

DELEGATION OF THE REPUBLIC OF AZERBAIJAN

Position paper on abuse of charities and other non-profit organizations for terrorist financing purposes

In view of the discussions under agenda item 6 (a) of the 14th United Nations Congress on Crime Prevention and Criminal Justice, entitled “International cooperation and technical assistance to prevent and address all forms of crime: terrorism in all its forms and manifestations” the delegation of the Republic of Azerbaijan would like to draw the attention of the distinguished delegates of the UN Member States to the following:

Paragraph 75 of the recently adopted Kyoto Declaration envisages identification, analyzing and countering existing, growing or potential links between the financing of terrorism and certain criminal activities, including money-laundering in order to prevent and tackle financial and logistical support to terrorism in all its forms and manifestations and prevent terrorists from acquiring weapons.

The delegation of the Republic of Azerbaijan, at the outset, welcomes the affirmation of the UN Member States on the necessity to prevent and counter the illicit flow of the proceeds of crime to finance terrorist activities. In this regard, it is of utmost importance to take into account that one of the covered sources of funding for terrorism is the abuse of charity and other non-profit organizations for terrorist financing purposes.

In some cases non-profit organizations abuse their noble status as charity entities granted to them by their respective host countries, and provide funding for illicit purposes, including for purchasing weapons and ammunitions for the terrorist groups.

Azerbaijan has been suffering from this phenomenon for long years. Armenian diaspora organizations acting in different countries have raised funds for decades to consolidate the occupation of Azerbaijani territories and to provide illegal armed groups deployed in the occupied territories of Azerbaijan with weapons and armament.

In the course of the recent aggression by Armenia against Azerbaijan starting from 27 September 2020 we have witnessed the peak point of this illicit financial flow mostly generated from Armenian non-profit organizations operating under disguise as charity entities.

The funds collected by these organizations through donation campaigns have been used for improving the military strength of the illegal armed groups deployed in the formerly occupied territories of Azerbaijan that were involved in terrorist attacks against civilian population of Azerbaijan. Announcement at the websites of those organizations, as well as social media messaging among the Armenian community members in abroad attests to this fact.

This is not the first time that Armenian Diaspora organizations abuse their noble status as charity entities granted to them by their respective host countries, and provide funding for illicit purposes.

Throughout the past almost 30 years Armenian Diaspora organizations have provided funds collected through donations of taxpayers of respective countries, for developing the military strength of subordinate separatist regime established in the occupied territories of Azerbaijan. All financial transactions from Armenian Diaspora organizations to the separatist regime have been carried out without proper financial oversight and accountability mechanism, thus creating condition conducive to the financing of terrorism.

During the recent war the following Armenian Diaspora organizations launched fundraising campaigns for providing funding to the terrorist groups deployed in the occupied territories of the Republic of Azerbaijan:

Armenia Fund

Armenia Fund currently is the biggest fund used for donations for illicit purposes. It has several affiliate branches in 16 countries (United States, Canada, Brazil, Argentina, Great Britain, France, Netherlands, Germany, Switzerland, Austria, Sweden, Greece, Cyprus, Lebanon, Syria and Australia).

Some of its current partners in fundraising activities are followings:

- Hayastan Foundation Canada Inc., Canada
- Hayastan Foundation Toronto Inc., Canada
- Fundación Armenia, Argentina
- Fondo Nacional Armenia, Argentina
- Vereniging Armeniëfonds Nederland, the Netherlands
- Fonds Arménien de France, France
- Comitê Brasileiro para a Reconstrução da Armênia, Brazil
- Comité Suisse du Fonds Arménie / Armenien Fonds Schweizer Ausschuss, Switzerland
- Armenian Community, Belgium
- Armenien Fonds Hayastan – Deutschland, Germany
- Hayastan All Armenian Fund Australian, Australia
- Österreich-Komitee zur Unterstützung der Armenien-Fonds der Republik Armenien, Austria
- Hayastan All Armenian Charitable Trust Great Britain, United Kingdom
- Χαγιασταν Παναρμενική Οργανωση Αλληλεγγύη - Panarmenian organization of solidarity, Greece
- Hayastan All-Armenian Fund Sweden
- Calouste Gulbenkian Foundation, Portugal

One Armenia Fund

One Armenia Fund is based both in the USA (Santa Monica, CA) and Armenia (Yerevan). In the course of aggression by Armenia starting from 27 September 2020 fundraising efforts of this Fund have been mobilized to support the illegal armed groups operating in the formerly occupied territories of Azerbaijan. As of October 20, 2020 the Fund had managed to raise 2.7 million USD for the mentioned purpose.

Armenian General Benevolent Union – AGBU

The Fund is based in the USA (New York, NY) and currently runs the campaign - #Aid4Artsakh for providing financial support to the illegal armed groups involved in organizing terrorist attacks against Azerbaijani civilians. As of October 20, 2020 the Fund had raised 10.4 million USD for that purpose.

