Anti-money laundering and counter-terrorist financing measures

Angola

Mutual Evaluation Report

June 2023

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MUTUAL EVALUATION REPORT

OF

REPUBLIC OF ANGOLA

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Executive Summary

1. This Report summarises the AML/CFT measures in place in Angola as at the date of the on-site visit which took place from 27 June-11 July 2022. It analyses the level of compliance with the FATF 40 Recommendations and the level of effectiveness of Angola's AML/CFT system, and provides recommendations on how the system could be strengthened.

Key Findings

a) Angola's efforts to combat money laundering and terrorist financing are relatively recent. Though a first comprehensive law was adopted in 2011 (but substantially revised in 2020), the implementation of a preventive system for money laundering and terrorist financing was started since 2000s. Although some technical compliance requirements remain, the legal framework underpinning Angola's AML/CFT system is generally solid.

b) Though Angola has identified its ML/TF risks and the authorities have introduced measures to strengthen most of the country's AML/CFT legal and institutional needs, the country has not developed risk informed national policies and strategies to address identified ML/TF risks. The NTF and supervision committee have been set up to promote initiation of policies and other measures. The SIC has been set up as a special investigative LEA to investigate ML, TF and other crimes. An asset forfeiture unit has been set up in the PGR. All these measures being mostly new are still to impact in effectively addressing identified ML/TF risks.

c) Although there is a fair and consistent understanding/identification of frequently committed serious crimes across most competent authorities based on the NRA and different sectoral risk assessments, the understanding is not in the context of the crimes being potential proceed generating for ML.

d) Angola's authorities understanding of TF risk varies among authorities with the intelligence services and UIF displaying a better understanding while there is a limited understanding by agencies responsible for TF investigation and prosecution. Angola has not yet identified the sub-set of NPOs which may be at risk of TF abuse. Reporting entities understanding of TF risk is largely limited to screening for UN designated terrorist persons and entities and an awareness of high-risk jurisdictions.

e) The UIF produces fairly good quality financial intelligence which has been used routinely by LEAs to identify, investigate and prosecute predicate offences to successfully pursue proceeds of corruption and embezzlement; while ML/TF received attention to some extent and associated predicate offense to a large consistent which are broadly consistent with Angola's risk profile.

f) Angola has to a lesser extent investigated and prosecuted ML cases consistent with the country's risk profile. This is most evident in the number of ML investigations and prosecutions relating to corruption, fraud, tax crimes, drug trafficking and smuggling of goods prevailing in Angola reported and processed is low. The LEAs have a low resources capacity which hinders them from effectively pursuing ML investigations and prosecutions in line with the country's risk profile.

g) The authorities demonstrated to some extent that they pursue the confiscation of proceeds of corruption, as a policy objective. However, there was no demonstration of a similar policy objective in terms of proceeds of other predicate offences, instrumentalities of crime, property of corresponding value, assets related to other offences including TF.

h) Angola's definition of terrorist activities does not encompass all activities defined by the UN, which could limit Angola's ability to investigate and prosecute TF. Angola has not prosecuted any TF cases during the reporting period. Initial TF investigations conducted by PGR appear to

be focused on establishing a base level of criminality rather than exploring for further evidence of potential TF conduct.

i) Angola has inadequate legal framework and implementation of targeted financial sanctions (TFS) against terrorist financing (TF) and proliferation financing (PF). Implementation of the existing laws is also at formative stage. Moreover, unlike the largest commercial banks, small to medium FIs and DNFBPs are yet to effectively implement their TFS obligations. Significant steps have not been initiated to categorise the NPOs in terms of their vulnerability to TF risk and the inspection monitoring tool in use for reporting institutions does not include components of risk exposure to TF.

j) Financial supervisors demonstrated a good understanding of ML at national, sectoral, and institutional level, but DNFBPs supervisors have limited understanding of the ML risk. The TF risk is understood at negligible extent by both financial and DNFBPs supervisors. The application of a risk-based approach to supervision is still at an infancy stage as financial supervisors are just starting to apply a risk-based approach, and they are faced with human resources constraint. DNFBP's supervisors are yet to adopt a risk-based approach to supervision. Although financial supervisors applied administrative sanctions and remedial actions to a certain extent, there has been limited impact on FI's compliance behaviour, attributed to disproportionate sanctions. DNFBPs supervisors are yet to apply sanctions where breaches are identified.

k) FIs, more especially banks and securities companies generally have a good understanding of ML risks and AML/CFT obligations including measures for CDD, EDD, record keeping and suspicious transactions reporting. Banks and securities demonstrated a more robust understanding of the ML risk they face and were strongest in their defences, compared to other NBFIs. The appreciation of TF, is however, much less developed. The DNFBP sector has demonstrated low level of understanding of ML/TF risk and implementation of their AML/CFT obligations. This could be attributed to low level of supervision by the DNFBP supervisors. VA activities and VASPs are unregulated in Angola. There is no legal framework providing for regulation of VASPs, let alone identification and application of sanctions on illegal VASPs.

l) Reporting entities in Angola are required to establish the true identity of beneficial owners when establishing a business relationship or carrying out an occasional transaction. Basic information on legal person (companies) is publicly available to a limited extent through OSS. The information on the registry is not accurate and up to date. Moreover, Angola has not assessed risks associated with legal persons. There is limited understanding of BO concept amongst the Competent Authorities as the result BO information is not collected or maintained by such authorities. However, FIs in order to fulfil their CDD obligation; use their own mechanism to collect BO information from legal persons that maintain accounts with them. Angola does not recognise the concept of trusts and other forms of legal arrangements.

m) Angola has generally in place a good legal and institutional framework to cooperate and exchange information with foreign counterparts in respect of mutual legal assistance (MLA), extradition and other forms of international cooperation. However, the effectiveness of cooperation is hindered by lack of an effective case management system, statistics and prioritisation mechanisms that enables effective monitoring of cases as well as providing and proactively seeking international cooperation based on the risk profile of the jurisdiction.

Risks and General Situation

2. Angola is exposed to ML threats from proceeds of crime emanating from within and outside the country through its financial system, real estate sector and cross-border trade. In view of its geographical position and economic development, the country is also a transit route for illegal drug. Angola has a sophisticated financial system co-existing with significant use of cash and presence of informal economy. Angola faces significant domestic ML threats than international sources. While Angola has a significant exposure to potential foreign proceeds largely because of its sophisticated financial sector with global reach, the assessors could not find sufficient evidence of foreign proceeds being laundered or used for TF in the country. By contrast, a significant amount of proceeds generated in Angola are laundered outside of the country. However, Angola experiences a significant outflow of proceeds channelled through the financial system while foreign proceeds into Angola are limited. Increasingly, Angola is also becoming a destination point as well, with a growing market for illicit drugs as a transit country.

3. Angola is less exposed to TF, mostly likely to come from outside perpetrators wishing to use the country to mobilise resources for use outside in foreign countries which has not been prioritised by the authorities. Angola has not identified the scale/magnitude of the TF threats and vulnerabilities. The rating of medium low for TF appears to be well supported.

Overall Level of Compliance and Effectiveness

4. On technical compliance with the FATF Standards, Angola has made various improvements to its AML/CFT legal framework since its first-round evaluation. On effectiveness, many of the efforts were made few months before the on-site visit, and while some initiatives are beginning to show results, other reforms have been too recent or are structural and require will take some time to impact positively on the effectiveness of the overall AML/CFT system. Changes that were implemented earlier (e.g., asset recovery reform) have led to an increase in effectiveness, whereas more recent changes (e.g., efforts to apply risk-based approach, improve AML/CFT supervision, national co-ordination and cooperation and international cooperation, changes to the AML/CFT law, and the transparency of legal persons) are not fully implemented to achieve the desired outcomes. The SIC has been set up as a special investigative LEA to investigate ML, TF and other crimes. An asset forfeiture unit has been set up in the PGR for tracing and confiscation of illegal property. All these measures being mostly new are still to impact positively in effectively addressing the identified ML/TF risks. The authorities have not yet demonstrated through activities that national coordination and cooperation between LEAs, and between the AML/CFT supervisors are not effective in achieving the desired outcomes in their respective IOs.

Assessment of risk, coordination and policy setting (Chapter 2; IO.1, R.1, 2, 33 & 34)

5. Overall, Angola has an understanding of ML threats and associated ML vulnerability of various sectors to some extent. The understanding is based on the NRA and sectoral risk assessments conducted since 2019 as well as implementation of the measures since 2000s. Though Angola has identified its ML/TF risks and has introduced measures to strengthen most of the country's AML/CFT legal and institutional needs, the country has not developed and implemented national policies and strategies informed by the identified ML/TF risks. The NTF and supervisory committee have been set up to develop and implement policies and other measures to promote effectiveness across the AML/CFT system. Although there is consistent understanding/identification of committed serious crimes across most competent authorities based on the NRA and different sectoral risk assessments, the understanding is not in the context of the crimes being potential proceed generating for ML. Lack of consideration of the values of proceeds of crime undermines the relative scale of the proceeds generating predicate offences. Understanding of TF risks was relatively good among the intelligence agencies than any other public and private sector institutions as there was no evidence that channels which can be exploited for TF purpose were adequately considered during the NRA. However, there is some degree of coordination of activities

to combat ML and TF. There is coordination and collaboration of PF, though at early stages of setting up its activities. Angola has not introduced enhanced measures to address high risk scenarios identified in the NRA report and designation of NPOs as reporting entities is not supported by the results of any risk assessment. More still needs to be done in equipping the competent authorities (UIF, PGR, SIC) with adequate capacities to be able to identify ML and TF cases and the risks associated with both crimes and the authorities coming up with relevant AML/CFT policies informed by the identified risks.

Financial intelligence, ML investigations, prosecutions and confiscation (Chapter 3; IO.6, 7, 8; R.1, 3, 4, 29–32)

6. The Financial Information Unit (UIF) is the national financial intelligence unit (FIU) of Angola which is responsible for receipt, request, analysis and evaluation of reports and dissemination of financial intelligence and other relevant information to the law enforcement agencies. The UIF has autonomy and operational independence as well as reasonable capacity to perform its core functions and has access to a wide range of databases to augment its analysis of the different transactions reports it receives from reporting institutions. The UIF has reasonable capacity to discharge its core functions to assist LEAs to identify potential criminal proceeds and TF cases. The LEAs obtain and, to some extent, use financial intelligence and other information to identify and trace criminal property, and support investigations and prosecutions on allegations of predicate offences and ML particularly in pursuit of the large sums of misappropriated public funds within several government departments/agencies. The UIF intelligence reports are based largely on transaction reports from commercial banks due to limited or no reports from the DNFBPs and some non-bank FIs. The UIF has received limited number of cross-border currency reports. The UIF has not produced comprehensive strategic reports focused on analysis of typologies and trends relating to predicate crimes, ML and TF that would support the competent authorities' operational needs.

7. Angola has to a low extent investigated and prosecuted ML cases consistent with the country's risk profile. Angola has only pursued ML cases on corruption offences, with little attention given to the other high and medium- high risk offences such as human trafficking, drug trafficking, environmental crimes and fuel theft. The LEAs have limited understanding and lack capacity to conduct parallel financial investigations to identify ML cases effectively. Despite the notable use of legal persons in the commission of some high-profile ML cases, Angola has not investigated, prosecuted or sanctioned any legal person. Additionally, Angola does not implement alternative measurers in situations where a conviction cannot be achieved.

8. To some extent, Angola has demonstrated a policy objective to curb ML through confiscation procedures mostly for corruption. However, this policy objective has manifested in relation to the recovery of proceeds of corruption-related offences only. There are no tangible efforts by the authorities to pursue proceeds of other high proceed generating offences. Further, Angola's recoveries are only attributed to the implementation of the Voluntary Surrender of Assets mechanism because there is generally low use of conviction-based confiscation mechanism, and no implementation so far of the non-conviction-based confiscation. The authorities have not demonstrated adequate efforts to pursue the restitution of assets that are traced and seized in other jurisdictions. Further, Angola does not adequately implement measures for the detection and seizure of non/falsely declared BNIs.

Terrorist and proliferation financing (Chapter 4; IO.9, 10, 11; R. 1, 4, 5–8, 30, 31 & 39)

9. Some of the relevant Angolan authorities demonstrated a good understanding of the TF risks facing the country and have put in place adequate measure mitigate and where necessary, disrupt the TF activity to some extent. Angola's criminalization of TF is limited in part due to a narrow legal definition of terrorism which could negatively impact Angola's ability to prosecute TF. The country did not report any TF prosecutions during the reporting period, but did demonstrate some ongoing cases of TF investigations resulting from coordinated efforts by relevant agencies through joint operations and

information from external sources. However, there has been limited disruption of TF activities where there were cases which could have resulted in disruption measures being taken.

10. Angola has the legal and institutional framework to implement TF and PF-related UNSCRs although the framework has limitations particularly in relation to designation without delay. Angola has adopted an informal mechanism to inform reporting entities of UNSC sanctions updates in a timely manner, but this mechanism does not always achieve implementation without delay and its legal force lacks clarity. Authorities could not demonstrate monitoring of implementation of TFS obligations relating to TF and PF. claimed they monitor for compliance with TFS relating to TF and PF, but did not provide information to verify this claim. While in practice the domestic and foreign owned/controlled FIs implement sanctions without delay, NBFIs demonstrated a good understanding of their obligations, while DNFBPs have a varied awareness of their UNSCRs obligations.

Preventive measures (Chapter 5; IO.4; R.9–23)

11. Law no. 05/20 of January 27 is the main piece of legislation setting out the AML/CFT obligations for FIs and DNFBPs in Angola. The Act covers all FIs and DNFBPs as per the FATF requirements. Angola has not yet covered VASPs and no risk assessment had been conducted for the exclusion.

12. FIs generally have a good understanding of ML risks and AML/CFT obligations including measures for CDD, EDD, record keeping and suspicious transactions reporting. Large and medium domestic and foreign controlled FIs demonstrated a more robust understanding of the ML risk they face and were strongest in their defences, compared to smaller FIs. The appreciation of TF, is however, much less developed.

13. The DNFBP sector has demonstrated low level of understanding of ML/TF risk and their AML/CFT obligations. This could be attributed to low level of supervision by the DNFBP supervisors.

14. CDD measures are well embedded in the financial sector. FIs apply basic customer due diligence for low-risk customers and enhanced due diligence for high-risk customers. FIs have a varying understanding and application of identification of BO. Some FIs (mainly NBFIs and small banks) highlighted that they obtain and verify information of signatories and directors only. Large banks have demonstrated that in addition to obtaining and verifying information of signatories and directors, they also obtain shareholders' information. However, the identification of shareholders was not standard across all banks that applied it, as entities used varying percentage shareholding, ranging from 10 percent to 25 percent. In addition, all FIs assume that beneficial owner should be based on percentage ownership of the company, therefore, there are no measures put in place to determine the BO where there is doubt that the person with controlling shares is the beneficial owner.

15. The obligation to file STRs on grounds of suspicion that funds are the proceeds of a criminal activity or are related to TF is generally well understood across the sectors. However, assessors were concerned that, with the exception of banks, MVTS and exchange bureau, filing of STRs by the other FIs and DNFBP sector is low.

Supervision (Chapter 6; IO.3; R.14, R.26–28, 34, 35)

16. Financial supervisors namely, the BNA, CMC and ARSEG demonstrated sound application of market entry requirements including fit and proper tests to ascertain suitability of natural and legal persons. BOs are also subject to fit and proper tests; however, verification of BOs information is impaired as reliance is placed on basic information held at One-Stop Shop, Government Gazette and Public Notaries. Through application of sound market entry requirements, financial supervisors have successfully prevented criminals and their associates from owning or controlling FIs. DNFBPs supervisors are yet to institute market entry requirements.

17. Financial supervisors demonstrated a good understanding of ML risks, with limited understanding of the TF risks by both financial and DNFBPs supervisors. The understanding of the ML risk stemming from the national and sectoral risk assessments, and partly institutional risk assessments. However, application of a risk-based approach is at an infancy stage. Financial supervisors are faced with human

resources constraint. Supervisors carried out inspections on FIs under their purview and identified breaches related to CDD, EDD, and reporting of STRs, as the major areas of concern. Although remedial actions and sanctions have been applied, they appear disproportionate, yielding limited impact on compliance behaviour of FIs. Financial supervisors have been successful in promoting understanding of AML/CFT obligations and the ML risk, with limited focus on the TF risk. On the contrary, DNFBPs supervisors have limited understanding of ML/TF risks and have done next to nothing in promoting the understanding of ML/TF risks and AML/CFT obligations in the DNFBPs sector.

Transparency and beneficial ownership (Chapter 7; IO.5; R.24, 25)

18. Angola permits creation and registration of different types of legal persons, and the country does not legally recognise the creation of legal arrangements. Information on the creation of the different types of legal persons is partly publicly available. Angola does not register and collect Beneficial Ownership (BO) information but collects basic information of legal persons. The basic information of legal persons is also partly publicly available, as the information of companies registered before 2019 is not uploaded on the online system unless the company updates its details.

19. Some Competent Authorities understand the exposure of legal persons and arrangements to possible Money Laundering or Terrorism Finance (ML/TF) misuse. Nevertheless, the understanding is not extended to identification and assessment of the specific ML/TF vulnerabilities that lead to such exposure. This is due to the fact that Angola has not conducted a risk assessment to determine ML/TF associated with legal persons and legal Arrangements. On obtaining basic information of legal persons, the authorities provide such information within five days provided the company was registered in 2019, whilst more than five days for companies registered 2019. The information provided is not accurate as there is no legal requirements for legal persons to file annual reports. The authorities failed to demonstrate and provide evidence that sanctions or fines have been applied to a natural or legal persons for failure to comply with information requirements and respective laws that creates legal persons.

International cooperation (Chapter 8; IO.2; R.36–40)

20. Angola has a legal framework that mandates authorities to process MLA and other forms of international cooperation in relation to collection of evidence; tracing, identification, freezing, seizure and confiscation of assets and extradition requests. Most of the MLA and extradition requests appear not being handled in a timely manner with MLA requests being processed in an average of 6-8 months and extradition requests being processed on an average of 9-12 months depending on the respective complexity of each case and the efforts being made are inconsistent with the risk profile of the country. The MLA and extradition cases relate mostly to predicate offences and not to ML or TF. The authorities have not adequately demonstrated that seeking international cooperation in the investigation of ML, associated predicate offenses, and TF is a priority and need major improvements to how they follow up on outgoing requests. The effectiveness of cooperation is undermined by lack of information in relation to BO.

