



## Historical Insight: Financial Sovereignty of the Chechen Republic of Ichkeria

Ver. 1.0 as of October 7, 2016

Ver. 1.1 as of January 25, 2018

Published at <http://muzeydeneg.ru/research/finansoviy-suverenitet-chechenskoy-respubliki-ichkeriya/>

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*In 2014, ISIL, a terrorist organization banned in Russia, which seized most of Syria at the time, revealed plans to introduce its own quasi currency – gold dinar. Modern Russia had a similar situation in Caucasus, in the quasi state of the Chechen Republic of Ichkeria, a little over 20 years ago.*

*The history of the Ichkerian money issuance has been locked behind seven seals up until now. Information spread over the Internet was mostly rumors and speculations. However, existing information search technologies and newly discovered facts and documents led to certain conclusions being made on this period of the modern Russian history.*

The nineties of the last century could end up in the “parade of sovereignties” for Russia. Some federal subjects of the Russian Federation took Yeltsin's words “take as much sovereignty as you can swallow” all too literally. Russia was torn apart and Caucasus suffered the most violent blow. The Chechen Republic was beyond federal control for almost a decade. The republic was *de facto* independent although *de jure* it was under Moscow authority. The only thing the republic lacked to achieve full sovereignty was to give passports to its citizens and build a financial system by issuing money.

### French Project

In 1994, the Chechen Government decided to issue its own currency and passports of the Chechen Republic of Ichkeria. Usman Kasimovich Imayev<sup>1</sup>, who was the Governor of the National Bank of the Chechen Republic from May 1993 to July 1994, was appointed officer in charge of the emission project on the part of the Chechen Republic. In order to make this vision a reality, Usman Imayev approached France's Oberthur (full company name – François-Charles Oberthur Fiduciaire, website –



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<sup>1</sup> Author of the Chechen Constitution, Minister of Justice, later Prosecutor General of Chechnya, gone missing in 1996.





<http://www.oberthur-fiduciaire.com/en/>). Cooperation between Fig. 1 Usman Imayev the Chechen Republic and Oberthur was later confirmed in the documentary called “The Caucasus Plan” featuring Abubakar (Berkan Merrikh Yashar <sup>2</sup>, a former CIA agent) available on YouTube at <https://www.youtube.com/watch?v=jyzEkA9Kxeo>

