

The report by RL/RFE Azeri desk discusses chances for illegal money be invested in Azerbaijan, a country with a high level of corruption. According to leading Azeri economists, the chances are very low, exactly because of corruption.

According to the report by RL/RFE Azeri desk, high degree of corruption in Azerbaijan considerably reduces chances for this country to become a heaven for dirty money laundering, though it might seem illogical at the first glance. In a country with rampant corruption "permission fees" for dirty money laundering will be very high and the banking sector is poorly developed. However, lack of customs transparency and poor control over investment creates a favorable condition in Azerbaijan.

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25 September 2001

NEWS BRIEFS

Is There Dirty Money In Azerbaijan?

Babek Bek

The Azerbaijani press has already carried information about the dirty money Osama bin Laden and his family members save in different countries of the world. The newspaper "Yeni Musavat" reports that one of the leaders of U.S. Central Intelligence Agency claimed in an interview with the Italian press that the Cyprus Republic is one of the countries where terrorists "wash" their money. According to the newspaper, the Head of the Central Bank of the Cyprus Republic had to allow bin Laden and his family members to make investments in this island. Nazim Imanov, a former member of the Azerbaijan parliament, expresses regret that Azerbaijan is one of the countries, which has favorable conditions for washing "dirty" (illegally earned) money. He says Azerbaijan's legislation does not allow for special control over money invested in the country. But Imanov thinks that it would not be right to place Azerbaijan on the top of the list of the main countries where dirty money is invested. According to Imanov, they demand considerable bribes from those who want to invest in Azerbaijan, which deters investors. Economist Gubad Ibadoglu also does not rule out the existence of such a dangerous phenomenon in Azerbaijan. According to Ibadoglu, the transparency of customs and weakness of control on investments creates a favorable situation in Azerbaijan. Moreover, Azerbaijan is notorious in the world for corruption. Ibadoglu also stressed the bank system in Azerbaijan is weak, which he termed undesirable.