Priority Actions

a) Angola should take more actions to promote understanding of ML/TF risks across all stakeholders to inform implementation the AML/CFT strategy and policies on a risk-based approach. In addition, the authorities should on a regular basis review and update taking a more systematic, holistic and in-depth assessment of the NRA to identify emerging ML/TF high risk areas including conducting risk assessments in relation to informal economy, legal persons, mobile money operators, cross-border currency transportation and NPOs to ensure that commensurate mitigating controls are put in place and strengthen AML/CFT policy development consistent with the findings of the NRA.

b) Angola should develop national AML/CFT policies and/or strategies and action plan to address the identified ML/TF risks. It should also ensure that AML/CFT policies and activities are implemented on the basis of a national strategy informed by identified and up-to-date ML/TF risks.

c) Angola should prioritise provision of adequate resources to the competent authorities across the board to enable effective implementation of the AML/CFT measures to achieve the desired outcomes.

d) UIF and the other competent authorities should maintain comprehensive statistics on the effective use of the financial intelligence and other information disseminated, investigation, prosecution, international cooperation and asset recovery issues.

e) The authorities should enhance the capacity of law enforcement agencies to identify, investigate and prosecute TF, ML and associated predicate offences. Particular emphasis should be placed on enhancing SIC's and PGR's capacity and also, ensuring that the relevant authorities are conducting parallel financial investigation, applying special investigative techniques, the use of provisional and confiscation measures and prosecutions which should also prioritise confiscations, are aligned with the risk profile of Angola.

f) Angola should ensure that TF investigation is well integrated into the country's counter-terrorism strategy and pursue financial investigations as a matter of course when conducting investigations on terrorism.

g) Angola should broaden and reorient of ST reporting, analysis, and ML investigations, prosecutions and asset freezing and confiscation towards the most significant sources of illicit proceeds and identification of the most common ML methods/techniques in line with its ML/TF risk profile.

h) Angola should develop and operationalise sufficient mechanisms and coordination to implement UNSCRs relating to TF and PF.

i) Angola should conduct a comprehensive assessment of the NPO sector to better understand the threats, and vulnerabilities faced by the sector and target NPOs that are exposed to TF abuse without disrupting or discouraging legitimate NPO activities. The authorities should initiate outreach to NPOs and their donors to raise awareness based on the identified TF risks.

j) Angola should ensure that the small banks, NBFIs and DNFBPs understand and apply AML/CFT requirements on a risk-sensitive basis. If Angola is to allow dealing in VAs and have VASPs operating, then it should have a legal framework to regulate and supervise the sector.

k) Angola should ensure effective AML/CFT supervision/monitoring across all categories of FIs and DNFBPs on the basis of ML/TF risks profile of the jurisdiction. It should also improve RBS across all sectors by: (i) adopting a robust risk assessment methodology; (ii) ensuring that the frequency and intensity of their AML/CFT supervision are guided by risk considerations; and (iii) deepening the scope of their AML/CFT inspections.

l) Angola should use the process of carrying out a risk assessment and the results, thereafter, to create a broad-based awareness and understanding of ML/TF risks posed by each of the types of legal

persons created in the country. The authorities should engage more with the reporting entities to improve on their understanding of BO and BO risks, enhance the collection of BO information and take measures to ensure the BO information is made available to competent authorities when needed.

m) Angola should actively seek formal and timely MLA for all ML, associated predicate offenses, and TF in a much greater proportion of the cases that have transnational aspects and actively follow up on such requests in a timely manner, by developing an overall case management system within the the Central Authority for international cooperation in criminal matters to streamline and monitor the timely processing, prioritization, and execution of all incoming MLA and extradition requests by responsible agencies.

Effectiveness & Technical Compliance Ratings

Table 1. Effectiveness Ratings

IO.1	IO.2	IO.3	IO.4	IO.5	IO.6	IO.7	IO.8	IO.9	IO.10	IO.11
Low	Low	Low	Low	Low	Moderate	Low	Moderate	Moderate	Low	Low

Note: Effectiveness ratings can be either a High- HE, Substantial- SE, Moderate- ME, or Low – LE, level of effectiveness.

Table 2. Technical Compliance Ratings

R.1	R.2	R.3	R.4	R.5	R.6	R.7	R.8	R.9	R.10
LC	PC	PC	LC	PC	PC	PC	NC	LC	LC
R.11	R.12	R.13	R.14	R.15	R.16	R.17	R.18	R.19	R.20
C	C	LC	C	PC	PC	LC	LC	C	PC
R.21	R.22	R.23	R.24	R.25	R.26	R.27	R.28	R.29	R.30
LC	PC	PC	NC	NC	C	C	LC	LC	LC
R.31	R.32	R.33	R.34	R.35	R.36	R.37	R.38	R.39	R.40
LC	LC	PC	C	PC	PC	PC	LC	LC	PC

Note: Technical compliance ratings can be either a C – compliant, LC – largely compliant, PC – partially compliant or NC – non compliant.

Preface

21. This report summarises the AML/CFT measures in place as at the date of the on-site visit. It analyses the level of compliance with the FATF 40 Recommendations and the level of effectiveness of the AML/CFT system, and recommends how the system could be strengthened.

22. This evaluation was based on the 2012 FATF Recommendations, and was prepared using the 2013 Methodology. The evaluation was based on information provided by the country, and information obtained by the evaluation team during its on-site visit to the country from 27th June-11th July 2022.

23. The evaluation was conducted by an assessment team consisting of:

- Didimalang Segaiso, Bank of Botswana, Botswana (Financial Sector Expert),
- Edgar Afonso de Sousa Fortes, Central Bank of Mozambique, Mozambique (Financial Sector Expert),
- Vilho Nkandi, Namibia Financial Institutions Supervisory Authority, Namibia (Financial Sector Expert).
- Florence Motoa, Lesotho National Development Corporation, Lesotho (Legal Expert),
- Gerrit C. Eiman, Financial Intelligence Centre, Namibia (UIF Expert),
- Jean Phillipo Priminta, Financial Intelligence Authority, Malawi (Law Enforcement Expert),
- Tiago João Santos e Sousa Lambin, Public Procurement, Real Estate and Construction Institute, Portugal (Financial Sector Expert and International Cooperation), and
- Michael White, U.S. Department of the Treasury's Office of Terrorist Financing and Financial Crimes, United States of America (Law Enforcement Expert)

with the support from the ESAAMLG Secretariat of Messrs Muluken Yirga Dubale (Team Leader), Joseph Jagada (Principal Expert), Phineas Moloto (Technical Advisor) and Mofokeng Ramakhala (Legal Expert). The Report was reviewed by Diphat Tembo (Zambia, FIC), Emil Meddy (Ghana, FIU), Kenneth Ngwarai (Zimbabwe, FIU), Preesha Bissoonauthsing (Mauritius, ICAC), Titus Mulindwa (Uganda, BoU) and FATF Secretariat.

24. Angola previously underwent an ESAAMLG Mutual Evaluation in 2012, conducted according to the 2004 FATF Methodology. The 2012 evaluation was published and is available at: https://www.esaamlg.org/reports/ANGOLA_MUTUAL_EVALUATION_DETAIL_REPORT.pdf.

25. That Mutual Evaluation concluded that the country was compliant with 3 Recommendations; largely compliant with 9; partially compliant with 18; non-compliant with 18 and non-applicable with 1. Angola was rated largely compliant with 3 of the 16 Core and Key Recommendations. Angola entered the follow-up process soon after the adoption of its MER in 2012 and exited follow-up in April 2018[1].

[1] https://www.esaamlg.org/reports/Progress%20Report%20Angola-2018.pdf

Chapter 1. ML/TF RISKS AND CONTEXT

26. Angola, officially the Republic of Angola, is a country located on the western coast of Southern Africa, whose territory is bordered to the north by the Republic of the Congo, to the northeast by the Democratic Republic of the Congo, to the east by Zambia, to the south by Namibia and to the west by the Atlantic Ocean. The country is divided into 18 provinces, namely Bengo, Benguela, Bié, Cabinda, Cuando Cubango, Cunene, Huila, Cuanza Sul, Cuanza Norte, Huambo, Luanda, Lunda Norte, Lunda Sul, Malanje, Moxico, Namibe, Uíge and Zaire. In terms of political-administrative division, as provinces are divided into Municipalities, Urban Districts, Communes and Neighbourhoods. Luanda is the capital city of the country and the most populous among the provinces. The official language is Portuguese, which is spoken with other national languages such as Umbundo, Quimbundo, Kikongo, Nganguela, Tchokwe, Nhaneca, Fiote, Mbunda, Kwanyama.

27. Angola has an estimated population of 33 million with 33% of the population working and living in the rural area. Angola's economy is overwhelmingly driven by its oil sector. Angola is the largest oil producer in Sub-Saharan Africa since May 2022. Oil production and its supporting activities contribute about 50 percent of GDP, more than 70percent of government revenue, and more than a 90percent of the country's exports, but the sector experienced challenges during the COVID-19 pandemic as the price dropped to $42.40/barrel. Angola is an Organization of Petroleum Exporting Countries (OPEC) member and subject to its direction regarding oil production levels. Angola has abundant arable land, water, mineral resources and natural gas. The second most important economic activity in Angola is the diamond mining industry. Diamonds represent 5 percent of exports is an important source of income for local communities in mining areas. Angola's main trading partners are Portugal, China, Brazil, France, Italy, India, South Africa and the United States. To support its economy, Angola has developed three deep seaports which makes it important to the Southern African Development Community (SADC). Most of the population relies on agriculture (including subsistence), manufacturing and services but half of the country's food is still imported. Angola's currency is the Kwanza (AOA) with an official exchange rate of 429 Kwanzas per U.S. dollar as of August 2022.

28. Angola is a low medium income country with a Gross Net Income (GNI) per capita of around $1,770 (2021). Angola's economy grew by 0.7% in 2021 after contracting by 5.4% in 2020. The recovery in the crude oil price from about $55/ barrel in January 2021 to more than $125 a barrel in March 2022 has shored up revenues and improved medium-term growth prospects. GDP is projected to grow by 2.9% in 2022, and inflation to drop slightly to 23.2% in 2022, following a 15% appreciation of the exchange rate against the dollar in 2021 and implementation of tight monetary policy. Revenues also benefited from fiscal reforms, including implementation of value-added tax and excise tax, but high unemployment of 34% has overshadowed efforts to curb poverty, which in 2019 stood at 40.6% of the population.

29. Angola achieved its independence from Portugal on November 11, 1975, then immediately entered into a civil war for 27 years that ended in 2002 substantially devastated and degraded infrastructure, destroyed traditionally exporting sectors, such as agriculture, displaced millions of people and caused widespread impoverishment. The private sector, although it remained active after independence, was severely affected, as were other areas of the economy. The Constitution of 1975 established a one-party state headed by a president. A new Constitution, essentially an extensively amended version of the 1975 document, was promulgated in 1992 and provided for a multiparty system with a directly elected president as the head of state and government, assisted by a prime minister. The country's current constitution, promulgated in January 2010, eliminated the post of prime minister, added the post of vice president, and strengthened the role of the president. Under the 2010 Constitution, the leader of the majority party in legislative elections automatically becomes president of the country. The

President is Head of State, Head of Government and Commander in Chief of the armed forces. The President also has the exclusive, unrestricted authority to dissolve parliament and call for new elections. Executive functions are exercised by the President with assistance from the Vice-President, Ministers of State and Line Ministers, which are in turn assisted by Secretaries of State and Deputy Ministers. Governors of Angola's 18 provinces are appointed directly by the President and are responsible for representing the Central Government in each province and ensuring the normal functioning of the local administration of the state.

30. The National Assembly is the legislative body of Angola and is composed of 220 members. The role of the National Assembly is to legislate on matters of internal organization and elect, by absolute majority of members present, the President of the National Assembly, the Vice-President and Chairs of the Specialized Commissions. The President promulgates laws approved by the Assembly and signs Presidential Decrees.

31. Angola is a civil law jurisdiction, where legislation is modelled on the Roman- German law. The highest courts in Angola's national judicial system consist of a Constitutional Court, a Supreme Court, an Audit Court, and a Supreme Military Court. According to the 2010 Constitution, the President nominates, and the National Assembly formally elects, all Justices of the Constitutional Court, Supreme Court, and Audit Court. Courts, in terms of the Constitution, function as independent sovereign bodies, whose main objective is to ensure compliance with the Constitution, laws, decrees and other legal directives. The Constitution is the supreme law of the land.

1.1. ML/TF Risks and Scoping of Higher Risk Issues

1.1.1. Overview of ML/TF Risks

32. Angola has a sophisticated financial system co-existing with significant use of cash and presence of informal economy. Angola faces significant domestic ML threats than international sources. While Angola has a significant exposure to potential foreign proceeds largely because of its sophisticated financial sector with global reach, the assessors could not find sufficient evidence of foreign proceeds being laundered or used for TF in the country. By contrast, a significant amount of proceeds generated in Angola are laundered outside of the country and the nature of the threats appears more organised but less transnational. However, Angola experiences a significant outflow of proceeds channelled through the financial system while foreign proceeds into Angola are limited. Increasingly, Angola is also becoming a destination point as well, with a growing market for illicit drugs. Angola's borders are porous and vulnerable to general smuggling and trafficking in small arms, diamonds, humans, fuel, and motor vehicles. Angola had a high rate of U.S. dollar cash flow, although the government has implemented new financial policies to decrease use of all currencies except the Angolan kwanza[2].

33. The predicate crimes identified as high proceed-generating in Angola are: embezzlement, corruption; fraud and tax evasion; drug trafficking; illegal dealing in precious metals and stones, environmental crimes including wildlife trafficking, human trafficking and illicit trafficking in stolen oil. Embezzlement and Corruption pose the highest ML risks based on figures and affects all sectors and are the most reported offence generating proceeds. However, low number of cases in relation to these crimes were registered. This is because most of these complaints did not result in investigations or those that led to the opening of an investigation or investigation process were filed under the Amnesty Law approved in 2015. Angola is a transit point for drug trafficking by national and international criminal groups to Latin America, Southwest Africa, Namibia, and Europe. The domestic consumption of illicit drugs is also increasing and there are users of 30% of the incoming drug. In relation to environmental crimes, there is

[2] https://bm.usconsulate.gov/wp-content/uploads/sites/121/2016/11/INSCR.pdf

considerable practice of poaching protected animals, aiming at the extraction of ivory and skins from animals such as the Pangolin (widely used for medicinal purposes, especially in the Asia though the amount being generated and laundered from such crimes was unknown during onsite. There are also instances of the stealing and trafficking of oils with generated proceeds being channelled to the acquisition of other goods as a modus operandi for ML. It was observed that most of the proceeds of these crimes are being generated and laundered in Angola.

34. With regard to ML risk in the sectors, banks, MVTS and real estate followed by the casinos, and precious stones and metals dealers were considered to pose high ML risk- channels through which most of the proceeds of crime are laundered. The major vulnerability factors identified were:

- Long and porous borders which include the Atlantic Ocean and inadequate human and financial resources to support effective controls of the borders, resulting into trade routes for illicit flows of goods and funds.
- Inadequate specialised/ technical expertise in financial investigations and ML prosecution.
- Lack of implementation of cross-border currency requirements.
- Limited availability of beneficial ownership information.
- Inadequacy of AML/CFT supervision in the FIs and DNFBP sectors.
- Large size of the informal economy and predominant use of cash in financial transactions.
- Lack of reliable infrastructure and training including computerization and modernization of the Registry and Notary sector, generating vulnerability for the commission of fraud and falsification.

35. The mining sector in general and the diamond sector in particular has weakened by inadequate controls. Although, the authorities had introduced a Kimberly Process Unit, there were reports of diamonds and other stones still being smuggled and the proceeds from the sales being brought back to Angola and laundered. The predominant use of cash and a high unbanked population[3] makes tracing of most transactions impossible providing an opportunity for the laundering of proceeds of crime. Further, given the current situation of economic crisis, precious stones are being used as a means to obtain foreign currencies. The reduction in the price of oil and the devaluation of the Kwanza opened the door to the crisis in Angola.

36. The extent to which Angola is exposed to the risk of TF is determined in a sense that there are no records of acts of terrorism in Angolan territory. The only known case mentioned in the NRA was about the six young Angolans who were suspected of being members of the Islamic State and carrying out preparatory acts of terrorism. An investigation and trial were underway on this particular case during the onsite visit. However, the NRA concludes that the incidence of Terrorism does not escape the reality experienced by Angola where there are low levels of terrorist activities, but with increasing levels of threats taking into account the vulnerabilities of its land and maritime borders due to the existence of many citizens from areas with a high incidence of terrorist activities; signs of the creation of financial support infrastructure for the *Al-Shabaab* and *Aqmi* terrorist groups; and porous border mainly in the north and northeast. Angola's TF risk was assessed from the following parameters:

- That the threat of terrorism or terrorism financing activities from indigenous Angolans is very low to non-existent.
- That the main threat of TF has been identified to come from immigrants and settlers from jurisdictions deemed to pose a high risk of terrorist and terrorist financing activities, such as the Middle East countries, neighbouring countries and the horn of Africa.

[3] As at 2021, around 13.7 million have access to banking constituting 39.4% of the total population (BNA: *2021, Assessment of Money Laundering and Terrorism Financing Risk: Banking Sector*).

- These individuals maintain secluded societies, which are hard to penetrate, and engage in legitimate business in Angola.
- The secluded, secretive nature of the communities is aided by the informal and cash-based nature of the economy; hawala systems; use of stores as fronts and dealings and use of relatives to visit and collect funds.
- As such, these persons can utilise these loopholes and Angola's porous borders to support terrorist organisations or activities they are sympathetic to in foreign and in their own jurisdictions.

1.1.2. Country's Risk Assessment & Scoping of Higher Risk Issues

37. Angola carried out an NRA exercise using the World Bank Tool from September 2017 to 2019, which was updated through different risk assessments e.g., between 2019 and 2021. The NRA exercise was coordinated by the Financial Intelligence Unit (UIF). The NRA identified threats and vulnerabilities for ML and TF and concluded that the overall ML rating for the country was medium-high while TF risk was rated medium-low.

38. The assessment team received and reviewed materials from the authorities on their AML/CFT system. In deciding what issues to prioritise for increased focus, the assessors relied on the findings of the NRA and its updates, opensource information from reliable institutions/organisations and the previous MER as well as post-evaluation progress reports within the context of the ESAAMLG Follow-up Process. Apart from issues of ML/TF risks, assessors also targeted issues which they consider to be of significant importance to assessing the effectiveness of the AML/CFT system in Angola. The assessors focused on the following priority issues:

a) Areas of high risk and/or increased focus:

i) ***Drug Trafficking, Corruption and Embezzlement and other prevailing offenses*** **–** the 2019 NRA concluded that drug trafficking was identified as the prevailing offenses in terms of generating proceeds for ML. Regarding drug trafficking, the organised criminal groups take advantage of Angola's geostrategic position for the route of international drug trafficking - between Latin America, Southwest Africa and Europe. Furthermore, the growing domestic consumption encourages the practice of drug trafficking nationwide, generating considerable economic benefits that can be used in the practice of ML crimes, in the country itself or in other jurisdictions. According to the 2019 NRA (as updated in 2021) and some other open credible sources, there are ML risks identified relating to fraud, corruption relating to large-scale government construction tenders (and Politically Exposed Persons, PEPs) and the oil industry in general, tax offenses, human trafficking, illegal trade in diamonds, smuggling of goods and organised crime which the assessors determined the extent to which the offences could be providing proceeds to be laundered. The assessors also determined the extent to which the authorities are dealing with the threats of money laundering schemes out of these predicate offenses. An example of this is the fraudulent contracts with state oil company Sonangol and related money laundering cases.[4] The assessors further established whether the investigations, prosecutions and confiscations pursued as well as international cooperation provided or sought in different forms were consistent with Angola's risk profile with greater focus on institutions such as customs and border controls.

ii) ***Cash Intensive Economy–*** Cash transactions, widely used in Angola, combined with the physical, cross-border transportation of cash, pose ML/TF risks. In this regard, Scope of the informal economy (including informal money transfer business) and the steps authorities were taking to bring the informal money transfer business within the regulatory framework (including determining the extent of financial inclusion) were also given more focus.

iii) ***Terrorism Financing-*** Angola does not appear to have a significant domestic terrorism threat.

[4] The country ranked 136 out of 180 in Transparency International's latest Corruption Perceptions Index and the Basel Institute on Governance ranks it in the top 15 riskiest countries with respect to money laundering.