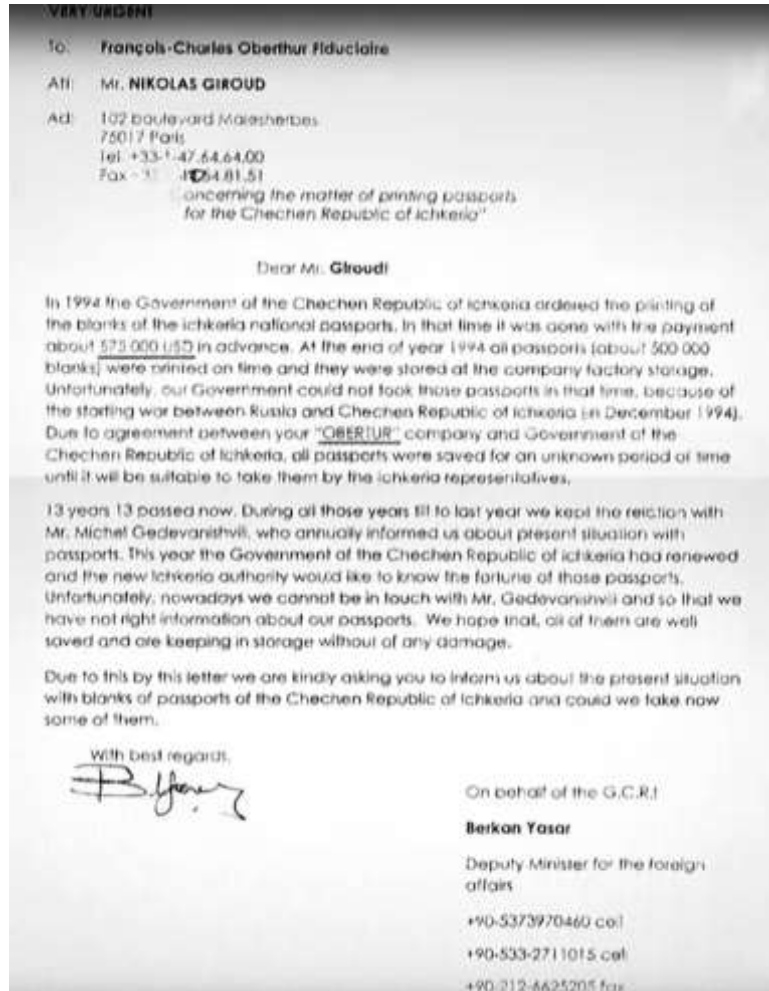


Fig. 2 Abubakar's letter to Oberthur, a screenshot from *The Caucasus Plan* (42:00)<sup>3</sup>

<sup>2</sup> In 1992, Dzhokhar Dudayev appointed Yashar Deputy Minister of Foreign Affairs in Ichkeria.

<sup>3</sup> A Russian translation on the website at <http://chechen.org/forums/showthread.php?t=278&page=3> (the website is blocked in the Russian Federation)





According to the contract, Michel Gedevanishvili was in charge of the project on the part of Oberthur (in 1995, Gedevanishvili oversaw issue of banknotes for Georgia<sup>4</sup>). The French firm rushed signing of the contract as can be seen from poor translation of the contract into Russian, quality of specimen banknotes and design of banknotes attached to the contract as specifications. For example, the 1 Naxar banknote depicted an oil refinery which was a full match with the design of the 50,000 Bolivian Pesos released in 1962 and 5 New Bolivian Pesos released in 1984. The design of the 5 Som banknote mirrored the 2,000 Iranian Rials released in 1986. And to add insult to injury, Oberthur used a photo from a Grozny city guide to



Fig. 3 Dzhokhar Dudayev holding a

create the 50 Som banknote (Fig. 24). Under the contract between the *passport of the Chechen Republic of National Bank of the Chechen Republic and Oberthur, the Republic Ichkeria, 1995* planned to order printing of 100 mn notes in denominations of 1, 3, 5, 10, 20, 50, 100, 500, and 1,000 Naxar that cost 20,640,000 French francs or about \$35,000 at the exchange rate at the end of 1994. Passports cost a lot more as it appears from Abubakar's letter – the French firm demanded \$575,000 for 500,000 passports. According to mass media, some of these passports were eventually paid for and shipped to the customer but most of them are still kept by the firm (allegedly in Germany). In 1995, Dzhokhar Dudayev presented a CRI passport to the public.

As regards printing of banknotes by Oberthur, the contract bearing Usman Imayev's comments was not signed supposedly due to lack of funding or the Grozny offensive by the federal troops. However, there is one more version featured in mass media why Chechnya refused to have passports and banknotes printed by Oberthur – Russia's pressure on France. It was voiced by Akhmed Zakayev at the World Chechen Congress hosted in Warsaw in 2010:

*“Vainakhs from many countries across the world keep asking me why we have not introduced Chechen passports. We could not do it up until now because we had none. **Once the First War ended, our Government brought only a small part of passports into Chechnya and that was also when they were all distributed. When the Second War broke out, Russia put pressure on the country with which we placed an order for making of passports and we were denied to receive them. Therefore, our Council of Ministers resolved to place an order for making of passports with a different country and, by God's grace, this work will soon be finished and we will put Chechen passports into circulation. Today, we may not officially use them because our passports are not on the international register but, nevertheless, their introduction will become a milestone of great political importance. Our passports will align with the Vainakh identity and, on top of that, protect our identity. The same situation is with the Chechen currency.** Please, keep in mind that in honor of the upcoming 20th*

<sup>4</sup> Source: Transcaucasian Banknotes <https://goo.gl/q6PpGv>





anniversary of our nation we plan to issue the gold naxar with a ten-year certificate indicating denomination of this coin and its circulation procedure.”<sup>5</sup>



