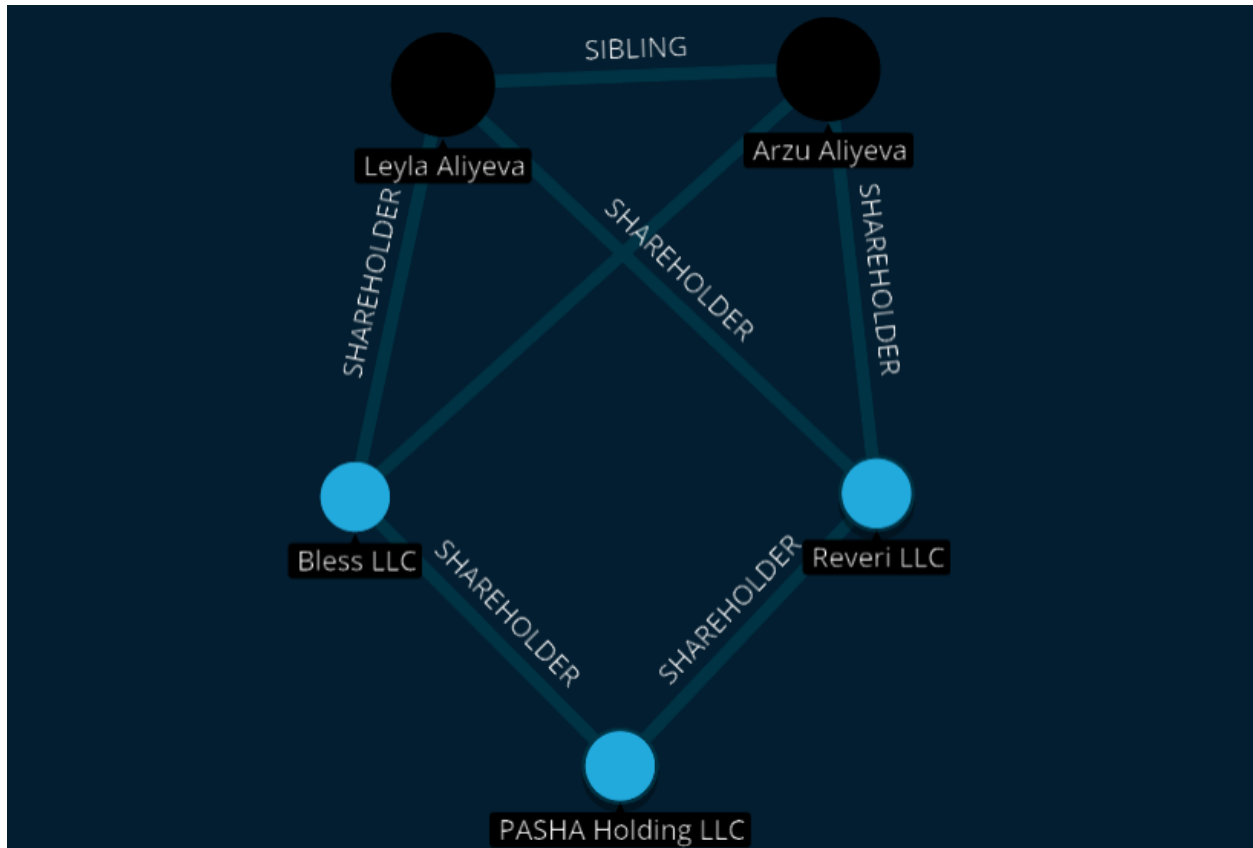
It is forbidden under Azerbaijani law for public officials to engage in business,^{[1164] [1170]} so the ownership of PASHA Holding by family members—specifically by the president’s daughters—appears to be an attempt to circumvent the rules, as it allows the Aliyev family to control a major Azerbaijani conglomerate whose construction projects—PASHA Holding’s main line of business—have received substantial government funds and preferential treatment by the state.^{[527] [604] [1226] [1225] [1273] [1274] [1260]}



As of 2018, Leyla and Arzu Aliyeva owned PASHA Holding via two companies registered in Azerbaijan, Bless LLC and Reveri LLC, of which they each owned half.^{[341] [11]} One of the companies, Reveri LLC, was described by an employee as a family office—a mix of an investment fund and private concierge service. Family offices are not illegal, and they are widely used by the ultra-wealthy global elite to manage their investments and other aspects of their lives and social calendars.^{[735] [736] [737] [738] [739] [740]} They do everything from chartering private jets and superyachts to buying luxury artwork, paying for the best boarding schools, and arranging trips to international galas.^{[1408] [904]}

Because Azerbaijan does not publish shareholder information,^[528] the use of Azerbaijani companies to hold stakes in PASHA Holding has the effect of adding an additional layer of secrecy to disguise the sisters’ ownership. It is only through the release of confidential reports into alleged money laundering that the sisters’ links to Bless LLC and Reveri LLC were made known. The use of corporate vehicles to conceal

ownership by politically exposed persons (PEPs)—such as Leyla and Arzu Aliyeva—is a red flag indicating potentially suspicious activity, according to the Financial Action Task Force (FATF).^[1294] *



* 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.

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