However, the lack of a domestic terrorism threat does not guarantee that a jurisdiction does not experience a terrorist financing threat, whether that is fundraising or the facilitation of terrorist financing to other regions. Cash is a prevalent means for terrorist financiers to move funds. Angola's cash intensive economy and porous borders as explained above could, therefore, be abused for terrorist financing purposes. The assessors wanted to understand the threats of terrorist activities by foreign terrorist groups in the country. In this regard, the assessors sought to determine the sources of the threat of TF and terrorism, i.e., who were the perpetrators and what methods did they have to raise, move, and use the funds for TF including the "Turkish School" case. The assessors also wanted to determine whether the authorities understood the TF risks associated with the NPO sector and whether a TF risk assessment of the sector was done and NPOs which are vulnerable to possible TF abuse were identified and how the TF risks associated with such NPOs were being managed. The assessors also determined the extent to which Angola implemented targeted financial sanctions on TF. The assessors also determined the extent to which Angola implements targeted financial sanctions on TF including on understanding of TFS measures by the relevant authorities.

iv) ***Targeted Financial Sanction on PF-*** The UN has documented how the designated entities and individuals had generated revenue. Documented typologies include the use of front companies, bulk cash smuggling by diplomatic officials, obfuscation of funds through currency exchanges, and generation of revenue through overseas laborers active in infrastructure projects and the IT sector. [5] The assessors also determined the extent to which Angola implements targeted financial sanctions on PF.

v) ***Beneficial Ownership –*** Given Angola's economy and there are credible sources showing legal persons were being regularly misused for ML/TF[6], the assessors would want to explore to what extent the authorities are aware of the ML/TF risks associated with beneficial ownership relating to legal persons and the extent of availability of basic and beneficial ownership information for use by Competent Authorities. Domestic trusts are not recognised in Angola; therefore, the assessors did not apply a lot of focus on these. However, the assessors explored the possibility of foreign trusts, or a legal or natural person in Angola providing services to a foreign trust or acting as a trustee for a foreign trust.

b) Specific Sectors with Significant ML/TF Vulnerabilities:

vi) ***The Banking Sector –*** Given its materiality and central role in facilitating financial flows in Angola, as in many other countries, vulnerabilities may be exploited by criminals for ML/TF purposes.

vii) ***The Money and Value Transfer Service Sector (MVTS) –*** Based on its potential criminal exploitation and the development of informal remittances channels, the MVTS sector remains vulnerable to abuse for ML/TF.

viii) ***The Gaming Sector-*** it presents a High risk of facilitating the use of assets derived from criminal activities, covering the illicit origin of funds movements outside the country or a high volume of currency circulation and betting values.

ix) ***The Real Estate Sector –*** Given the involvement of many different actors (e.g. real estate brokers, construction companies, etc.) and the substantial level of the estimated unregulated market, vulnerabilities may exist that can be exploited for criminal purposes, including ML and TF.

x) ***Precious Stones and Metals Dealers-*** As for precious stones and metals, the 2021 update on the NRA concluded that the availability and effectiveness of entry controls and effectiveness in Supervision/Inspection activities are having high threat and vulnerability for ML, and thus categorised as High ML risk.

The assessors determined the extent to which the Authorities understand these sectors' exposure to ML/TF

[5]https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_2018_171.pdf. See also https://www.38north.org/2021/06/north-koreas-enduring-economic-and-security-presence-in-africa/

[6]https://thedocs.worldbank.org/en/doc/224691611679762530-0090022021/original/SOEReformsinAngola.pdf

risks and whether there are any mitigating measures that might be effective in AML/CFT monitoring and supervision. The Assessors also sought to determine the extent to which the above sectors' supervisory authorities apply risk-based supervision and take enforcement measures against non-compliance with AML/CFT obligations.

c) Areas of Less Focus

The assessment team devoted lesser attention to insurance, pension fund and non-deposit taking credit providers whose sources of funds are through contributions by participants or direct deductions from source. These have small asset size and number of participants are lower and, in most cases, they have lower limits of amounts of transactions, loans or savings that a participant can access. Their vulnerabilities to ML/TF were therefore considered to be low.

1.2. Materiality

39. Angola is an economy, with its anchor in oil, agriculture, mining, manufacturing, trade and transport industries. The banking industry in Angola accounts for 90% of the total market share of the financial sector, with the remainder in insurance companies and securities firms. Financial and insurance activities contribute to around 5% of the country's GDP (Bank of Angola). The Angola financial system consists of twenty-six (26) commercial banks, among which six (6) are foreign majority-owned and twenty (20) locally owned. The banking sector is the most significant sector with a total asset value of USD39.59 billion as of December 2021, and makes it most vulnerable for ML/TF risks due to the large volumes and values of transactions (some cross-border) conducted through the banking system.

40. All categories of DNFBPs as defined by the FATF except TCSPs operate in Angola, and are subject to AML/CFT requirements and monitoring as prescribed under the AML Law 05/2021. The DNFBP sector has a significant number of informal participants (sector) and a dominance of cash-intensive businesses which makes it vulnerable to ML/TF risks. The real estate sector has forty (40) registered agents, but the sector has a large number of unregistered players. Accountants (5195) and lawyers (5327) are the largest groups among independent accounting and legal professionals. Some big law firms represent international customers. There are 500 license holders dealing in precious stones and precious metals. However, the sector has a large number of unregistered/unlicenced dealers. There are fourteen (14) casinos operating in Angola. Online gaming is also permissible and there are twelve (12) entities that carry out the activity of exploration of remote online games. TCSPs are also designated to provide services under the Angolan law but these are not monitored and the authorities could not provide information on whether they exist or not. VASPs are not yet regulated in Angola.

1.3. Structural Elements

41. The key structural elements for effective AML/CFT, including political stability, accountability, independent judiciary and rule of law are generally present in Angola. There is a high level of political commitment to Angola's AML/CFT regime. This was demonstrated in several instances, including the speedy passage of legislations to address strategic deficiencies in the country's legal regime after the 2012 mutual evaluation, the exit of the country from the FATF ICRG Review process and ESAAMLG's enhanced follow-up process, and the conclusion, endorsement and publication of the NRA Report in 2019 and the establishment of the National Task Force and Supervisory Committee. Angola has a capable and independent judicial system that handle ML/TF cases. However, research undertaken by a number of international organizations, including the World Bank, point to the lack of transparency and good governance, and identify corruption as a pervasive problem in Angola as corruption in institutions of government is still a major concern.

1.4. Background and Other Contextual Factors

42. As part of an effort to address the deficiencies identified during its last mutual evaluation, Angola has recently come up with new laws and amendments to existing laws. Institutional changes have been made to bodies responsible for investigation, prosecution and an administrative asset recovery unit set. Effectiveness of the AML/CFT regime based on the changes to the legal and institutional frameworks is still low as the changes are too recent and ongoing.

43. Angola still faces a number of challenges in implementing a full functioning AML/CFT regime. It has a high occurrence of predicate offences which are proceed generating crimes, a situation which is further affected by inadequate AML/CFT supervision in most of the sectors. This has had a negative impact on formal businesses as there is often pilferage of precious stones and metals which are smuggled and sold extraterritorial, unlawful dealing in foreign currency and facilitation of trafficking pertaining to different contraband (drugs, human beings, wildlife, high value timber, etc).

44. The informal sector and cash transactions still pose major difficulties for effective implementation of AML/CFT requirements. Government's efforts to introduce other forms of payments, like mobile money, although acknowledged, still do not mitigate much of the ML risks as majority of the population of Angola still remain unbanked and with no access to banks. Only about 39.4% of adult Angolans have bank accounts, rising with a small percentage (+ - 5%) when figures of mobile money are included. The Bank of Angola has embarked on a financial inclusion programme, which is an ongoing exercise to provide financial services to the broader population of Angola covering from 2023 – 2027[7]. The quick progress of this exercise is still affected by a strong appetite to use cash by the majority of Angolans.

1.4.1. AML/CFT Strategy

45. The introduction of new laws by Angola to strengthen its legal and institutional framework on AML/CFT, if effectively implemented can mitigate some of the identified risks. However, the lack of clear policies and strategies which are guided by identified ML/TF risks, again with no timelines on when such policies and strategies will be developed, seriously affects prioritisation in addressing the risks and general effective implementation of any measures currently in place. It is envisaged that with the planning of its AML/CFT Strategy underway, Angola will be able to address this area.

1.4.2. Legal & Institutional Framework

46. From the time of the adoption of its first MER in August 2012, Angola has been taking steps to address the legal and institutional deficiencies identified in the report. The enactment of AML Law No 05/2020 improved the criminalisation of ML and TF offences, provides for identification and verification of BO, widens the scope of sanctions, among other requirements. The 2018 Organic Law that establishes the UIF of Angola provides more operational independence to the Unit, among other reforms, Law No. 13/2015 which provides for international cooperation are all laws complementing the AML Law No. 05/2020 in creating a stronger AML/CFT legal regime.

47. A number of institutions make up the AML/CFT institutional framework of Angola. At the centre of these institutions is the Ministry of Finance and the FIU/UIF which, direct and coordinate the AML/CFT activities. Mainly, the institutions involved in the AML/CFT implementation are ministries and different agencies which are as follows:

[7] Draft National Financial Inclusion Strategy/2023 - 2027

Ministries

a) ***Ministry of Finance:*** responsible for the preparation, implementation, monitoring and control of the budget, administration of state assets, management of the treasury and ensuring internal and external financial stability of the country.

b) ***Ministry of Justice:*** responsible for providing policy advice regarding the implementation of the legislation mentioned above.

c) ***Attorney General:*** responsible for ordering and leading investigations into ML and TF cases.

d) ***Ministry of Foreign Affairs:*** responsible for mutual legal assistance issues, international cooperation, treaty arrangements, and receiving UNSCRs. It facilitates processing of in-bound and outgoing requests for mutual legal assistance and extradition. It is the custodian of all international conventions to which Angola is a party.

e) ***Ministry of Interior:*** responsible for internal security matters (the National Police) and specialized police agencies for financial crimes and terrorism. It also administers the Intelligence Services, Criminal justice and operational agencies.

f) ***The National Task Force for Anti-Money Laundering and Countering Financing of Terrorism*** – the national coordination and cooperation body comprising almost all stakeholders in public sectors relevant for implementation of AML/CFT matters.

Criminal Justice and Operational Agencies

g) ***Financial Information Unit*** **(**Unidade de Informação Financeira **– UIF)** – The functions of the UIF which was formed in 2011 in terms of Law 34/2011, are mainly to receive and analyse suspicious transaction reports from reporting entities and disseminate financial intelligence and other related information to competent authorities and other Government Agencies for use. The Law 34/2011 was amended in 2018 (Organic Law 2/2018) to provide more operational independence to the FIU.

h) ***The Supervisory Committee*** is composed of high-level representatives of all relevant ministries and agencies plays an important role as regards AML/CFT priorities and national coordination.

i) ***Angola National Police (ANP)*** – Is responsible for public order, protection of people and property, providing emergency services and national security.

j) ***Law enforcement agencies including police and other relevant investigative bodies:*** The designated law enforcement agencies responsible for investigating ML and FT are: a) the National Directorate for Preventing and Combating Corruption (DNPCC) within the PGR and b) the SIC (Criminal Investigations Service) which is a department of the National Police and formed in terms of Law No. 179/2019. The SIC has specialised units which deal with forensics, ballistics, drugs and diamond investigations, crime analysis and international police cooperation. It regularly participates in strategic operations involving INTERPOL global initiatives in fighting transnational organised crime. The DNPCC is the primary investigative unit for ML and corruption-related cases in the PGR. SIC has a power to investigate ML/TF and associated predicate offences and refer such cases to the PGR for further instructions. PGR makes an assessment of the case and if there are elements of ML, it refers the case to DNPCC for investigations. Other bodies, such as the UIF, AGT (General Tax Administration), the

Migration and Foreigners Services (SME), National and External Intelligence Services can provide information to the investigative authorities.

k) ***Prosecution authorities including specialized confiscation agencies:*** The Attorney General's Office (PGR) is responsible for representing the state in prosecution of ML/FT offenses. It is also responsible for proceedings under the Criminal Code and other criminal laws, practices and procedures that may be applicable to ML/FT predicate offenses. It is further responsible for MLA. Within the Attorney General's office, there is a team of prosecutors specialized in serious crimes, including corruption. The National Asset Recovery Service of Angola (SENRA[8]) established within the PGR is responsible for tracing, identification, freezing and seizing of tainted assets.

l) ***National and External Intelligence and Security Services (SINSE and SIE)***– the two agencies are responsible for intelligence operations in defence and protection of the State. They provide counter measures on threats to the government and share intelligence information with other agencies of the State, including with the Ministries of Defence, Justice, Interior, and the office of the Attorney General and UIF. The two agencies have powers under their respective laws and directives to identify, provide surveillance and detect ML/TF and other criminal activities.

m) ***Angola Revenue Administration (Administração Geral Tributária-AGT)*** – It is a government institution under the purview of the Ministry of Finance mandated to collect tax and control movement of goods. The Angolan Customs Services within the AGT controls goods moved over land, sea and air, including goods carried by travellers, send through the post office and courier services. It also investigates violations of customs laws and in the event of a criminal offence being committed, after carrying out the initial inquiries, it hands over such cases to SIC and PGR for full investigations. At entry and exit points the Customs Service works together with the Immigration Directorate, Fiscal Customs Police, Postal Services and SIC to control movement of people and goods across the borders.

Financial Sector

n) ***National Bank of Angola (BNA)*** - is responsible for planning and implementing the monetary policy of Angola. It licenses, regulates and supervises AML/CFT and prudential activities undertaken by banks and other reporting entities under its purview. BNA is also responsible for driving financial inclusion in Angola.

o) ***Angolan Agency for Insurance Regulation and Supervision (Agência Angolana De Regulação E Supervisão De Seguros-ARSEG)*** –is responsible for licensing and supervising the insurance sector for AML/CFT.

p) ***Capital Markets Commission (CMC)*:** is responsible for licensing and supervising the capital markets entities for AML/CFT.

DNFBPs

q) ***Gaming Supervision Institute (ISJ)***- is responsible for regulating the gaming industry, including casinos for AML/CFT purposes.

r) ***Bar Association of Angola (OAA):*** is responsible for the regulation and supervision of lawyers for AML/CFT purposes.

s) ***Accountants Association (OCPCA)****:* is responsible respectively for the regulation and supervision of accountants for AML/CFT purposes.

t) ***Notaries:*** They are public officials integrated in the Ministry of Justice and subject to Law 5/20, of January 27th in the performance of their public functions.

[8] In Portuguese, 'Serviço Nacional de Recuperação de Activos'.

u) ***National Housing Institute (INH):*** Oversight of real estate agents for AML/CFT purposes is carried out by the National Housing Institute (INH).

v) ***National Directorate of Mines (Autoridade Nacional de Inspecção Económica e Segurança Alimentar-ANIESA)****:* Regulates dealers in precious metals and stones for AML/CFT purposes.

w) ***Financial Information Unit (UIF)-*** Under Law No. 5/2022, UIF is responsible for supervising entities without designated AML/CFT supervisory authorities. The Assessment Team found that Trust and company service providers do not have a designated authorities and therefore the UIF should be the AML/CFT supervisory authority though the Unit has not carried out any AML/CFT supervision activities during onsite.

1.4.3. Financial sector, DNFBPs and VASPs

48. Angolan financial sector has evolved over time. The Financial sector in Angola comprises: (i) banks; (ii) exchange bureau; (iii) financial companies (e.g., brokers), (iii) insurers; (iv) pension funds; and (v) capital markets institutions. The financial sector provides a wide variety of services to the public and constitutes the regulated formal financial system.

49. **The Banking Sector,** with a total asset base of USD 39.59 billion, constitutes 5 % of GDP and is the largest sub-sector of the financial sector and is weighted as being the most important in the context of Angola, based on its materiality and risk. It consists of 26 banks which are predominantly local majority controlled. The banking sector is heterogeneous. There is a mixture of public sector owned banks, and private banks that have foreign and domestic shareholdings. Ownership of private banks appears to be narrowly distributed among companies and individuals. Salient features of the system include a high degree of concentration with the three largest banks accounting for around 56 percent of assets, though there are a large number of smaller banks.[9] From 2006 to 2022, the number of commercial banks increased from 16 to 26, with total banking assets expanding from $10 billion to $39.59 billion. In particular, the system grew rapidly during the oil boom prior to the global financial crisis, with yearly average asset growth of over 66 percent. Although most banks are still concentrated in Luanda, some have expanded rapidly in the provinces. Angolan banks have also expanded overseas with operations in Portugal, Brazil, Cape Verde, São Tomé and Príncipe, Namibia and South Africa. Despite the rapid development of the banking sector, informality remains predominant in the economy and has resulted in the predominance of cash for the majority of financial transactions. The penetration of the sector in the population is still low as only about 39.4 percent of the population had a bank account at end-2021.

50. **The insurance sector**: Almost all insurance companies are licensed to operate life and non-life businesses. The insurance market consists of 22 players offers 21 life and non-life insurance products and 1 non-life only. There are also 110 insurance brokers and agents and thirty-six (36) pensions fund management companies. In terms of the size, the general insurance companies dominate the market, controlling about 95% of the market distantly followed by life insurance which manages a negligible share (2 to 4%), with Workmen's Accident and Occupational Disease Insurance reaching a total of premiums amounting 115.586 billion Kwanzas (USD 269.8 Million) in 2020. With regard to the life insurance, the premiums collected reached around 5,154 billion kwanzas (USD 12.02 Million) in 2020. As for the Pension Funds, the value of assets in 2019 stood at around 223.92 million Kwanzas (USD 0.5 million).

[9] The top five banks include three public sector ones and two private local banks—with sizeable local participation.

Other Financial Institutions and VASPs[10]

51. **(a) Foreign Exchange Bureaus, MVTS and Micro Credit Companies** – The FOREX and MVTS in Angola in 2021 consisted of 53 exchange houses, of which 41 had their corporate purpose extended to provide services for remittances of values, 15 companies providing payment services, 21 Microcredit Companies and 1 Credit Union. Their assets increased by around 23% in 2021, from AOA 24,181.27 million in 2020 to AOA 29,658.18 million in 2021. This increase was mainly associated with microcredit companies that benefited from the loan granted by the Angolan Risk Capital Active Fund (FACRA). Exchange offices accounted for the largest share in the sector in 2018 and 2019 (about 52%). In 2020 and 2021, compared to the institutions that reported, their weight was only 28% and 23%, respectively. As a result, in 2020 and 2021 the Microcredit Companies represented 64% and 74% of the sector, respectively, registering an increase of 41%. Remittance Companies represented only 3% in 2021, reducing their volume by 40%, compared to 2020. In terms of sector and taking into account the institutions that reported, there was a 23% increase in refers to total Assets.

(b) Securities Market - The securities market in Angola has mainly 13 (thirteen) Investment companies (Investment Entities and Collective Investment Schemes management companies) and 23 (twenty-three) Stockbrokers (Banks acting as Financial Intermediaries and Broker/dealers companies). The sector is very small, underdeveloped and contributes about 5% of the financial sector assets.

(c) VASPs: Angola does not have a legal framework in place to supervise VASPs. As such, the extent of operation of VASPs in Angola is not known.