Fig. 4 Page 1 of the contract between CRI and Oberthur

<sup>5</sup> Source: <http://chechen.org/forums/showthread.php?t=278&page=3> (blocked in the Russian Federation yet accessible from Google cache: <https://goo.gl/hA1mru>)





*Fig. 5 Contract (including specifications and designs) between CRI and Oberthur*

Interestingly, Oberthur first unveiled the future design of NAXAR and SOM banknotes in the contract but later they were replaced with specimen NAXAR and TÛMA banknotes. The haste backfired on the specimen banknotes as they looked more like candy wrappers than banknotes. The paper also leaves much to be desired as some specimen banknotes are printed on Svenskt Arkiv 80 paper bearing watermarks “...ARKIV 80” which paper is available to anyone for purchase at the time of this article (September 2016).





Fig. 6 1 Som note design as seen in specifications to the contract between CRI and Oberthur



Fig. 7 1 Naxar specimen note printed by Oberthur, featuring no year or words



Fig. 8 1 Naxar specimen note printed by Giesecke & Devrient GmbH, featuring no year or words





Fig. 9 1 Naxar specimen note printed by Giesecke & Devrient GmbH, dated 1995, featuring words





Fig. 10 50,000 Bolivian Pesos note, 1962, printed by De La Rue



Fig. 11 5 Bolivian Pesos note, 1984, printed by De La Rue







Fig. 12 3 Naxar specimen note printed by Oberthur, featuring no year or words



Fig. 13 3 Naxar specimen note printed by Giesecke & Devrient GmbH, featuring no year or words





Fig. 14 3 Naxar specimen note printed by Giesecke & Devrient GmbH, dated 1995, featuring words



Fig. 15 5 Som note design as seen in specifications to the contract between CRI and Oberthur





Fig. 16 2,000 Iranian Rials note, 1986, printed by De La Rue



Fig. 17 5 Naxar specimen note printed by Giesecke & Devrient GmbH, featuring no year or words





*Fig. 18 5 Naxar specimen note printed by Giesecke & Devrient GmbH, dated 1995, featuring words*



*Fig. 19 10 Som note design as seen in specifications to the contract between CRI and Oberthur*





Fig. 20 10 Naxar (Tüma) specimen note printed by Giesecke & Devrient GmbH, featuring no year or words



Fig. 21 20 Som note design as seen in specifications to the contract between CRI and Oberthur





Fig. 22 20 Naxar (Tüma) specimen note printed by Oberthur



Fig. 23 20 Naxar (Tüma) specimen note printed by Giesecke & Devrient GmbH, featuring no year or words





*Fig. 24 50 Som note design as seen in specifications to the contract between CRI and Oberthur*



*Fig. 25 A photo from a Grozny city guide (Council of Ministers of the Chechen-Ingush Autonomous Soviet Socialist Republic) used by Oberthur in the design of the 50 Som note*





Fig. 26 50 Naxar (Tüma) specimen note printed by Giesecke & Devrient GmbH, featuring no year or words