Armenian Canadian Medical Association of Ontario – ACMAO

The ACMAO is based in Ontario, Canada. Despite being a medical association, the membership is only expanded to those professionals or students that have Armenian origin and shares the views and values of Armenian heritage.

In the course of recent war between Armenia and Azerbaijan ACMAO run fundraising campaign – “Donate to Artsakh” accompanied by highly politicized anti-Azerbaijani rhetoric.

Fund for Armenian Relief – FAR

Fund has offices both in the USA (New York, NY) and Armenia (Yerevan). Motto of the Fund is “FAR stands with Armenia and Artsakh”. One of the placards shared in social media by the FAR affiliated organizations says: “Any activity that will save you money to help our banag”. Banag – is an Armenian for “army”. During their interview with the Armenia Media – Australia on 24 October 2020, the Chairperson of FAR in Australia, Kevork Vartanian, openly explained FAR’s participation in the military activities in the formerly occupied territories of Azerbaijan through “volunteer bands”.

Armenian Relief Society – ARS

Organization is based in the USA (Massachusetts, MA) and provides regular financial assistance to the illegal regime in the occupied territories of the Republic of Azerbaijan.

Tufenkian Foundation

Foundation is located in Armenia (Yerevan) and in the occupied territories of Azerbaijan (Khankendi). Foundation has been directly involved in the illegal settlement and economic development efforts in the occupied territories. There is an option to fund the projects in the occupied territories of Azerbaijan through the donation link on the official website of the Foundation. Most of the latest donations have been marked as “for army” or “for army needs”.

Armenian Youth Federation of Western United States

One of the founders of the AYF is famous Nazi general Garegin Nzdeh who is considered as hero in Armenia. The Federation announced “With our Soldiers” campaign during the recent war between Armenia and Azerbaijan to support illegal armed groups in the occupied territories of Azerbaijan and had raised 150.000 USD.

Abuse of AmazonSmile platform

Armenian Diaspora organizations do not shy away from abusing global charity initiatives for their own malicious purposes. AmazonSmile platform designed for socio-oriented charity donations have been misused by Armenian Diaspora organizations to raise funds for supporting terrorism. Armenian community members call on potential donors through social media to choose Armenia Fund as a charity foundation at AmazonSmile with a view to directing the collected amount to “We are our borders – All for Artsakh” donation campaign.

Abuse of bank and payment network services for collection and transfer of the illicit funds

The services of following banks and payment networks have been misused to collect and transfer the funds raised through so-called donation campaigns in support of terrorist activities in the formerly occupied territories of Azerbaijan:

➤ **Banks**

- Chase Bank (for donations in USD)
- Deutsche Bank (for donations in EURO)
- HSBC Bank (for donations in GBP)
- Republican Bank Armenia (for donations in Russian Ruble and Armenian Dram)
- Allianz Bank Bulgaria
- Postbank Bulgaria (Eurobank Bulgaria AD)
- DSK Bank Bulgaria
- HSBC Bank UK

➤ **Payment networks**

- Mastercard
- VISA

Azerbaijan has appealed to above mentioned banks for the need of due diligence to be conducted to verify beneficial owners, source of funds, nature and intended purpose of funds to the extent warranted by the risk of terrorist financing as is required by international regulations.

Commitments of UN Member States in preventing and countering abuse of non-profit organizations for terrorist financing purposes

Under the relevant provisions of the International Convention for the Suppression of Financing of Terrorism (1999), as well as the UN Security

Council resolutions 1373 (2001), 2178 (2014), 2195 (2014) and 2347 (2017), the activities described above undertaken by non-profit organizations are considered as financing of terrorism and states must take effective counter-measures for preventing such activities.

The misuse of non-profit organizations for the purpose of financing of terrorism has been recognized by the Financial Action Task Force (FATF) of the OECD as a crucial weak point in the global struggle to stop such funding at its source. Recommendation 8 of the FATF reads as follows:

“Countries should review the adequacy of laws and regulations that relate to non-profit organisations which the country has identified as being vulnerable to terrorist financing abuse. Countries should apply focused and proportionate measures, in line with the risk-based approach, to such non-profit organisations to protect them from terrorist financing abuse, including: (a) by terrorist organisations posing as legitimate entities; (b) by exploiting legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset-freezing measures; and (c) by concealing or obscuring the clandestine diversion of funds intended for legitimate purposes to terrorist organisations.”

In view of the above-mentioned circumstances the Republic of Azerbaijan urges the UN Member States to take all necessary steps required for not allowing their territories to be used for supporting or financing terrorist activities against the sovereignty and territorial integrity of the Republic of Azerbaijan and its civilian population.

Application of due diligence procedures in relation to the above-referred organizations, as well as tracing the transaction routes and beneficiaries of the collected funds would be among the effective measures in that regard.