Table 1: Types of financial institutions in Angola as at July 2022

STRUCTURE AND SIZE OF THE FINANCIAL SECTOR AS AT JULY 2022					
Type of FIs	**No. of FIs**	**Total Assets (USD)**	**Locally Majority Owned**	**Foreign Majority Owned**	**Supervisor**
Banks	25	39, 590,000,000.62	19	6	BNA
Credit Cooperatives/Unions	1	38, 283.94	1	0	BNA
Microfinance Institutions (credit only)	16	52, 832 869,63	15	1	BNA
Leasing Companies	0				BNA
Forex bureaus i.e. exchange houses	43	6, 031, 845.02	33	2	BNA
Mobile Money Operators	14	3, 177, 393.07	14	2	BNA
Investment Companies	**SI**	4	231,78	4	CMC
	SGOIC[11]	9	18,91	9	CMC

[10] The Angolan NRA dated September 2021 has defined the non-banking financial sector (Exchange bureaus, Payment Service Providers MVTS, Microcredit companies and Credit Cooperative as **Medium-high risk.**

[11] Collective Investment Schemes Management Companies

Stockbrokers	**Banks**	20	38 280,02	20	CMC
	SCVM[12]	3	1,41	3	CMC
Life Insurance[13]	0	0	0	0	ARSEG
General Insurance (Life and Non-life insurance)	22	845	20	2	ARSEG
Insurance Brokers	99	N/A	N/A	N/A	ARSEG
Insurance Agents	1 450	N/A	N/A	N/A	ARSEG
Pensions Funds	36	966	36	0	ARSEG

Source: Information provided by the Authorities (2022).

52. **Overview of the DNFBP Sector**: The Designated Non-Financial Businesses and Professions (DNFBPs) which operate in Angola are casinos, dealers in precious stones and metals, real estate agents, lawyers, accountants and car dealers, and are subject to AML/CFT supervision and monitoring as prescribed under the Law No.5/2020. They are licensed or registered by their respective supervisory authorities. Where there is no direct supervisory authority for a particular sector, this would automatically fall under the supervision of UIF, until such time that a supervisor has been appointed. However, despite the AML Law No 5/2020 providing for TCSPs, the authorities were not clear on whether these were in existence in Angola or not.

a) **Casinos and Gaming activities**: These are licenced by the ISJ. The ISJ is the AML/CFT supervisor for both casinos and gaming activities. The sector comprises fourteen (14) casinos, twelve (12) online games and four (4) sport betting operators. The authorities generally consider casinos as vulnerable to abuse by criminals.

b) **Dealers in Precious Metals and Precious Stones:** are regulated by the ANIESA. There are 500 licensed dealers in precious stones and metals. While the authorities informed the assessors of many instances of illegal dealing in precious stones and precious metals, in its extraction and trading, they also alluded to the fact that the sector is highly cash intensive, making it highly vulnerable to ML/TF risks[14].

c) **Legal Practitioners** - The legal profession consists of admitted attorneys, notaries, persons authorised to provide legal advice and lawyers. It is supervised by the Bar Association of Angola (OAA) and comprises of 5001 licensed lawyers and 326 law firms. Under the AML law, lawyers are designated as reporting institutions for AML/CFT purposes and engage in business activities (e.g. real estate and company formation, etc) falling under the scope of the activities subject to AML/CFT obligations under the FATF Standards. There are only public notaries in Angola.

d) **Real Estate Sector**- The real estate agents are licenced and supervised for AML/CFT compliance by the INH. There are 53 registered real estate agents. The sector is considered high risk mainly due to high participation of unregistered players and its cash intensity nature which provides high levels of informality.

e) **Accountants-** Fall under the oversight role of the Organisation of Auditors and Accountants in Angola, which is a self-regulatory body (SRB). However, membership is not compulsory. There are 5195 accountants and accounting firms with partnerships operating in the private sector.

[12] Stock Brokers

[13] There is no specific life insurance companies. There are 20 composite companies and 2 general insurance companies.

[14] The Authorities indicated that they carried out what is known as "operação resgate "with the aim of putting an end to the illicit exploitation of diamonds and reorganising the sector.

f) **Trusts and Company Services Providers (TCSPs)** – Public sources of information indicate that there are other company service providers existing in Angola other than lawyers and accountants.[15]

Table 2: Structure and Size of the DNFBP Sector:

Type of DNFBP	Licensing/ Registering authority	No. of Institutions	AML/CFT supervisor/Regulator	Additional Information on the sector
Casinos and institutions engaged in games of fortune or chance	ISJ	26	ISJ	
Real Estate Agents	INH	53	INH	
Vendors and resellers of motor vehicles[16]	-	-	-	
Dealers in precious stones	ANIESA	500	ANIESA	
Lawyers, notaries and independent legal professionals	OAA	5327	OAA	
Accountants and independent Auditors	OAA	5195	OAA	
Trust & Company Service Providers[17]	Unknown	Unknown	Unknown	

Source: Angolan Authorities

1.4.4. Preventive measures

53. Generally, the AML/CFT legal framework cover requirements relating to preventive measures

[15] Healy Consultants Group PLC which operates as a CSP in Angola
[16] Numbers unknown
[17] Unknown during onsite

specified in the FATF Standards for FIs and DNFBPs except for VASPs. The preventive measures provided include but not limited to obligations of reporting entities to undertake risk assessment, CDD, STR reporting obligations, tipping off and record retention.

54. The BNA has issued guidelines on the prevention and suppression of ML/TF to the financial sector under its purview, to assist the sector with the implementation of preventive measures. Another set of guidelines, establish rules and procedures to be complied with in foreign exchange operations. The ARSEG, in order to assist insurance companies with the implementation of preventive and control measures mitigating their risk exposure to involvement in criminal activities, has also issued guidelines to the sector. At the time of the on-site visit, no AML/CFT guidelines had been issued to the DNFBPs sector apart from gaming sector.

55. Review of the AML/CFT laws and regulations shows that generally, they are in line with the requirements of the AML/CFT international standards save to say that there remain some technical deficiencies (see Recs 9 – 23).

56. The scope of AML/CFT legal framework in relation to FIs and DNFBPs that exist in Angola are as per the ones designated under the FATF Glossary. In addition, the AML/CFT law covers vendors and motor vehicle dealers and NPOs under the category of DNFBPs as reporting persons, and these are outside the scope of the FATF Standards. However, the designation of vendors and motor vehicle dealers as reporting entities was not based on a comprehensive ML/TF risk assessment.

1.4.5. Legal persons and arrangements

57. The Commercial Registry Law govern the creation of legal persons and legal arrangements in Angola. The most common types of companies are partnerships *(sociedades em nome colectivo)*, limited liability companies *(sociedades por quotas)*, and cooperative companies *(sociedades cooperativas)*. The companies must be registered in the commercial registry to obtain legal personality. The authorities could not provide a description of the specific types of companies created in Angola, the number of companies registered and the current number of each of the types of the companies registered.[18]

58. Foreign companies must comply with one of the types of entities set-out in the company code and register the company in the commercial registry. The Conservator verifies compliance of an application to register a company under the Companies Registry Law.

59. The law in Angola does not recognise the legal concept of trusts and similar legal arrangements, and therefore express trusts and legal arrangements cannot be created or recognized as such.

1.4.6. Supervisory arrangements[19]

60. The AML/CFT supervisors of FIs are BNA, ARSEG and CMC, and each DNFBP is under a separate supervisor, with UIF supervising any sector which does not have a specific supervisor. The financial sector supervisors are developing strategies to have sufficient resources and supervision tools to properly supervise and monitor all FIs, on a risk-sensitive basis, for compliance with AML/CFT requirements. In line with the AML Law, the AML/CFT supervisory powers are given to various supervisors for the different sectors. Thus, the BNA is responsible for supervision of commercial banks, microfinance institutions, exchange bureau and money remitters, and ARSEG is responsible for the insurance sector and pension fund and the CMC for securities market. The ISJ is responsible for AML/CFT supervision of the casinos and gaming activities. The rest of the DNFBPs are under the following supervisors; real estate – INH and car dealers – Ministry of Transport; lawyers – OAA; accountants – OCPCA, and dealers in precious stones/precious metals – ANIESA. There was no supervisory regime on AML/CFT for TCSPs as the authorities were of the view that these did not exist in Angola, although no evidence of this could be produced by them (refer to IO 5). Angola is at embryonic

[18] A template table was provided to the authorities to insert the information requested but it was never completed and had to be eventually deleted.

[19] Assessors should describe the supervisory arrangements in place for financial institutions, DNFBPs and VASPs.

stage in terms of effectively supervising the FIs and all DNFBPs for AML/CFT purposes. Both FIs and DNFBP supervisors have powers to issue sanctions under the AML Law. VASPs are not regulated, hence there is no supervision.

1.4.7. International cooperation

61. Considering the geographic location of Angola and its historical ties with other Portuguese-speaking countries, the country maintains close socio-economic relations with many countries but in particular with Portugal, Mozambique, Brazil, including countries in the SADC region as well as with China and USA.

62. The Attorney General is the main agency for mutual legal assistance for both incoming and outgoing requests. The UIF and other competent authorities also have international cooperation arrangements with foreign counterparts.

Chapter 2. NATIONAL AML/CFT POLICIES AND COORDINATION

2.1. Key Findings and Recommended Actions

Key findings

a) Angola demonstrated a fair understanding of its ML risks, in the regulated sectors and as relating to crimes which generate high proceeds for laundering (such as corruption and embezzlement). While authorities seem to understand and identify frequently committed serious crimes across most competent authorities (based on the NRA and different sectoral risk assessments), the understanding is more limited with regards to crimes being potential proceed generating for ML given the very high percentage of the population that is without access to financial services, and the estimated very high volumes of transactions taking place in cash, unrecorded and untraceable.

b) The understanding of TF risk varied across the different stakeholders. Angola's intelligence services and UIF demonstrated a good understanding of Angola's TF risks. Other authorities had a varied understanding of Angola's TF risks. Moreover, there is low level of understanding on emerging ML/TF high risk areas including conducting risk assessments in relation to informal economy, legal persons, mobile money operators, cross-border currency transportation and NPOs since no proper risk assessment was undertaken on these areas.

c) Though Angola has identified its ML/TF risks and the authorities have introduced measures to strengthen most of the country's AML/CFT legal and institutional needs, the country has not developed risk informed AML/CFT national policies and dedicated strategies to address identified ML/TF risks. As a result, the priorities, objectives and activities of competent authorities are not aligned with the identified ML/TF risks.

d) In terms of AML/CFT related activities, Angola set a number of AML/CFT entities – such as the National Task Force and the Supervision Committee (to promote initiation of policies), and the SIC (a special investigative LEA to investigate ML, TF and other crimes). Angola also set up an asset forfeiture unit within the PGR. All these measures are recent and their impact in effectively addressing identified ML/TF risks - in terms of both at policy and operational level - is yet to be produced.

e) The other areas of coordination and cooperation including on PF between LEAs, and between the AML/CFT supervisors are not effective as they have not yet coordinated any activities together in their own sectors.

f) Financial Institutions, DNFBPs and other relevant sectors under the AML/CFT regime of Angola are fairly aware of the results of the ML risk assessment. However, their level of awareness on TF is still at embryonic stage.

Recommended Actions

Angola should:

a) Take necessary steps to collect information necessary to assess and understand the ML/TF scale/magnitude through review of the NRA or any other risk assessment process including risks from VASPs, legal persons and arrangements and NPOs.
b) Develop a risk informed AML/CFT Strategy and Policy and ensure that competent authorities align their priorities, objectives, and actions to address the identified ML/TF risks particularly in relation to (i) application of RBS, (ii) investigation and prosecution of complex predicate offences and ML cases and (iii) TF.
c) Put in place coordination and collaboration mechanisms/structures for supervision, PF and TF priorities and activities at operational level.
d) Allocate adequate resources (human, financial and technical) to competent authorities informed by the ML/TF risks identified and the objectives of the AML/CFT Strategy.
e) Introduce a coordinated and systematic process for collection and maintenance of statistics on ML/TF activities (e.g., ML/TF investigations, prosecutions, convictions) to be used for the identification and updating of ML/TF risks and help review the effectiveness of measures in place.
f) Enhance an understanding and awareness of emerging TF risks and intelligence gaps, and take appropriate action both for the public and private sectors at a national level through targeted stakeholder engagements centred on the results of the ML/TF risk assessments. Awareness on ML risk by the DNFBPs should also be enhanced.
g) Encourage financial inclusion as a strategy to reduce ML/TF risks in the informal sector, including through the use of simplified customer due diligence measures for financial inclusion products that are exposed to low ML/TF risk as informed by adequate risk assessments.

63. The relevant Immediate Outcome considered and assessed in this chapter is IO.1. The Recommendations relevant for the assessment of effectiveness under this section are R.1, 2, 33 and 34, and elements of R.15.

2.2. Immediate Outcome 1 (Risk, Policy and Coordination)

2.2.1. Country's understanding of its ML/TF risks

64. **Angola has been successful in taking measures through completion of risk assessments at national and sectoral levels as the basis to promote and deepen ML risk understanding. As a result, Angola has demonstrated a fair understanding of the ML risks facing the country. Angola has concluded that ML is Medium High.** This understanding is essentially based on the NRA report, information gathered in the authorities' operational activities and information exchanged in various platforms for AML/CFT coordination and cooperation. The overall determination on the extent of understanding of ML/TF risks was reached through the views contributed by the different competent authorities, financial sector and DNFBP entities. The involvement of competent authorities such as PGR, UIF, BNA, SIC and SINSE assisted Angola to collaborate and coordinate the processes of completing risk assessments which also promote a shared understanding of the ML risks facing the country.

65. **The involvement of the competent authorities enabled Angola to demonstrate the source of the proceeds, vulnerable FIs and DNFBPs as potential channels being misused, destination of the laundered proceeds, though efforts of quantifying the probable magnitude of the proceeds experienced some challenges due to unavailability of a broad range of sources of information for conducting the risk assessments.** The AT concluded that the analysis and the conclusions of the NRA are reasonable to some extent for Angola to develop and implement a risk-based approach to mitigating and managing the risks identified by both the public and private sectors.

66. Competent authorities (in particular the UIF, LEAs, PGR, some of the FIs and DNFBPs supervisors), generally agreed with the NRA conclusions as far as the main proceeds-generating crimes posing ML threat and the vulnerabilities of the sectors are concerned. There is a shared agreement amongst competent authorities that embezzlement, corruption, trafficking (in persons, drugs, wildlife), smuggling of precious minerals and tax evasion are the most frequently committed offences domestically. Given their nature, authorities recognize that these crimes would also be the highest proceeds generating offences aiding the commission of ML. Angola shared with the AT examples of abuse of power and public procurement by a few highly politically connected individuals who unlawfully benefitted from public funds and acquired significant properties which were laundered within and outside of Angola.

67. The BNA (the AML/CFT supervisor for the banking and other financial sectors), SIC, UIF and PGR largely agree on the fact that illicit proceeds are being laundered through banks, real estate, second hand motor vehicle dealers, foreign currency exchange, and casinos though the authorities did not use tangible sources based on factual information to substantiate on these crimes than corruption and embezzlement. However, there has been no proper ML/TF risk assessment undertaken on legal persons, NPOs, VASPs and company service providers (CSPs). Therefore, the ML/TF risks associated to the misuse of legal persons or arrangements and the sectors are not comprehensively understood. The understanding of the ML risks is also exacerbated by the high levels of informality as most transactions are carried out in cash and are not recorded. The understanding of these risks by the authorities could not be fully assessed as there has not been a clear process of identifying the risks as well as the extent of proceeds generated.

68. **TF risk understanding varies across the different stakeholders with competent authorities having TF-specific mandate such as SINSE, SIC and the UIF demonstrating a high-level of TF risk understanding.** The agencies shared with the AT examples of when they engage in TF and TF-related activities which demonstrated a good understanding of TF risks taking place in Angola. This understanding is largely as a result of information sharing between the intelligence services and the LEAs including the UIF in relation to TF threats emanating from internal and foreign sources. Overall, Angola has determined TF as Medium Low. There is no information evidencing similar mechanisms for sharing of TF threats between these agencies and the rest of the agencies such as supervisors, NPO regulators and AGT Customs which has led to their respective underdeveloped understanding of TF in Angola and specially their sectors.

69. The intelligence services work with UIF and other relevant authorities to share information on potentially high risk persons and TF typologies outside of Angola, but this is not done as part of an established CFT strategy which limits its potential effectiveness. The authorities were of the view that TF risk is low but the competent authorities could not demonstrate the basis for this view considering that their understanding of TF risks was varied (see also IO 9).

70. Overall, the Authorities appreciates the vulnerability created by the lack of adequate resources across competent authorities for generating large amount of unlawful proceeds and ML as evidenced in the number of cases being investigated or prosecuted from which assets have either been restrained or confiscated through successful prosecution. One such concern is the delay in successfully investigating and prosecuting complex cases of prominent persons due to the need for specialised skills such as forensics and asset tracing. There is sufficient evidence of exploitation of the weaknesses in the AML/CFT systems owing to resources constraints; however, Angola has recently improved resources allocation to key agencies which has evidenced successful investigations/prosecutions and asset recovery involving complex cases often with significant property laundered outside of Angola.

VA/VASP

71. VA and VASPs are unregulated in Angola. The ML/TF risks associated with VA and VASPs have not been assessed and are therefore not understood. A Committee was established in May 2022 to conduct a study on the situation of VAs and VASPs in Angola. However, the study was not completed during the onsite visit.

2.2.2. National policies to address identified ML/TF risks

72. **Legislation and policies at national and institutional levels are central to Angola's mitigation strategy to address identified ML/TF risks, though there is no alignment between the policy decisions and the national ML/TF risks identified. While Angola completed its NRA in 2019, introduction of national AML/CFT policies and strategies to address the identified ML/TF risks were delayed and were in the process of being finalised as at the time of the onsite visit.**

73. Angola had been implementing legislative and institutional frameworks mostly developed prior to and just after completion of the NRA, though not informed by the identified ML/TF risks in the NRA. In general, Angola began implementing the laws and newly established institutional and coordination structures, which includes the following key initiatives:

- Creation in 2011 of a National Task Force (NTF) which has been successful in completing the NRA and legislative reviews on powers and functions of key competent authorities such as at SIC and PGR as well as promoting multi-task team approach in pursuit of complex cases and asset recovery. As at the time of the onsite visit, the NTF was finalising national AML/CFT policy and strategy to drive priorities, objective and activities of competent authorities to address the identified ML/TF risks.
- Setting up of a Supervisory Committee which considers policy proposals from the NTF for approval by the Council of Ministers (Cabinet).
- Setting up of the SIC in 2018, with powers to investigate ML/TF and, when necessary, to set up multi-disciplinary teams on addressing complex proceeds-generating crimes and pursuit asset recovery within and outside Angola.
- Creation of dedicated National Asset Recovery Service (SENRA) which has been successful in asset recovery and forfeiture despite its recent operations since 2019.

74. While these changes have led to some successes and have significantly contributed to the efforts to strengthen the AML/CFT regime of Angola, their recent nature made it difficult to assess to extent to which their implementation has led to achieving the desired outcomes and introduction of risk-informed policies and strategies.

75. While these changes may the potential to strengthen the AML/CFT regime of Angola, their very recent nature (a few months only at the time of the on-site) do not allow the comprehensive assessment of their impact and of what had been achieved, as well as whether it is fully utilised and supported by identified ML/TF risks and well-informed policies.