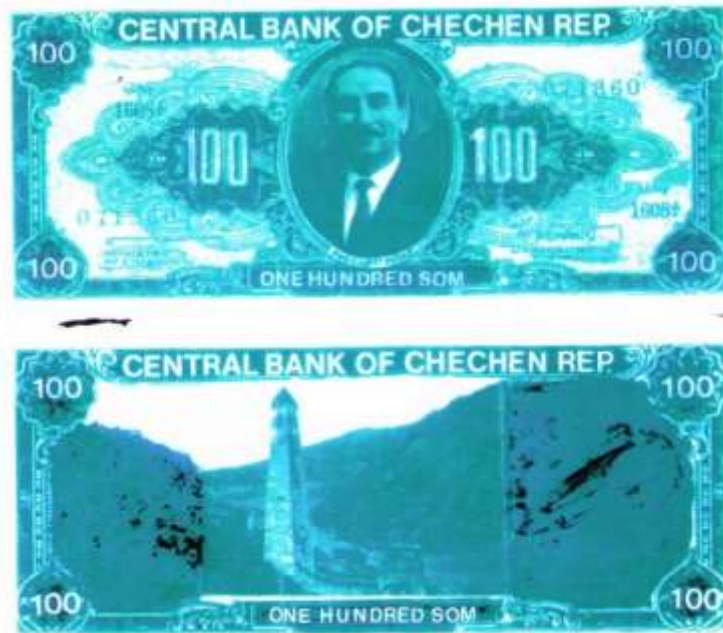


Fig. 27 100 Som note design as seen in specifications to the contract between CRI and Oberthur







Fig. 28 100 Naxar (Tüma) specimen note printed by Giesecke & Devrient GmbH, featuring no year or words



Fig. 29 500 Som note design as seen in specifications to the contract between CRI and Oberthur





Fig. 30 500 Naxar (Tüma) specimen note printed by Oberthur



Fig. 31 500 Naxar (Tüma) specimen note printed by Giesecke & Devrient GmbH, featuring no year or words 18





Fig. 32 1,000 Som note design as seen in specifications to the contract between CRI and Oberthur



Fig. 33 1,000 Naxar (Tüma) specimen note printed by Giesecke & Devrient GmbH, featuring no year or words

Note designs attached to the contract between CRI and Oberthur bear signatures of unidentified persons which are probably intended to represent overview (design) of banknotes.





*Fig. 34 Signatures of unidentified persons on the note designs from specifications to the contract between CRI and Oberthur*



*Fig. 35 Chechen Naxar as viewed in ultraviolet light*

## German Contribution

Later, the Government of the Chechen Republic curtailed cooperation with Oberthur and signed a contract with a new supplier – Germany's Giesecke & Devrient GmbH.



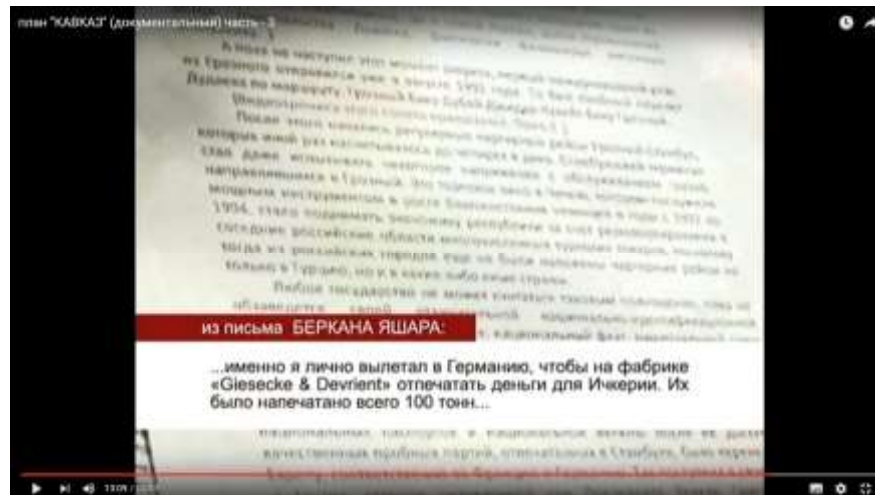


Fig. 36 A letter by Berkan Merrikh Yashar (Abubakar) regarding the order for printing of banknotes, a screenshot from *The Caucasus Plan* (43:07)

As it appears from *The Caucasus Plan*, Giesecke & Devrient GmbH printed 100 tons of notes. Berkan Yashar shows these notes in the documentary and their images are available all over the Internet. Their appearance and level of protection make them very much like U.S. dollars. This is not surprising as the leadership of the insurgent republic planned to set 1 naxar equal to 1 U.S. dollar after all. G&D printed notes only in denominations of 1, 3, and 5 Naxar which were signed by the Minister of Economy and Finance of the Chechen Republic of Ichkeria Taymaz Abubakarov and the Chairman of the National Bank of the Chechen Republic of Ichkeria Nazhmutdin Uvaysayev. Abubakar demonstrated these denominations in the documentary *The Caucasus Plan* (at 43:00). There is no information if other denominations except specimen notes were printed.