2.2.3. Exemptions, enhanced and simplified measures

76. **The AML/CFT legislation in Angola favours application of RBA in which simplified and enhanced measures are applied for low and high-risk situations respectively having regard to customers, products/services, delivery channels and jurisdictional risks.** Angola has covered all FIs and DNFBPs activities in its AML/CFT regime consistent with the FATF Standards. There are no exemptions in Angola as the covered activities are implemented by FIs and DNFBPs as required by the national AML/CFT legislation.

77. This shows that the legal framework of Angola allows FIs and DNFBPs to apply simplified measures but only in circumstances where they are able to demonstrate that an adequate risk assessment has been undertaken[20]. The AML Law further requires FIs and DNFBPs to apply enhanced due diligence

[20] Art. 13 of Law No. 5/2020

(EDD) requirements when dealing with clients which pose inherent higher risk and apply mitigating controls. The AML Law further identifies business transactions which pose inherent higher risk (transactions carried out by PEPs, correspondent banking, cross-border wire transfers, etc) where the FIs and DNFBPs have to apply EDD. In practice, application of the SDD and EDD measures differed between FIs and DNFBPs with the former being more developed in following risk differentiated CDD measures to customers, products/services, delivery channels and geographical risks. At the time of the onsite visit, the financial sector supervisors had just started applying RBA to monitor compliance and apply proportionate enforcement measures to ensure compliance. No AML/CFT supervision of DNFBPs was applied at the time of the onsite visit.

2.2.4. Objectives and activities of competent authorities

78. **Angola has not demonstrated that the priorities, objectives and activities of its competent authorities have been developed and implemented consistent with national legislations and policies in place in the absence of AML/CFT policy/strategy as at the time of the onsite visit. As a result, Angola could not demonstrate that allocation of resources to combat ML/TF is informed by priorities, objectives and actions consistent with the identified ML/TF risks.** Where competent authorities produced strategies or explained their priorities, there was varied demonstration of desired outcomes being pursued and achieved since there is no sufficient information to determine the implementation efforts i of key AML/CFT agencies were aligned with ML/TF risks and national policies present.

79. While some ML cases have been identified, the PGR and the LEAs have been more focused on predicate than ML or TF offences (See IO.7). Angola has not demonstrated that its competent authorities have set strategic goals which prioritises risk-bases approach to combatting of ML/TF by supervisors and LEAs. The SIC had just been recently created and most of its work was still in its infancy and has not demonstrated that it has priorities, objectives and activities informed by the identified ML/TF risks in the NRA. From discussions with it and case examples described, there were indications that it still needs capacity building in identifying both ML and TF cases, and where necessary to carry out parallel financial investigations. While the UIF indicated that it pays special attention to certain predicate crimes deemed high-risk, these are only partially aligned with Angola's risk profile. Although the UIF, in its analysis of transaction reports, gives priority to those that involve embezzlement, its disclosures related to other prevailing offenses based on the ML/TF risk profile of the jurisdiction are few (See IO6). The impression created by all relevant authorities was that there was still low appreciation of a high possibility of TF happening in Angola but not being reported as such or investigated.

80. **Supervisory authorities do not have clear set objectives on the approach to RBA to AML/CFT supervision aligned with the identified ML/TF risks.** Financial sector supervisors are at early stages of applying RBA to AML/CFT supervision. By contrast, DNFBP supervisors are yet to appreciate their roles for which the effectiveness of applying, priorities, objectives or activities could be assessed by the AT.

2.2.5. National coordination and cooperation

81. **To some extent, Angola has been successful in establishing national cooperation and coordination of exchange of information on activities to combat ML/TF/PF driven by the Supervisory Committee (Committee) at policy level and the NTF at operational level.** The Committee consists of mainly cabinet ministers comprising the Ministers of Interior (who chairs the Committee), Foreign Affairs, Finance and Justice and Human Rights, Governor of BNA, Secretaries of the President for Judicial, Economic and Legal Affairs, the UIF (Secretary). The institutions, with other additional agencies are replicated in the NTF to make it a multi-agency forum on AML/CFT. The NTF meetings are chaired by the Director General of UIF, who can invite other agencies to participate

depending on the expertise required during the discussion. The members to NTF are appointed by the head of their own institutions.

82. The NTF has been successful to a large extent with completion of the NRA and legislative reviews while it has been successful to some extent at it neared completion of an AML/CFT policy/strategy for approval by the Committee. The drawbacks for Angola are the absence of AML/CFT strategy/policy or similar documents which has been developed and implemented against ML/TF/PF and the recent nature of the key AML/CFT changes both legislative and institutional levels.

83. Competent authorities in Angola have been successful to a large extent to promote cooperation and collaboration with each other through MoUs at bilateral and multi-agency levels. For instance, the UIF entered into MoUs with other competent authorities such as the AGT, BNA, SIC, AG's Office, with which it shares information through its goAML Platform. UIF has found this to be an effective means of sharing information with other stakeholders. In addition, the UIF and BNA meet regularly to discuss AML/CFT strategies and issues raised by FIs.

84. Interagency coordination of LEAs at operational level did not come out as a strong factor used by the different agencies to fight ML/TF crimes. SIC which is mandated by the law to form multi-agency teams to investigate major crimes, including ML, did not demonstrate that it was effectively using this power and no specific cases were provided where this authority had been successfully used. The cooperation and coordination among SIC, SINSE, SIE and PGR relating to financial intelligence on ML/TF disseminated by the UIF was not clearly explained. There was often conflicting information provided relating to the distribution of the reports by the PGR (which receives the reports from UIF) and the relevant LEAs investigating the cases (see IOs 6 & 8). Generally, there is no effective coordination of such reports between PGR and other LEAs which carry out investigations and report to it. The only cooperation which was demonstrated relates to manning of entry and exit points, mostly at major airports where SIC, AGT, Postal Services, and SME together to fight entry of contraband.

85. Supervisors of FIs and DNFBPs have not yet developed and implemented mechanisms for cooperation and collaboration on AML/CFT supervision matters at policy and operational levels, except for the BNA and UIF which meet frequently to exchange information pertaining to FIs. No similar, mechanisms were place with ARSEG, CMC and other DNFBP AML/CFT supervisors. Given the fact that DNFBP supervisors have not yet started conducting AML/CFT supervision, Angola should have prioritised use of coordination structures such as the NTF to drive DNFBP supervision in the country.

86. There is inadequate Coordination on CPF related activities. The National Task Force is the main coordinating body on CPF. However, coordination among authorities on PF is still at its early stage and is lacking a more holistic approach.

2.2.6. Private sector's awareness of risks

87. **Angola has promoted ML risk understanding by the private sector to a large extent and TF to a limited extent. As at the time of the onsite visit, Angola had completed NRA and SRAs which was shared with the private sector, though the coverage of the entities could be improved.** The awareness of ML risks in Angola is in the large domestic and international banks, distantly followed NBFIs and with DNFBPs demonstrated poor awareness which is yet to be supervised. The results of the risk assessments are shared mainly through workshops carried by the UIF, BNA and other organisations. Despite the results of the NRA and SRAs shared with the FIs and DNFBPs, overall, there is low level of awareness of TF risks including the influence of TFS on TF risk awareness.

Overall Conclusion on IO.1

88. Angola 's understanding of ML/TF risks is based on the 2019 NRA. Angola has not come up with any risk informed AML/CFT policies or strategies but has introduced institutional changes, including to deal with ML. However, given the recent nature of these changes, it has not yet produced any positive and tangible impact, which does not allow to assess the effectiveness of the set-up in place. Considerations has also been given to the limitations resulting from the lack of resources and training that will enable the proper implementation of the laws and efficient functioning of the new structures in fighting ML/TF based on the risk profile of the jurisdiction. The inadequacy of effective interagency cooperation and coordination between supervisory authorities, LEAs and other stakeholders in the fight against ML and TF as well as PF both at policy and operational level is also weighted as an important shortcoming. The priorities, objectives and activities of competent authorities are not aligned to the identified risks owing to the lack of AML/CFT policy/strategy. The Authorities have taken significant steps to share the results of the NRA and the SARs with the private sector which demonstrated to large extent awareness of ML risks except for DNFBPs which yet to be supervised for AML/CFT compliance. The level of awareness on TF risk by the private sector is at embryonic stage. There is coordination and collaboration of PF, though at early stages of setting up its activities.

89. ***Angola has achieved a Low level of effectiveness for Immediate Outcome 1.***

Chapter 3. LEGAL SYSTEM AND OPERATIONAL ISSUES

3.1. Key Findings and Recommended Actions

Key Findings

Immediate Outcome 6

a) The UIF produced good financial intelligence and other information which the LEAs are satisfied with as the disseminations which supported efforts to identify persons of interest in the form of key individuals, companies, banking accounts, flow of suspected funds, and links of subjects resulting in successful investigations of predicate offences and ML as well as identifying potential TF cases. UIF uses different sources of information to enrich analysis of STRs/other reports and shares the results thereof to LEAs, though there are concerns about the overwhelming reports coming from banks as other reporting entities have either reported limited or have not filed reports.
b) The UIF has been successful to some extent to use multi-task force mechanism for coordinating and cooperating with domestic agencies and foreign FIUs which has resulted in investigations and prosecutions of predicate offences specially corruption and ML and TF cases as well asset recovery.
c) LEAs especially PGR and SIC, regularly use financial intelligence and other information to investigate major proceeds-generating crimes such as corruption to a large extent and have also been used proactively investigate ML and TF. All this appears consistent with the risk profile of the country.
d) The UIF responds to most of the requests made by LEAs as well as making spontaneous disclosures to LEAs from the results of its analysis from the different statutory reports received. This is demonstrated by 94 cases investigated by LEAs which have resulted in 24 ML concluded cases. To some extent, the PGR, working closely with SIC, has demonstrated that it has successfully instituted freezing and confiscation of assets with the UIF contributing the most through the lawful suspension of bank accounts for confirmation by PGR.
e) The LEAs could not demonstrate the usefulness of studies conducted by the UIF for purposes of pursuing identification of ML and TF cases for investigation.
f) The UIF requires sufficient resources to pursue fully its core mandate and ensure the security and confidentiality of the information held by it, though it has human resources and uses goAML platform for the receipt and analysis of reports for which financial intelligence was produced and used by LEAs.
g) UIF successfully responds to requests for information from LEAs and makes proactive disseminations to LEAs whenever it suspects commission of a crime. UIF's disseminations (either upon request or spontaneously) led to successful prosecution of about 10 ML cases, referrals to PGR and intelligence services of suspected TF transactions. It also enables the successful recovery of assets by PGR.

h) UIF uses to a large extent its powers to freeze suspected transactions at banks and obtain additional information from reporting entities which has assisted its conduct of analysis relevant for identification of cases and proceeds of crime.

i) UIF and LEAs (SIC, SINSE, SIE) participated in ad-hoc task forces relating to investigations and prosecution of serious crimes, which led to successful convictions of some predicate offences and ML.

Immediate Outcome 7

j) Art.88 of Law 5/20 has stipulated different categories of assets that apply to the different elements of money laundering. This may pose a challenge in the prosecution of ML cases in situations where a specific conduct does not correspond with the categories of assets that have been laundered.
k) Angola has demonstrated limited capacity to identify and investigate potential ML cases. As a result, Angola has investigated 94 ML cases, the majority of which relate to corrupt practices and one case relates to environmental crimes. The authorities have not investigated ML in relation to other high-risk predicate offences such as drug trafficking, human trafficking and fuel theft.
l) SIC and PGR are able to investigate ML cases referred by SENRA from its property tracing investigations. While this is good for enhancing the use of parallel financial investigations, Angola has not employed parallel financial investigations consistently in order to increase the number of ML cases that are pursued across the different high proceed-generating offences.
m) The authorities have not demonstrated the ability to identify the different types of ML from the 10 concluded ML cases. As a result, Angola would not be able to apply a RBA and prioritise the identification, investigation and prosecution of high-risk types of ML. LEAs lack the capacity to identify, investigate and prosecute ML cases due to lack of material resources such as special tool kits to investigate complex ML cases; and insufficient number of investigative and prosecution officers trained on ML.
n) To some extent, the investigation of predicate offences and ML is coordinated among LEAs such as SIC, PGR and the UIF.
o) Angola does not prioritise the investigation and prosecution of ML offences. This has led to the low level of prosecution of ML cases (10) in comparison to the number of corrupt-related cases (3224) and other high-risk predicate offences investigated in the period under review.
p) There is no demonstration that Angolan courts consistently impose effective, proportional and dissuasive imprisonment sentences for ML convictions in relation to natural persons. Nevertheless, the courts order convicts to pay compensation to the State for the damage occasioned by the criminal activities they are convicted of.
q) The authorities do not pursue legal persons that are misused for ML offences, even though some of the ML cases that the Angolan authorities have investigated involved the misuse of legal persons. As a result, Angola has not yet sanctioned any legal person for ML or any predicate offence.
r) The authorities do not have alternative measures that they use in situations where they cannot prosecute ML cases.
s) Angolan law does not allow the inference of intent and knowledge from objective factual circumstances.

Immediate Outcome 8

t) Angola introduced the Voluntary Surrender of Asset Mechanism (VSOAM) in 2018 to expedite recovery of funds mostly embezzled from the public funds through corrupt practices. The mechanism's operationalisation came into effect in 2019. Within just two years of implementing VSOAM, the Angolan government has recovered significant proceeds from corruption related

offences (in particular from embezzlement), which is the highest proceeds-generating offence. The VSOAM serves similar objectives to confiscation and fits the definition of confiscation according to the FATF Glossary.

u) The authorities demonstrated to some extent that they pursue the confiscation of proceeds of corruption related offences, as a policy objective. However, there was no demonstration of a similar policy objective in terms of proceeds of other high risk proceeds-generating predicate offences, instrumentalities of crime, property of corresponding value, and assets related to other offences including TF.

v) Officers in SENRA, the specialised agency for asset recovery, are well trained to handle asset recovery work. However, SENRA lacks adequate human (trained) and other resources in order to achieve its national mandate.

w) LEAs have limited capacity to conduct financial investigations. This inhibits their ability to identify assets that represent proceeds of predicate offences during the investigations stage.

x) The authorities are not pursuing the confiscation and restitution of assets that are seized or frozen abroad. This is due to delays that are experienced in the conclusion of investigations and prosecution of ML cases in Angola, to which the assets relate. This challenge has resulted in low number of restitutions of assets laundered and domiciled in foreign jurisdictions.

y) AGT does not pursue confiscation of falsely/non-declared cross-border movement of currency and BNIs. This leaves travellers who falsely declare currency inadequately sanctioned.

Recommended Actions

Immediate Outcome 6

Angola should:

a) Continue to provide resources to UIF especially budget for expanding the office space, training of staff and refining ICT systems necessary for analysis and security of information. In addition, increase resources including training of SIC, PGR and AGT to better use UIF information.

b) Implement feedback and guidance/outreach mechanisms to improve diversity and quality of STRs filed by high risk NBFIs and DNFBPs.

c) LEAs, particularly SIC, should increase requests for information from the UIF to pursue ML cases.

d) Strengthen feedback mechanisms between UIF and LEAs on disseminations made to initiate or support LEA's pursuit of investigations and prosecution ML/TF cases and as asset recovery.

e) Develop the in-depth strategic analysis of UIF's reports to support LEA's operational needs.

Immediate Outcome 7

Angola should:

f) Amend its legal framework in line with the requirements of Recommendation 3 in respect of threshold of predicate offences; the inference of the mental element and the range of assets that are subject to ML.

g) Enhance the awareness and capacity for all LEAs, as needed, to prioritise and conduct parallel financial investigations to enable them to detect ML elements in all predicate case investigations.
h) Ensure that all LEAs are adequately resourced with investigative tools kits that would assist them to investigate complex ML cases.
i) Enhance the pursuit of investigation and prosecution of ML beyond corruption-related ML by focusing on ML from other high and medium risk proceeds-generating offences. The authorities should use the results of the NRA to develop policies and manuals to guide LEAs in the investigation and prosecution of ML from all high and medium-high risk proceed generating predicate offences.
j) Develop a mechanism for maintaining comprehensive statistics, which they can use to track the effectiveness of the country's ML investigations and prosecutions in line with the country's ML risk profile.
k) Develop a coordination mechanism to enable the LEAs to efficiently identify ML cases and refer such cases to the relevant ML investigative agency.
l) Train and raise awareness among LEAs on the different types of ML (third party, self-laundering and stand-alone laundering) to enable them to pursue all types of ML cases according to the risks that they present.
m) Ensure that competent authorities investigate, prosecute and adequately sanction convicted legal persons, in ML cases.
n) Ensure there is consistent application of effective, proportional and dissuasive imprisonment sanctions against natural persons that are convicted of ML.
o) Consider establishing other criminal justice measures for the authorities to implement when it is not possible to secure an ML conviction.

Immediate Outcome 8

p) All LEAs should pursue the confiscation of proceeds of crime, instrumentalities of crime and property of corresponding value as a policy objective using all the tools at their disposal, such as, Conviction and Non-conviction-based confiscations and the VSOAM. The authorities may achieve this, for instance, by establishing SOPs or internal policies to identify, freeze or seize property; and a mechanism requiring all LEAs to collaborate with SENRA at the beginning of financial crime investigations; and embedding the NRA findings in such SOPs).
q) Angola should ensure that SENRA and all LEAs are adequately resourced and receive training on financial investigations, asset-tracing and confiscation so that they can better support SENRA in its asset recovery work.
r) LEAs should implement a broad range of asset recovery mechanisms that go beyond the VSOAM, such as conviction-based and non-conviction-based forfeitures in order to recover assets in cases where a defendant does not voluntarily disclose or surrender assets.
s) Pursue confiscation of assets located abroad; and prioritise the investigation and prosecution of cases that relate to assets that are frozen and seized abroad, whose confiscation and restitution depends on the conclusion and outcome of these court processes in Angola.
t) Ensure that falsely/undeclared currency and BNIs are confiscated as an effective, proportional and dissuasive sanction.

90. The relevant Immediate Outcomes considered and assessed in this chapter are IO.6-8. The Recommendations relevant for the assessment of effectiveness under this section are R.1, R. 3, R.4 and R.29-32 and elements of R.2, 8, 9, 15, 30, 31, 34, 37, 38, 39 and 40.

3.2. Immediate Outcome 6 (Financial Intelligence ML/TF)

Background

91. Angola has an administrative type of Financial Intelligence Unit (FIU), known as "Unidade de Informação Financeira" (UIF). The UIF has established capacity for receipt and analysis of transactions reports such as suspicious transactions reports (STRs) and dissemination of financial intelligence and other information to identify potential investigations of ML, TF and associated predicate offences. The UIF has embarked on a one-year staff recruitment process in December 2021 for completion in December 2022 which has contributed significantly to improving the analytical capability of the UIF. The UIF receives reasonable budget for building capacity including funding for ICT relevant for its core mandate.

Table 6.1- UIF Staff as at July 2022

Department	Post Filled	Vacancies
Director General	1	-
Deputy Director General	1	-
Strategy and Analysis	8	7
Cooperation and Institutional Communication	3	2
Legal and Monitoring	4	5
Information and Technology	3	1
Administrative Services	1	2
Human Capital Management	2	1
Support	5	-
Secretarial Services	3	2
Total	**31**	**20**

92. The UIF is a member of the Egmont Group of UIFs (Egmont Group) since June 3, 2014, and therefore has a wide network of UIFs with which to exchange of information. Further, the UIF also has signed thirty (30) MOUs with other UIFs in different regions, with the ESAAMLG region being dominant during the period under review. The UIF has its own premises, with adequate physical access control, scanners, biometric access, and cameras necessary to ensure protection of the information of the UIF. The UIF has goAML software system since 2020 which has significantly improved its analytical capability. As at the time of the onsite mission, the dissemination of financial intelligence products was done manually, and there has been no instances of breach of confidentiality of the information shared with LEAs. The UIF is in the process of registering LEAs as stakeholders, a process that is expected to facilitate exchange of information through the secure system.

3.2.1. Use of financial intelligence and other information

93. **The Angolan law enforcement authorities[21] especially the SIC and PGR use financial intelligence for predicate offences to a large extent while ML and TF are done to some extent (See IO.7 and IO.9 for details). The PGR is to some extent using financial intelligence for tracing and restraining criminal assets from spontaneous and reactive disclosures from the UIF (See IO.8 for details). The UIF has disseminated financial intelligence and other information spontaneously and upon request for use by domestic LEAs in fulfilling their respective mandates. The bulk of the financial intelligence relates to embezzlement and corruption, fraud, and criminal association and other predicate offences which are to a large extent consistent with the risk profile of Angola (Chp.2 for details).** The usefulness of the financial intelligence from the UIF for financial investigations by LEAs could be traced to investigations conducted, prosecutions made, and criminal asset recoveries as can be

[21] SIC, PGR, SINSE, SIE

seen from the cases cited herein. The UIF endeavours to focus on identifying proceeds from transactions conducted by high-risk situations involving PEPs, criminal individuals and entities, and pursuit of recovery of unlawfully obtained assets.

94. The UIF has been successful in using the information it obtains through access to public and private databases, for improving the quality of financial intelligence and other information shared for use by LEAs in pursuit of major proceeds, ML and TF. These include requests for additional information from reporting entities including financial records of entities and individuals, LEAs and foreign UIFs at for which the results of the analysis are shared with relevant LEAs. The usefulness of the UIF disseminations lie in their contributions to ML/TF investigations in that the information comprises persons of interest in the form of key individuals, companies, banking accounts, flow of suspected funds, beneficial ownership, and links of subjects. The table below indicates that while predicate offences, particularly high-risk ones such as corruption, dominate the use of financial intelligence only about one-third is for ML

95. The information comprises persons of interest in the form of key individuals, companies, banking account, flow of suspected funds, beneficial ownership, and links of subjects. Moreover, the UIF alerted SENRA of one (1) case cases that lead to recovery of assets, while five (5) were reported to SENRA by other LEAs under the VSOAM regime, See IO7 -8 for more details The table below indicates that while predicate offences dominate the use of financial intelligence, one-third relates ML.

Table 6.2- UIF Spontaneous Disclosures per crime type, (2018 –July 2022)

Crime Type	Number of crimes disseminated	Percentage of Total crimes disseminated
Embezzlement	88	6
Criminal association	151	10
Corruption	88	6
TF	13	1
ML	486	31
Environmental Crimes	36	2
Fraud	369	23
Drug Related Crimes	0	0
Human Trafficking	0	0
Illegal Diamond Dealing	0	0
Other	352	22
Total	**1583**	**100**

96. **The UIF has been successful in providing financial intelligence and other information upon request to LEAs. For the period under review, Angolan LEAs[22] made ninety-three (93) requests for financial intelligence (with nearly two-third responded to) relating to cases under investigation with most of the cases being predicate offences, followed by ML and distantly followed by TF.** The PGR and SIC (table below) are the most requesters of the information from the UIF. The SIC/PGR/SINSE are working together on investigation of predicate offences, ML and TF using information from themselves and the UIF. The investigations of SIC are conducted with the guidance of PGR which has assisted in pursuing high value targeted cases. The total of 36 outstanding requests is attributed to number of factors

[22] DNIAP (PGR), PGR/SIC, PGR, SINSE, GABINETE DE SUB PROCURADORA GERAL DA REPÚBLICA JUNTO SIC, SONANGALP, INSP. ECON. E SEG. ALIMENTAR, CMC, AGT, BANKS

such complexity of the matters, resource constraints on the part of the UIF and waiting for information from foreign FIUs.

Table 6.3 Requests for information to UIF by LEAs per year, 2017 – 2021

YEAR	Received	Responded to	In Process	Rejected	Average Time
2017	6	6	0	0	Within 1 – 15 workings days depending on the complexity of a request.
2018	16	9	7	0	
2019	21	6	15	0	
2020	15	11	4	0	
2021	35	25	10	0	
TOTAL	**93**	**57**	**36**	**0**	

97. **The LEAs are largely satisfied with the usefulness of the UIF financial intelligence to support financial investigation mostly due to the fact the information from the UIF contained information on key individuals, companies, banking account, flow of suspected funds, beneficial ownership, and links of subjects. The information has been regularly used by the LEAs to initiate or supplement financial investigations relevant for tracing proceeds of crime, ML and TF.** The UIF and national competent authorities generated intelligence and evidence largely through a multi-task force format in the investigation and prosecution of proceeds-generating offences including embezzlement, corruption, criminal association, and tax related crimes. The effectiveness of this approach in the use of UIF information is evidenced in the successful investigations and prosecution major proceeds of crime and twenty-four successful ML prosecutions by the PGR in addition to significant asset recovery.

98. **The UIF has suspended transactions in terms of the AML law suspected of containing funds from proceeds of crime for which the prosecutor (PGR) made the final decision on the frozen funds contributing significantly to restraining of assets and eventually recovery of the assets to some extent.** The suspension of transactions, namely sixty-four (64) by UIF, led to ratification by the PGR followed by financial investigations of the suspected transactions. Using the UIF information to either initiate or support investigations, the SIC indicated that it pursued ninety-six (96) ML cases and resulted in fifty (50) criminal asset freezing's amounting to Kz 115 billion for the period 2017-2021, though this could not be fully verified by the AT largely due to challenges of statistics presented by Angola.

99. The statistics provided in the table below demonstrate that the UIF uses its powers under the law to suspend suspicious transactions resulting in effective use and successes in these cases.

Table 6.4- Use of UIF information by LEAs, 2017 to 2021[23]

UIF products	2017	2018	2019	2020	2021	Total
Overall Disclosures (Spontaneous Communications and Responses to requests for information	89	87	112	173	477	938
UIF Suspension of suspicious operations	4	8	10	21	21	64
Value of Suspension (Kz millions)	7.667.368.302,16	1.969.184.040,00	1.624.212.140,97	10.077.045.389,54	2.286.105.094,33	22.623.914.967,00
Number of Ratifications of suspended suspicious operations PGR	4	8	10	21	21	64
Number of Criminal Asset Freezing	-	7	8	17	18	50

[23] Also refer to Table 7.1

Values of Asset Freeze measured in Kwanzas	3,542,546,739.77	36,397,243,743.42	7,145,563,417.12	13,453,316,882.59	54,885,864,432.40	115,424,535,215.30[24]
SIC Completed Investigations The DINAIP a Division in SIC are responsible to investigate cases of corruption under the guidance of PGR)						96
SIC ongoing Investigations						828[25]
Cases Filed/Archived						189[26]
Cases closed with ML Prosecutions						10
Underlying Predicate Offences	Embezzlement, Breach of Plan and Budget Execution Rules					

100. **The LEAs such as the PRG and SIC indicated that in addition to using the UIF information, they also used their own powers described in R.31 and R.40 of the Report to obtain information relevant for investigation and prosecution of ML/TF cases as well as recovery of assets**. In addition to the interactions with the UIF, and PGR the SIC and its different subdivisions (Drug law Enforcement, Corruption) also make use of financial intelligence from evidence obtained through the execution of notices in terms of the Criminal Code of 2020. The evidence obtained through these notices generate new leads and multiple additional requests to supplement evidence and intelligence in cases under investigation. There were statistics provided by the authorities to demonstrate the extent to which these powers are applied as sources of intelligence or other information relevant for identifying proceeds of crime, ML and TF cases.

101. Furthermore, the UIF also uses its international mechanisms (bilateral through MoUs and multilateral such as Egmont Group of FIUs Secured Web) to access and use information for its own analysis or on behalf of LEAs and intelligence services in pursuit of cases with transnational elements particularly in relation to exchange of TF enquiries, investigation of proceeds and ML, and recovery of assets (See IO.2 for details).

102. **The use of financial intelligence and other information by LEAs and intelligence services to initiate or support pursuits of potential TF cases has been successful in line with the TF risk profile of Angola. The UIF, the LEAs and the respective branches of the intelligence services have worked closely together on the disseminations made to them by the FIU and the number of requests they made to the FIU for financial intelligence relevant to the TF enquiries they contacted (See IO.9 for details).** The UIF received 24 TF-related STRs of which 13 were disseminated to relevant authorities after initial analysis verified suspicious activity. Three of the TF-related STRs prompted PGR to initiate criminal investigations. Prior to disseminating STRs to competent authorities, UIF leverages open sources and a closed source database to identify beneficial owners and enrich the STRs with additional information and context. The UIF has two analysts, supported by other analysts, who focus on TF and terrorism-related transaction analysis at a more urgent basis working closely with the PGR, domestic/foreign branches of intelligence services and SIC. Given the relatively low number of TF-related STR submissions, this appears largely adequate to analyse these cases. The 13 disseminations were subjected to enquiries by the LEAs and intelligence services with a view to identifying possible TF cases (See IO.9 for details).

[24] USD and Euro values converted.
[25] Total relates to overall archived cases relating to ML, of which 22 is from the UIF.
[26] Total relates to overall archived cases relating to ML, of which 22 is from the UIF.

3.2.2. STRs received and requested by Competent Authorities

103. **The main source of information for analysis by UIF is from STRs which are predominantly from banks of which 99% is focusing on suspected transactions of major proceeds-generating crimes distantly followed by suspected ML and TF.** The notable upward trajectory of STRs in 2021 by banks is attributed to more guidance and awareness-raising initiatives such as significant onboarding of banks on the goAML system. Generally, UIF gives feedback to subject entities where its analysis shows strong indications of actionable intelligence and was shared with relevant LEAs. Regular compliance meetings and feedback to subject entities on STRS reported and typologies seems to have improved the quality and volume of reporting especially by the banking sector. The AT determined that insignificant reporting of STRs in high-risk sectors such as MVTs, real estate agents and DPMS should be urgently attended to so as they broaden the diversity of information for identifying ML and TF cases. Most suspicious transaction reports received by the UIF are from commercial banks, with limited reporting from NBFIs and DNFBPs as shown by a total of 1667 STRs, and 211 SARs received between 2017 – 2021 (See IO.4 for more details).

Table 6.5 STRs reported per year, 2017-2021

2017	2018	2019	2020	2021	Total
174	**131**	**217**	**287**	**858**	**1 667**

104. The UIF receives and accesses other statutory reports which are integrated into the analysis of STRs to identify potential ML and TF cases. The UIF indicated that the additional statutory reports provided invaluable information and contributed significantly to improved conversion of rate of STRs to financial intelligence as it enriched the information from reporting institutions.

Table 6.6- Types of other reports received by UIF, 2017-2021

Year	DIPD[27]	DCT[28]	DMT - X-Border[29]	CE[30]
2017	1	354086	0	11
2018	3	284 828	4	36
2019	7	273 592	56	99
2020	7	231 099	46	24
2021	6	228 885	12	41
Total	**24**	**1 372 490**	**123**	**211**

105. To enrich its analysis, the UIF has been successful in requesting and using in its analysis information from domestic competent authorities to produce quality financial intelligence and other information which has been used to some extent by the LEAs. The time it takes the domestic agencies to respond to the requests for information from the UIF is largely dependent on the nature and complexity of the cases under consideration. The table above reflects the requests made by the UIF to the national institutions in the below table. The framework also reflects the responses given by those institutions to the FIU. The days required for the FIU to receive a response depend on the type of institution, the complexity of the request, the available databases, and the resources available to respond to the request. The increase of request in 2021 is attributed to the multi-task team approach in which the UIF is involved, increased focus

[27] Identification of' Designated Persons Report
[28] Cash Transactions Report
[29] Cross-border Movements Report
[30] Spontaneous Notices -Ordinarily known as Suspicious Activity Report (SAR)

by LEAs to pursue financial crimes and awareness-raising activities by the UIF to the LEAs on the use of its financial intelligence.

Table 6.7 -Requests for information by UIF from LEAs and Intelligence Services

INFORMATION REQUESTS BY FIU				
YEAR	**Requests made**	**Responses received**	**In process**	**average of days needed to receive one response**
2017	45	45	0	1-3 business days
2018	107	83	24	1-5 business days
2019	156	96	60	5-15 business days
2020	91	78	13	Less than 5 business days
2021	136	111	25	Less than 15 business days
TOTAL	**535**	**413**	**122**	**-**

106. Table 6.8 illustrates the information which is available to the UIF to access and enrich the quality of its financial intelligence. In the main, the databases are available online. The UIF can access online databases at any time when needed as it is available 24 hours a day. Furthermore, access to manual databases can be obtained immediately in urgent cases, while in normal circumstances access can be obtained between 1 and 5 business Further, there are ongoing efforts to integrate LEAs into the GoAML platform which will enhance the quality and efficiency of exchange of information between the UIF and the domestic agencies.

Table 6.8- UIF Access to Sources of information

Source	**Access mode**	**Information**	**AVG Time**
Tax Authority - AGT	Email/Letter	Tax	24 hours
Traffic police	Manual	Car registration	Office hours
Civil & criminal record	Manual	Citizen criminal and Citizen civil record	Office hours
One-Stop Shop	Online	Basic and UBO information	24 hours
Notary	Online	Query Company Information, Query Company Directors/Shareholders	24 hours
General Inspection of State	Online	Access global sanctions	24 hours
Foreign Immigration Services	Online	Enforcements lists	24 hours
Foreign Immigration Services	Manual	Movement control	Office hours
Bridger Insight XG	Online	Global financial sanctions, Enforcements lists, PEPs, and Fraud	24 hours

107. The table below indicates the utilisation rate of STRs supplemented by additional information derived from the different types of sources available to UIF that has been converted into useful intelligence for use by LEAs between 2017 to 2021. On average, the UIF converts 50 percent of the STRs into financial intelligence, which represent a reasonable output for supporting financial investigations.

Table 6.9- STRs- financial intelligence conversion, 2017-2021

YEAR	ML	TF	TOTAL	DISSEMINATED	%
2017	174	1	175	83	47%
2018	131	3	134	78	58%
2019	217	7	224	106	47%
2020	287	7	294	162	55%
2021	858	6	864	452	52%
TOTAL	**1 667**	**24**	**1 691**	**881**	**52%**

108. The UIF has access to the information on cash couriers held by the AGT obtained at Angola's ports of entry and exit. The AGT and UIF have mechanism in place which enables sharing of information promptly in which the AGT reports immediately the occurrences of both infringements and seizures as soon as the events happen (IO 8 Table 8.11). In addition, the AGT makes available quarterly, semi-annual, and annual reports to the UIF for its consideration. Only monthly statistics on cross cash declaration, and not actual reports, is shared by the AGT with UIF. However, UIF has access to information/reports when they require.

109. The UIF receives feedback on disclosures from LEAs and PGR on a case-to-case basis often upon request by the UIF. Some feedback is in the form of case meetings while others are provided formally in a letter. However, there has been some instances where cases had been closed by LEAs but the UIF had not received feedback from the LEAs even though exchange of information arrangements between them requires that such information be brought to the attention of the UIF. In the absence of a more formalised mechanism for feedback, Angola is to some extent facing challenges of determining the usefulness of disclosures and responses to requests by UIF. Most disclosures to SIC remain under investigation/pending owing to a multiplicity of factors including capacity and complexity of cases. Angola is addressing these challenges through capacity-building and collaboration work throughout the FIU-LEA value-chain.

Table 6.10- SARs from National subject entities and International FIUs 2017 – 2021

	2017	2018	2019	2020	2021	Total
SARs						
SARs (CE) National	11	36	99	24	49	**219**
SARs (CE) International	6	43	32	22	18	**121**

110. Since the overwhelming majority of the STRs emanates from commercial banks with little to no STRs from NFBIs and DNFBPs, the UIF is not getting sufficient reports which limits the scope of analysis of suspected proceeds.

111. While the UIF has access to AGT's cross-border currencies reports, nevertheless the AGT submits monthly data/information to the UIF for possible analysis as indicated in the table above. The UIF uses the cross-border currency declaration information in its strategic/typology products which it shares with the subject entities and LEAs through its website and compliance meetings. The AT noted that except for some strategic/typology reports, no information evidencing the use of the declarations in supporting operations of LEAs during the period under review. Except for the limited or absence of STRs from some NBFIs and DNFBPs, the UIF and LEAs have a respectable the range of information and databases available for producing financial intelligence and identifying cases for investigating and prosecuting ML and TF cases. To smoothen access to information, the UIF has MoUs and contact persons with LEAs which are used as mechanisms to improve speed with which information is exchanged between the UIF and the LEAs.

3.2.3. Operational needs supported by UIF analysis and dissemination.

112. **The UIF responds to requests for information from LEAs as well as making proactive disclosures to LEAs based on their own operational analysis from reports. The number and quality of requests increased over time focusing on the major proceeds-generating crimes, namely, embezzlement, corruption, and criminal association to a large extent with ML and TF applied to some extent which is in line with the Angola's risk profile.**

113. The UIF provided support through responses to requests for intelligence and other information by individual LEAs and within task forces to conduct successful investigations and prosecution of predicate crimes and ML with successful asset recovery. The most requesters of UIF information for identifying criminal conduct which generates proceeds for ML and TF are SIC/PGR/SINSE. This situation mirrors the pattern of spontaneous disclosures made by the UIF to LEAs.

***Table 6.11- Requests* for information by LEAs and responses to requests for information by UIF, 2017 – 2021**

Requests/Responses	2017	2018	2019	2020	2021	Total
Requests for information	6	16	21	15	35	93
Responses to requests for information	6	9	6	11	25	57
Average time for responding	Within 1 to 15 working days					

114. The table above indicates that the UIF responds to requests for information from LEAs in pursuit of ML/TF cases including recovering assets to a large extent. In general, just more than two-third of the requests from LEA are responded by the UIF in respect of financial intelligence and other information which has been predominantly used to support investigation of major proceeds-generating crimes especially corruption and to some extent, for ML. Though the FIU had resource challenges at the time of the onsite visit, the responses were provided within 15 days depending on the nature and complexity of the request made. There is no information on breakdown of disclosures (spontaneous and upon requests) made to each LEA and the use of the disclosures for predicate offences and ML for the period under review.

***Table 6.12-* UIF information supporting LEAs on ML cases**

Financial intelligence used	Number of ML cases
Number of cases reported	340
Number of cases investigated and prosecuted	94
Number of cases processed and judged	24
Number of cases not investigated nor prosecuted	222

115. The table above indicates that the LEAs used about 40 percent of financial intelligence (spontaneous and upon request) from the UIF to investigate and prosecute with about 60 percent of the disseminations not being investigated during the period under review. The Authorities cited capacity issues at PGR and SIC as the underlying reason (IO.7 for details). The remainder is used largely for pursuing predicate offences while others have been shelved due to insufficient evidence to institute an investigation.

Case Box 6.2- Intelligence from UIF's foreign links results in conviction on Angolan publishing company on fraud and embezzlement and recovery of assets.