### English Trace

There is a version that notes for Ichkeria were printed in England<sup>6</sup>. The version merits attention given the aforementioned design similarities as the 1 Naxar note (by Oberthur and Giesecke & Devrient GmbH) shares the image of an oil refinery with 50,000 and 5 Bolivian Pesos notes dated 1960s (Fig. 10) and mid 1980s (Fig. 11) and the 50 Som note (Fig. 16) from the design by Oberthur shares the image of the Kaaba in Mecca with the 2,000 Iranian Rials note. Those notes were printed for Bolivia and Iran by a different, still France-based company at the time, De La Rue (website – <http://www.delarue.com>). De la Rue actively works with Oberthur as they printed notes for different countries together (Norway, Zimbabwe, etc.), including notes for Bolivia and Iran. At one point in the past, they were in talks about a merger of companies. However, the British took over De la Rue in early 1990s and moved production to England. Hence, it is not improbable that De la Rue might have been subcontracted by Oberthur to print Chechen notes or De La Rue, an England-based company at that time, might have worked as an independent contractor for the Government of Ichkeria to print notes,





As I was writing this piece, I approached De La Rue and Oberthur representatives on more than one occasion to get their comments but all my questions received no response. Perhaps, this is due to the fact that government bodies of the Chechen Republic of Ichkeria are designated as terrorist organizations in Russia and any involvement in their activities constitutes a felony.

*A story of money issue for ISIL banned in Russia ended up more violently, as the minting shop of the Islamic State was destroyed by the police in Southwestern Turkey (in Savcılı, Gaziantep Province).*

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<http://goodcoins.su/coins/coinchech.htm> Quote:

*In 1994, it was decided to issue banknotes which should have been put into circulation in January 1995. The monetary unit known from ancient times was called naxar. Small denominations used a derivative word, "naxart" (plural "naxartash"). The banknotes were ordered in England (Thomas De La Rue). However, different sources diverge on what happened next. According to some sources, the Russian Government lodged a protest with the United Kingdom authorities regarding banknotes of the Chechen Republic as officially it was a part of Russia and had no right to issue its own notes. As a result, these notes were never printed.*

*According to other sources, banknotes were printed in Munich (Germany) (Giesecke & Devrient (G&D)). Some of them were shipped to the republic but hostilities obstructed their introduction. All notes were seized and destroyed by the Russian federal troops as they stormed Grozny.*

<http://chechenews.com> The website is blocked in Russia. The quote is taken from Google cache:

*A first attempt to print the Chechen currency was undertaken in fall 1992. Dzhokhar Dudayev sent Ruslan Utsiev to England as his representative to arrange making of all government attributes ranging from passports and money to medals and orders. In 1993, however, the Federal Counterintelligence Service and the Foreign Intelligence Service (as claimed by the Scotland Yard) learnt about it and killed the Utsiev brothers (with the help from Sarkisyan (a retired KGB officer from Ryazan). The incident brought about a grave scandal and England's Thomas De La Rue decided to give up on the order. The English firm had to pay punitive damages and a penalty as the Chechen Government hired infamous Artyom Tarasov who lived in London back then to sue the firm. The order of government attributes was then split between contractors. Passports were printed in Paris in 1994. It should be noted, however, that Russia had no traveling passport forms by that time unlike Chechnya. But the Chechen Government received and distributed only 10,000 passports printed by the firm. The notes were printed in Germany. Medals, orders and other attributes were minted in Turkey. Stamps were printed in 1993 in Russia!*

**P.S.:** On January 31, 2017, Monetarius.Capital Investment Numismatic Fund sold 4 specimen bons of the Chechen Republic of Ichkeria printed by Oberthur for 500,000 rubles (approximately \$8,500)! For more information, see <http://monetarius.capital/blog/offer/223.html>