The UIF received a communication from the FIU of Mauritius on 10 March 2018, where the main subjects of the proceedings were two Angolan citizens who were aware of possible theft of huge sums of monies through use of a domestic company structure. Following analysis of financial information responses from Mauritius by and own database of the UIF, additional banks accounts were frozen by the PGR. In the end, a total of USD 3.5 billion was recovered after the defendant was found guilty of embezzlement, participation in organized criminal act and fraud.

116. The case above demonstrates a successful case of complex investigation, prosecution, and asset

recovery pursuant to use of financial intelligence produced by the UIF from its own sources and foreign links by LEAs. The table below demonstrates that the PGR used financial intelligence and other information from UIF to execute freezing orders, forfeitures and confiscations mostly in relation to major proceeds-generating crimes particularly corruption and to a lesser extent ML cases though the values are reasonable. The PGR works closely together with SIC and SINSE to identify possible unlawful proceeds for ML and TF respectively. All requests made to PGR by the UIF to restrain assets have been successfully endorsed. In total, the UIF information contributed to about 50 criminal asset restraints; however, there were no evidence from LEAs on the value of assets forfeited to the state arising from financial intelligence from the UIF.

Table 6.13- Assets Recovery activities by PGR from UIF financial intelligence, 2017 – 2021

UIF products	2017	2018	2019	2020	2021	Total
Overall Disclosures (Spontaneous Communications and Responses to requests for information	89	87	112	173	477	938
UIF Suspension of suspicious operations	4	8	10	21	21	64
Value of Suspension (Kz millions)	7.667.368.302,16	1.969.184.040,00	1.624.212.140,97	10.077.045.389,54	2.286.105.094,33	22.623.914.967,00
Number of Ratifications of suspended suspicious operations PGR	4	8	10	21	21	64
Number of Criminal Asset Freezing	-	7	8	17	18	50
Values of Asset Freeze measured in Kwanzas	3,542,546,739.77	36,397,243,743.42	7,145,563,417.12	13,453,316,882.59	54,885,864,432.40	115,424,535,215.30[31]

117. The LEAs and UIF have not been able to demonstrate how typology/strategic analysis reports produced by the UIF have been used to support the operational needs of LEAs.

3.2.4. Cooperation and exchange of information/financial intelligence

118. **To a large extent, the cooperation and coordination between the UIF and LEAs which occur based on 'upon request' and 'spontaneous communications' have culminated in successful investigations and prosecutions of predicate offences, identification of assets and ML/TF cases.** The exchange of information is facilitated through MoUs and contact persons mechanisms which has allowed proactive disseminations of products through manual delivery and case briefings depending on the nature of the case. In addition, the UIF and the LEAs also engage in ad hoc operational task forces which has

[31] USD and Euro values converted.

greatly assisted in identifying new cases while also supporting ongoing cases for in a speedily manner.

119. The tables below show interagency cooperation and coordination through UIF Spontaneous communications which resulted in investigations, prosecutions, seizure of criminal assets and asset freezing.

Case Box 6.4- 500 Million

This case began in the British UIF (NCA) through a communication of Operation Suspicion sent by a UK bank, with financial intelligence report sent to the UIF for consideration. As of September 2017, the Angolan UIF received a request for information from the UK requesting information on the purpose and beneficial ownership of a TRANSFER OPERATION of USD 500 million, which originates from an account entitled by the BNA and destination an account entitled by a Sociedade PerfectBit. Ltd. According to the information provided by the company receiving the operation with the UK authorities, the operation had as objective to establish a Strategic Investment Fund for financing projects considered strategic for Angola. The PGR with authority that has the powers to investigate and proceed with the prosecution, received intelligence provided by the UIF and took the necessary steps to investigate the case. After the indictment, the PGR referred the case to the court that convicted the defendants involved. The sentence was later upheld by the Supreme Court (2021) with a conviction on defrauding the government of Angola, embezzlement, and influence peddling. The funds recovered was USD 500 million.

Case Box 6.3- Grecima Case

Grecima's case began through a communication made by the State Intelligence and Security Service to the Attorney General's Office in which the UIF was brought in for transactional information which assisted in locating the funds in Angola and Portugal moved by a former Minister who was later charged and convicted of embezzlement, influence peddling and maladministration which enabled acquisition of movable and immovable goods including real estate. PGR, SIC, UIF, SME, Civil Aviation, Ports Authority and AGT collaborated in the successful investigation and prosecution of the case. The outcome of the task force was that two subject were sentenced by the Supreme Court a combined imprisonment term of 21 years for embezzlement and 8 years for ML. All assets were forfeited to the State.

120. The cases demonstrates that the UIF has been successful in cooperating and exchanging intelligence and other information with domestic and foreign agencies in effectively supporting financial investigations, prosecution and tracing of criminal assets related to major proceeds-generating crimes and ML.

Overall Conclusion on IO.6

121. The UIF has resources including human resources and goAML platform for receipt and analysis of transactions reports and other information and has been successful in producing quality financial intelligence for use by LEAs in a secured manner, though more resources and diversity of reporting sectors require significant improvements. The LEAs especially SINSE, PGR and SIC are the main recipient of UIF information and have used it to a large extent for pursuing major proceeds-generating crimes such as corruption, tax crimes and criminal associations and contributed through restraining of bank accounts towards asset recovery and used it for ML and TF to some extent. The UIF provides feedback on ad hoc basis to reporting entities and has some mechanisms for feedback with LEAs. The UIF and competent authorities cooperated and coordinated in operational ad hoc task forces to a large extent which have resulted in successful financial investigations, prosecutions and recovery of assets in most complex cases.

122. **Angola is rated as having a Moderate level of effectiveness for IO.6.**

3.3. Immediate Outcome 7 (ML Investigation and Prosecution)

Background

123. Angola has put in place a fairly solid legal and institutional framework for the investigation and prosecution of ML. The Criminal Investigations Service (SIC) is the main body responsible for investigations of predicate offences, while the Office of the Attorney General (PGR) is responsible for the investigation and prosecution of ML.

124. The Angolan authorities identify and investigate ML cases mainly from information disseminated by the UIF. In other few cases, the authorities instituted ML investigations based on the information they received from other sources such as foreign law enforcement authorities, anonymous informants, walk-in complainants and social media reports.

125. While the LEAs have a fair understanding of the country's threats and risk profile, the investigation and prosecution of ML cases is so far only focused on the underlying offence of corruption, understandably so because it is identified as the predicate offence of highest impact in Angola. However, the authorities have not identified or pursued the investigation of ML in relation to other high and medium risk predicate offences such as human trafficking, drug trafficking and dealing in metal and precious stones.

3.3.1. ML identification and investigation

126. **Angolan LEAs identify and investigate ML cases to a limited extent, as they have only concluded investigations in a few cases of ML from corruption related offences. So far, Angola has registered 10 ML cases concluded with convictions, whose predicate offences were corruption-related.** The office of the Attorney General (PGR) is the authority responsible for the investigation and prosecution of criminal matters in Angola. PGR investigates ML through two departments: the National Directorate for Preventing and Combating Corruption (DNPCC) and the National Directorate of Investigation and Criminal Action (DNIAP). DNPCC has the mandate to investigate corruption and ML cases, while DNIAP is responsible for the investigation of ML cases when they involve Politically Exposed Persons (PEPs). DNIAP also investigates predicate offences that are of complex, transnational or organised-crime nature.

127. DNIAP's mandate notwithstanding, the Criminal Investigations Service (SIC) is the principal authority for the investigation of predicate offences, generally, through its specialised directorates. PGR plays an oversight role in all investigations undertaken by SIC. PGR placed its officers in all SIC Directorates to register cases and offer guidance on investigations. The assessment team noted that the SIC directorates do not carry out parallel financial investigation which limits their ability to identify ML cases that might arise from such cases.

DNPCC

128. The DNPCC has 12 investigative magistrates based at the PGR Headquarters in Luanda. SIC investigators stationed in Angola's 18 provinces also investigate ML cases, but only under the instruction and supervision of the 12 DNPCC magistrates. Whenever there is a more complex case in any of the provinces, DNPCC sends some of its 12 magistrates to the provinces to enhance the capacity of the provincial teams to conduct the required investigations. This is more so because in Angola, there is requirement to conduct investigations within the province in which the offence is committed. Considering that Angola has 18 provinces, the 12 DNPCC magistrates are not adequate to supervise and join

investigations in all complex and ML cases that originate from the provinces. The low number of DNPCC magistrates, coupled by their limited training and lack of training for the majority of PGR magistrates explains the low level of successful ML investigations registered so far by Angola, as illustrated in Table 7.1 below. Authorities may consider enhancing the capacity of the provincial magistrates to carry out parallel financial investigations as well as ML investigations, and to direct the SIC on how to conduct ML investigations in order to foster their effectiveness.

DNIAP

129. DNIAP has 14 magistrates, 34 judicial officers and 6 investigators. All DNIAP magistrates operate from Luanda, but they collaborate with provincial PGR officers whenever there are investigations in the provinces that concern DNIAP's mandate. However, with regard to cases involving PEPs, the mandate of the provincial PGR magistrates is limited to the collection of evidence. Only DNIAP magistrates can interrogate the PEPs. This arrangement has the potential of limiting identification of ML cases as well as slowing down investigation of such cases identified, as the DNIAP has only few officers to take up this task, in addition to their existing workload at their workstation in Luanda.

130. Further, the PGR has the power to archive cases, including ML cases that are under investigation, whenever it deems that the available evidence does not establish any prospects of obtaining an ML conviction. However, the PGR can reopen archived cases for further investigations and prosecution if new evidence emerges thereafter. As at the time of the assessment, the PGR had 621 magistrates, some of whom were stationed at the Luanda Central Office and others in the provinces. Out of the 621 magistrates, 10, from DNPCC, are specifically responsible for ML cases. Further, each of the 18 provinces has an average of 3 to 5 magistrates that have the competence to handle ML cases. These are very few, considering the wide mandate that PGR magistrates have over the prosecution and investigation of all cases in Luanda. The provincial magistrates have not received adequate ML training in order to competently handle the provincial ML cases.

131. Between the years 2017 and 2021, PGR registered 1113 ML cases reported by the UIF, anonymous reporters, private individuals and other LEAs as illustrated in the Table 7.1 below.

Table 7.1 ML cases identified and investigated

	Reported by UIF	**Reported by LEAs**	**Reported by private persons**	**Reported anonymously**	**Total**
Cases reported	340	622	128	23	**1113**
Completed ML investigations	24	38	32	2	**96**
Ongoing Investigations	294	534	0	0	**828**
Archived investigations	22	50	96	21	**189**
ML cases with convictions	2	8	0	0	**10**

132. Notably, 2 of the concluded ML cases within the period under review arose from the 340 financial intelligence reports disseminated by the UIF to the PGR. The 622 cases reported by other LEAs to the PGR resulted in 8 cases with ML convictions. Given the risk profile of Angola as depicted by detected high proceeds generating crimes, the number of convictions secured so far is negligible. This demonstrates that the UIF and other institutions do not have sufficient capacity to identify ML cases. This is mainly due to lack of training on ML.

133. In the overall, ML cases are identified from reports made by the UIF; the Internal Intelligence Services (SINSE); the External Intelligence Services (SIE), the media; investigation reports from the General Tax Administration (AGT), the General Inspectorate of the State Administration (IGAE) and open sources, as well as anonymous reporters. Furthermore, ML investigations originate from financial intelligence received from the International Anti-Corruption Coordination Centre (IACCC) and foreign LEAs. Below are examples of cases investigated upon referrals from different sources.

Case Box 7.1-GRECIMA Case

Grecima's case investigation began through a communication made by the State Intelligence and Security Service to the Attorney General's Office. The UIF provided further information which assisted in locating funds in Angola and Portugal. The individuals involved in this case were a former Director of the Office of Revitalization and Marketing of the Administration and former Minister of Communications. They were charged with ML, Embezzlement, Influence peddling and Maladministration, whose proceeds he used to acquire movable and immovable goods including real estate. PGR, SIC, UIF, SME, Civil Aviation, Ports Authority and AGT collaborated in the successful investigation and prosecution of the case. The two suspects were convicted and sentenced by the Supreme Court a combined imprisonment term of 21 years for embezzlement and 8 years for ML.

134. In the AAA Seguros case discussed below, an investigation into a complex embezzlement and ML case arose from a report from the Prosecutor General of Geneva, Switzerland, made to the PGR of Angola. The report was handled by the SENRA, the Asset Recovery Agency, which facilitated the freezing of funds identified in Switzerland and also referred the matter to DNIAP to institute ML investigations.

Case Box 7.2-AAA Seguros, S.A Money Laundering case

The investigation process in this case began with a communication from the Public Prosecutor's Office to the Canton of Geneva to the PGR of Angola. The communication was in relation to an individual who requested a bank in Switzerland to transfer more than USD 900,000,000.00 (nine hundred million US dollars), suspected of money laundering.

The individual is a former manager of the company called AAA, Seguros, S.A., a public company, initially owned 100% by the Group Sonangol, S.A. (Sonangol, E.P. and Sonangol, P&P). He simultaneously performed the functions of Risk Management Director of Sonangol, E.P. and Chairman of the Board of Directors of AAA, Seguros, S.A. In the performance of his duties, he fraudulently appropriated AAA Seguros, S.A., gradually transferring the shareholdings in his favor.

Predicate Offense

The accused was charged and convicted of crimes of Embezzlement, Tax Fraud and Money Laundering, and sentenced to the single sentence of 9 years imprisonment. The case was under appeal as at the time of the assessment.

135. In addition to the AAA Seguros case, SENRA referred two other cases to DNIAP that involved the misappropriation of government schools by senior government officials. SENRA seized the schools and handed them back to the Ministry of Education, awaiting the conclusion of the prosecution. This demonstrates Angola’s ability, though applied in few cases, to identify ML cases from financial and assets investigations that fall within the scope of SENRA’s asset recovery mandate. Upon making the referral in the AAA Seguro case, SENRA continued with its asset-tracing and seizure work, while DNIAP carried out the ML investigation that led to the successful prosecution and conviction of the suspects. This is a demonstration of an effective parallel financial investigation structure that Angola should consider

enhancing. In the majority of cases observed and the huge backlog of potential cases of ML still under investigation, the Assessment Team concluded that the capacity to identify potential ML cases and to pursue ML investigations was still at nascent stage across the designated competent authorities.

136. Nevertheless, the information in the preceding paragraphs shows that Angola has diverse sources of information from which LEAs can identify ML cases. However, the results from the diverse sources are very low and they relate only to corruption. The authorities have not registered success in the identification and conclusion of ML cases from other predicate offences. This once gain underscores the Angolan LEAs' general lack of the capacity to identify ML cases, and to employ parallel financial investigations in order to investigate ML cases as a policy objective. This is evident from the analysis in the following paragraphs, on the SIC's power and competence to investigate predicate offences.

Predicate Offence Investigations

Criminal Investigations Service

137. As noted in Table 7.1 above, ML identification and investigation has mainly focused only on corruption-related offences. The Angolan authorities have not made similar efforts in respect of other high and medium proceed-generating offences that DNIAP or SIC investigate. The SIC directorates discussed below lack training and skills to conduct financial investigations which has affected the identification of ML cases which referred to DNIAP or DNPCC.

The National Directorate for the Combating of Illicit Trafficking in Stones, Precious Metals and Crimes against the Environment: This Directorate within SIC has the competence to investigate environmental and illegal mineral exploration crimes. Even though illegal wildlife trafficking and illegal trafficking of minerals are considered as high proceed-generating offences, no ML case has been identified and investigated in this regard. The inability by the Directorate to carry out parallel financial investigations connected to these predicate offences could be contributing to cases of ML pursuant to the proceeds from these crimes not being identified and investigated. Hence, the Directorate does not explore how perpetrators deal with proceeds of these crimes due to lack of training on financial investigations and ML generally. Table 7.3 below illustrates the prevalence of these cases and underscores the lack of adequate guidance in either policy direction or other strategies by the authorities to deal with the laundering of the proceeds.

Table 7.2 Number of Cases Investigated Involving Strategic Minerals and the Environment

Nº	CRIMINAL OFFENCE	2017	2018	2019	2020	2021
1	Illicit Possession of Strategic Minerals	48	81	89	84	88
2	Illicit Traffic in Strategic Minerals	00	06	30	25	21
3	Minerals Illicit Exploitation of Strategic	05	50	99	76	48
4	Minerals Aggression to the Environment	21	34	69	112	115

The Directorate of Combating of Organized Crime (DCCO): This Directorate is responsible for the investigation of transnational crimes such as terrorism, trafficking in human organs and human beings,

smuggling and fuel theft. The DCCO investigates these offences only when they are committed within a transnational and organised crime context.128. Despite the NRA identifying the offences of human trafficking and theft of fuel as high to medium-high risk criminal activities, there was no indication by the authorities of how many cases of both types have been identified and investigated. Besides the lack of statistics pertaining to those predicate offences, the authorities had not investigated any ML cases premised on these predicate offences. The Directorate lacked the capacity to identify and investigate ML cases arising from the listed types of cases.

The National Directorate of Combating of Drug Trafficking: This Directorate is responsible for the investigation of drug trafficking offences. Investigators in this directorate have not received any ML training. Generally, Angola experiences a high rate of drug trafficking as compared to farming of *Cannabis Sativa* or drug consumption. Both Angolan nationals and foreigners perpetrate the trafficking. *Cannabis Sativa* is trafficked from Angola to other countries, while heavy drugs come from abroad and transit through Angola to Europe and other African Countries. In one case, through controlled delivery, the Directorate intercepted 500grams of cocaine at the Luanda Port. The cocaine had originated from Belgium. However, the authorities did not explore any ML investigation in this case despite that the trafficking signified trade and proceed-generation.

138. **The Directorate Combating of Drug Trafficking does not conduct parallel financial investigations.** This is because the Directorate lacks the skill and mandate to carry out parallel financial investigations and trace proceeds of from such activities and possible identification of ML cases. Consequently, the Directorate has not identified or investigated any ML case in relation to drug trafficking, and has not made any such case referral to PGR.

139. **Further, the authorities indicated that they have a case prioritization strategy whereby, heavy drugs are investigated by the Central Office in Luanda, while the provincial offices focus on *cannabis sativa* cases. However, this strategy has not resulted in any ML investigations arising from the trafficking of heavy drugs that ordinarily generate significant proceeds.** Below is a case example of how this approach has assisted the authorities to detect drugs, but did not lead to any ML investigation due to lack of focus on ML cases in this respect.

Case Box 7.3-Criminal Case No. 3020/020-07

On October 25, 2020, an Angolan citizen participated as a mule in this case and was the first to be arrested in *flagrante delicto* at the Luanda International Airport. He brought with him, in a covert manner, 6,013 kg (Six kilograms and thirteen grams) of cocaine, after disembarking from a TAAG flight from S. Paulo/Brazil. Subsequently, a police officer was also arrested as he was in collaboration with the mule. His role was to facilitate the mule's departure from the airport and to arrange transportation for him. Furthermore, the authorities arrested four more suspects and the master-minder of the criminal operation. The suspects included two members of staff of the Angola/FAA Armed Forces - Special Forces and another who was a suspected member of the same criminal association. PGR filed the case in court on March 25, 2021. However, despite the perpetrators operating this drug trafficking mission within a criminal syndicate scope, the authorities did not pursue ML investigations.

140. **Generally, the LEAs have powers to use a wide range of investigative techniques, (see R. 31) in identifying and investigating crimes. The authorities illustrated that they can use special investigative techniques like controlled delivery (See the drug trafficking case study under CI 7.2).** The authorities also demonstrated that they use joint approaches to conduct investigations. The

investigative bodies also get some details on legal persons from the One Stop Shop[32] though this does not include information on BO. The authorities use these powers also to investigate ML cases. However, the authorities lack sufficient training on ML investigation and prosecution. The authorities also lack resources for them to develop and procure special investigative toolkits for use in the investigation of complex ML cases. The authorities use traditional means of investigations which do not assist them to make progress in the investigation of ML cases. This also explains why Angola has registered little success in the investigation of ML cases.

3.3.2. Consistency of ML investigations and prosecutions with threats and risk profile, and national AML policies

141. **The ML cases investigated and prosecuted so far are, to a limited extent, consistent with the Country's risk profile and National AML/CFT policies.** The authorities demonstrated a fair understanding of the predicate offences that pose high ML risk. The offences are: corruption, drug trafficking, trafficking of precious stones and minerals and stolen goods. Corruption and its related offences such as embezzlement and trading in influence, manifest the highest risk. Consistent with this assessment, the authorities have prioritised allocation of resources to the investigation and prosecution of corruption cases which, however, does not manifest in an increased or corresponding number of ML investigations or prosecutions. The table below indicates the number of cases investigated over the period of 2018 and 2021 by the PGR.

Table 7.3- Breakdown of Predicate Offences and Money Laundering Cases Investigated

Type of crime	2018	2019	2020	2021	Total
Embezzlement	291	362	825	696	2174
Money Laundering	149	119	523	228	1113
Corruption	32	224	343	142	741
Criminal Association	10	22	59	101	192
Influence peddling	1	26	46	87	160
Economic Participation in business	14	22	79	34	149
Abuse of trust	4	10	29	64	107
Tax fraud	7	8	58	15	88
Forgery of documents	6	16	51	14	87
Undue receipt of advantage	6	19	15	16	56
Violation of budget executive rules	4	4	9	26	43
Abuse of power	4	9	15	12	40
Tax evasion	2	1	22	3	28
Theft	0	1	8	16	25
Trade in fake minerals	0	14	1	1	16
Aggression to the environment	0	5	3	6	14

142. Table 7.3 above indicates that the authorities investigated a total of 2174 cases of embezzlement, 741 cases of corruption, 160 cases of influence peddling and 149 cases of economic participation in business. These represent 3224 cases related to corrupt activities investigated during the period under

[32] A platform for the registration of businesses in Angola (See IO5).

review. Despite the PGR processing this high number of corruption-related offences, the number of ML cases investigated and prosecuted in this regard is generally low as demonstrated in the table below.

Table 7.4- on Investigations and Prosecution of ML cases predicated on corruption

Period	Corruption-related cases investigated	ML investigations	ML cases completed with convictions	On-going prosecution cases	Archived ML Cases	ML cases with acquittals
2018-2021	3224	94	10	84	189	3

143. Table 7.4 illustrates that between the years 2018 and 2021, Angola registered 3224 cases involving corruption related offences. Out of these cases, Angola investigated 94 ML cases, and concluded the prosecution of 10 ML cases with ML convictions. PGR archived 189 ML cases owing to insufficiency of evidence. The number of concluded ML cases exhibits that the authorities investigate and prosecute ML arising from corruption and corruption-related practices such as embezzlement, economic participation in business and influence peddling to a low extent. Notably, the number of corruption-related ML investigations and prosecutions (at 2.9%) is negligible, in view of the 3224 corruption related cases that the authorities had investigated. Further, there was no ML prosecution arising from other high or medium high-risk predicate offences identified in the NRA such as drug trafficking, counterfeit of products, tax and fiscal crimes, fuel theft and trafficking and trafficking in precious stones. One case of ML that had the predicate offence of an environmental crime ended with an acquittal of the ML charge, due to insufficiency of evidence. The Assessment Team noted during the onsite meetings that following the completion of the NRA which identified these high proceeds generating offences, Angola did not come up with a comprehensive AML/CFT policy on how the country can tackle ML offences arising from these identified offences. The authorities also barely understand the type of ML activities investigated and prosecuted, save that the activities emanate from corruption-related offences. As a result, the authorities investigate and prosecute ML types of activities (mostly from embezzlement) to a negligible extent coupled, with lack of AML/CFT oriented policy on identified threats and risk profile of Angola.

144. According to the NRA findings and confirmation by the authorities, national and international criminal groups take advantage of Angola's geostrategic position as the route of international drug trafficking between Latin America, Southwest Africa and Europe. In order to deal with this problem, Angolan authorities have invested in training of staff and installation of prevention equipment at the border posts. Nevertheless, these interventions have not produced any ML investigation or prosecutions results, primarily because the relevant officers in the Directorate of Combating of Drug Trafficking and PGR lack adequate training on ML and financial investigations.

145. In addition, the NRA noted the growing domestic consumption of drugs in Angola, indicating a nationwide domestic trafficking and trade which is likely to be generating large proceeds for laundering on the part of the traffickers. Nevertheless, there are no ML investigations in this regard. The authorities expressed that even though drug trafficking is another's high-risk proceed generating offence, they have not been able to trace any proceeds of this criminal activity mainly due to the complexities created by Angola's cash-based economy which poses challenges to the tracing of money and identification of ML methods. Nevertheless, SENRA has started collaborating with the Directorate of Combating of Drug Trafficking in order to ensure that proceeds of drug trafficking are pursued and ML cases identified. However, as at the time of the onsite, there was no demonstration of any results from this intervention by SENRA, even though there were a significant number of incidents of drug trafficking as illustrated in the table and case study below.

Table 7.5- Drug cases referred to PGR

TYPE OF DRUGS	2018-2020	Drug volume (Kg)
Cocaine	256	1,072,796
Cannabis	4188	1,902
Crack	80	301,867,356
Anphetamine	02	-

146. Despite these numerous referrals to PGR and the significant amounts of the drugs involved, none of these cases led to a ML investigation.

Investigative techniques

147. The case studies show the wide investigative techniques that the authorities employ in the investigation of predicate offences, such as joint investigations, undercover operations and controlled delivery. What is of concern, however, is the lack of policy direction and capacity by the authorities to launch financial investigations and identify ML activities from the other high and medium-high risk offences. Below are cases that exhibit potential of ML aspects but the authorities did not proceed to investigate them as such.

Case Box 7.4-Drug Trafficking Case

On 6th October, 2019, two Angolan citizens were arrested on suspicion that they were masterminds and receivers in a criminal syndicate. On arrest, they were in possession of 4.101kg of cocaine that originated from S. Paulo-Guarulhos in Brazil. The criminal syndicate had branches in Angola and Brazil, and comprised members of multiple nationalities (Angolans, Congolese, Brazilians and Nigerians). This particular arrest and the seizure of the drugs were executed through joint investigations, controlled delivery, cooperation and coordination between the Police (Federal Police (Brazil) and SIC (Angola); and the judicial authorities (Ministry of Justice and Public Security (Brazil) and PGR (Angola); as well as the introduction of an undercover agent who was placed in the trafficking syndicate. Prosecution of the matter commenced on January 28, 2020. This high-profile drug trafficking case did not lead to any ML investigation at the instigation of Angola with the cooperation of the other jurisdictions involved in order to establish whether there was any laundering of the proceeds of drug trafficking in Angola, at least by the Angolan members of the syndicate.

Case Box 7.5-WALID Case-Illicit Trafficking of Minerals

Two Lebanese citizens, based in the province of Lunda North, were buying illegally-mined diamonds from from the Luanda North Region. A search led to the discovery of 736 diamond stones inside a safe that was in the offices of the suspects' company. The 746 stones were valued at $10,000. As at the time of the onsite visit, the case was with the PGR, awaiting trial. Even though this is a case that would warrant a ML investigation to establish how the Lebanese suspects were dealing with the proceeds of the diamonds obtained from illegal mining, the authorities stated that no ML investigation arose from offences of this kind. The authorities stated that their focus in most of such cases is on the unlawful possession of the minerals, which is the conduct that is punishable under Article 229 of Law No 31/11 of 23 September (Mining Code). They do not look beyond the illegal possession of the minerals. Therefore, the authorities stated that they did not pursue any ML or parallel financial investigation in this case because the suspects were merely in illegal possession of the 736 illegally-mined diamond stones.

148. While the approach of prioritising corrupt practices is consistent with the risk profile of the corruption-related offences, the neglect of the other offences sustains the risks and threats that they pose to Angola.

149. Generally, the authorities are able to investigate the other high-risk predicate offences as illustrated in Table 7.3 above. However, in view of the available information, it is clear that the LEAs in Angola are investigating and prosecuting ML cases in line with the country's threats and risk profile, only to a limited extent of corruption. There is no systematic pursuit of ML investigations and prosecution in all high proceed-generating offences in order to mitigate the ML risks that these offences pose.

3.3.3. Types of ML cases pursued

150. **Authorities have demonstrated that they investigate, prosecute self-laundering that are predicated on embezzlement committed by the launderers themselves. The authorities have not demonstrated the extent to which they pursue the different types of ML cases such as stand-alone laundering and third-party laundering both at investigation and prosecution stages due to the generic manner in which the authorities maintain statistics on cases under investigation and prosecution.** Therefore, while the authorities were able to demonstrate that they have prosecuted ML cases albeit to a limited extent, the assessment team could not determine Angola's effectiveness in pursuing the different types of ML.

151. Notably, even though some of the investigated and prosecuted cases involve the misuse of legal persons to some extent, Angola has not yet prosecuted any legal person. Criminals use legal persons in cases such as the *Sodiba* case discussed below, to move and launder stolen public funds. Further examples of such cases are as discussed below. The cases show that there is misuse of legal persons to commit both ML and predicate offences in Angola. However, there is no clear policy directive on the investigation and prosecution of legal persons in order to mitigate the risk of their misuse for ML purposes.

Case Box 7.6-AAA Case (Case nº 12-A/20-SENRA/ Case nº 57/2020-DNIAP Crime)

This case refers to a former manager of the AAA, Seguros, S.A., a state-owned company, 100% owned by the Sonangol group, S.A. (Sonangol, E.P. and Sonangol, P&P). The defendant served concurrently as Director of the Risk Management Department of Sonangol, E.P. and CEO of AAA, Seguros, S.A. While performing such duties, he unlawfully took ownership of the AAA Seguros S.A. Company, by gradually transferring its stakes to himself. He gained an estimated USD 3 607 931 983,25 that he laundered through his family members and companies. He was convicted of Embezzlement, Money Laundering and Tax Fraud and sentenced to 9 years imprisonment for the ML charge. However, despite the use of his business entities to launder the stolen public funds, the authorities did not pursue or prosecute the business entities.

Case Box 7.7-Ministry of Transport Case

This case involves a service contract that was concluded between the Ministry of Transport and Company X without going through a public tender process. The contract involved carrying out refurbishment, modernisation and re-adaptation of railway rolling stock maintenance workshops located in Luanda, Lobito, Huambo and Lubango. The project included, *inter alia*, construction works and the recovery or installation of systems and equipment, workshops, the supply of technical equipment for this purpose; and the provision of maintenance and technical assistance services. The Ministry of Transport paid in Kwanzas an amount equivalent to USD 500,000,000.00 (five hundred million dollars). The same company X also concluded, without going through public tender, another contract with the same Ministry of Transport, for the modernization of 8 GE U20c locomotives, worthy USD 24,150,000.00 (twenty-four million, one hundred and fifty thousand dollars). The beneficial owner of this company was a senior public official. The Court convicted and sentenced the Minister to imprisonment terms ranging from 2 to 14 years on Embezzlement and ML charges. Notably, the authorities did not pursue the investigation or prosecution of Company X on ML charges.

152. Furthermore, Angola has pursued the investigation of a ML case that arises from a foreign predicate offence in the *Sodiba* case. The authorities expressed that it is uncommon to have such cases due to the nature of Angola's economy, which is not an attractive destination for the laundering of proceeds generated from foreign jurisdictions. Nevertheless, the *Sodiba* case discussed below indicates that proceeds were fraudulently generated in another jurisdiction, Germany, but laundered in Angola.

Case Box 7.8-Sodiba Case

Sodiba, an Angolan private company trading in the beverage industry, fraudulently obtained a loan from a German state-owned bank. The German Bank extended the loan to an Angolan state-owned bank, which, unknown to the German Bank, merely acted as an intermediary for Sodiba. The German authorities alerted the Angolan authorities about the fraud. Angolan authorities instituted an investigation which included ML. The Angolan authorities successfully found details of the people behind Sodiba through the One Stop Shop platform. Senra has since seized Sodiba, while investigations are still on-going. The investigations in this case have not focused the Sodiba company.

153. As at the time of the on-site, the authorities had not yet looked at the offence from a foreign predicate offence perspective and the subsequent laundering of the proceeds. However, the role played by the National Central Bureau of Interpol (The Interpol Bureau), a department within SIC, involving the cross-border investigation of the *Sodiba* case is worth noting. It facilitated Angola's police-to-police coordination and cooperation with foreign counterparts during investigations of this high profile case, contributing to the unravelling of the fraudulent scheme.

154. It is evident, therefore, in view of the information provided so far, that Angola has the ability to pursue different types of ML, namely self-laundering and foreign-predicate ML, though to a very limited extent, and unguided by any policy direction because the authorities did not exhibit an understanding of the different types of ML.

3.3.4. Effectiveness, proportionality and dissuasiveness of sanctions

155. **The sanction impositions are not effective in Angola.** Law 05/20 stipulates that the offence of ML is punishable by an imprisonment term that ranges from two to eight years. Courts can impose a higher sentence if there are aggravating factors. The sentencing trend noted in the 10 concluded ML cases indicates that courts in Angola impose sentences as low as 3 months in some cases and as high as 14 years in some, for ML charges. The sentences that fall under the 2 year imprisonment minimum threshold are generally not effective, proportionate and dissuasive, considering the seriousness of the ML offence. However, in addition to the imprisonment sentences, the courts in Angola typically impose a compensation order against a convict in favour of the State, whose amounts are proportionate to the damage suffered by the State through the commission of the offences. Where the convict does not surrender any assets to pay the compensation sum, the State can recover the value of the compensation through other assets that belong to the convict. If there are no assets available, the convict is allowed to pay the same in instalments over a period of time.

156. Notably, the compensation order does not affect the length of the imprisonment that the courts impose, as the two orders are independent of each other. Further, the compensation order does not stop the court from making a confiscation order eventually, which seeks to recover the criminal benefit derived from the same offences. It is apparent that while the lenient imprisonment sentences of below 2 years imprisonment are not effective, proportionate and dissuasive, the accompanying compensation orders are. Nevertheless, since there is no guarantee that the State would recover the compensation sum immediately

in cases where the convict does not have enough assets to liquidate the compensation amount, Angola should consider imposing sentences that are not below the minimum threshold of 2 years imprisonment in order to reflect the seriousness of the ML offence.

157. **Further, as noted earlier, Angola has not prosecuted any legal person on a ML offence. Thus, there are no sanctions recorded in this respect.** Therefore, the Assessment Team could not establish the effectiveness, proportionality and dissuasiveness of sanctions against legal persons in Angola.

3.3.5. Use of alternative measures

158. **Angola has not demonstrated that it has implemented any alternative measures to deal with cases where the authorities pursued a ML investigation but it was not possible, for justifiable reasons, to secure a ML conviction.** The authorities have not yet pursued the non-conviction-based forfeiture mechanism under Art.120 of the Penal Code, which offers an alternative to prosecution. Nevertheless, the non-conviction-based forfeiture mechanism would be an irrelevant tool for this purpose as it relates only to the recovery of instrumentalities of crime, and not proceeds. Further, the authorities cited the Voluntary Surrender of Assets Mechanism (VSOAM) as an alternative measure to prosecution. Notably, this mechanism is applicable to situations where Angola can still prosecute the ML offence, and authorities can implement it in parallel to a ML prosecution. While the VSOAM is an efficient tool to recover assets in high-impact cases, the authorities have not demonstrated that they use this mechanism as an alternative measure in situations where it is not possible to institute a ML prosecution. As such, this mechanism does not satisfy the requirements of this core issue in the Angolan context.

Overall Conclusion on IO.7

159. To a limited extent, Angola is making progress in enhancing its systems for achieving an effective identification, investigation and prosecution of ML cases. Further, Angola is identifying, investigating and prosecuting ML cases in line with the country's AML/CFT risks but only to a limited extent. So far, the focus is on ML cases predicated upon corrupt practices that present the highest risk in Angola. Nevertheless, the number of ML cases pursued in relation to corrupt practices is still low when compared to the corresponding corruption-related predicate offences that Angola has investigated over the period under review. Furthermore, Angola is not pursuing the investigation and prosecution of ML cases in relation to other high and medium proceed-generating offences such as drug trafficking. Additionally, there is limited understanding and use of parallel financial investigations by most investigative bodies due to capacity constraints and lack of training. There is no demonstration that Angola pursues other types of ML apart from self-laundering, owing to the authorities' lack of understanding of the different ML types and poor methods of capturing statistics. Notably, Angola has not pursued any legal person, despite there being evidence of their prevalent use in high profile ML cases. Additionally, Angola has not demonstrated that it has any working alternative measures for ML prosecution in cases where a prosecution or conviction is unattainable. In view of the foregoing, despite the registered successful ML investigation and prosecutions in relation to corruption cases, Angola has some fundamental shortcomings that need improvement.

160. **Angola has achieved a low level of effectiveness for IO.7.**

3.4. Immediate Outcome 8 (Confiscation)

3.4.1. Confiscation of proceeds, instrumentalities and property of equivalent value as a policy objective

161. **Confiscation of proceeds and instrumentalities of crime is a policy objective in Angola that the authorities pursue to some extent.** Angola prioritises the recovery of proceeds of crime, specifically corruption, over prosecution, as it has recovered proceeds of corruption in 19 cases yet it has concluded prosecution of ML in 10 cases.

162. Angola enhanced its asset recovery efforts by enacting asset recovery laws (see Recommendation 4), which provide for conviction-based and non-conviction-based forfeiture. Further, in 2018, Angola established the National Asset Recovery Service (SENRA) as a specialised agency for asset recovery. SENRA is a Directorate within the PGR, headed by a director. It is the central authority for asset recovery in Angola, with powers to identify, seize and confiscate assets. SENRA's mandate is pursuant to Art.13 of Law 15/18 of 26 December (Law on Coercive Repatriation and Extended Loss of Property). SENRA became operational in 2019, and it so far operates from the PGR Headquarters in Luanda.

163. SENRA's total staff complement is very low, considering its national mandate, which requires collaboration of SENRA officers with the provincial LEAs. It has six prosecutors, five investigators, one Notary, a Registry officer and one IT engineer. In order to enhance its nationwide operations, SENRA has focal points in the provincial PGR offices who carry out its mandate in the provinces. Further, SENRA works with SIC officers whenever there is an asset recovery case across Angola. However, the provincial officers work under the direction of the SENRA officers based in Luanda, who are too few to supervise

and coordinate the nationwide tasks more efficiently and effectively. Further, all SENRA Magistrates, the two SIC officers seconded at SENRA and two PGR focal points from two provinces that assist SENRA in its work have received specialised training in asset tracing or asset forfeiture. However, focal points placed in the remaining 16 provinces have not received any such training. Thus, it is apparent that Angola has not yet prioritised the allocation of significant resources to SENRA to ensure that it, together with its collaborating counterparts such as the focal points and SIC, has the capacity to trace, identify, seize and recover property across Angola. SENRA's capacity is too insufficient to pursue asset recovery across all high and medium-high risk offences in Angola. Further, as at the time of the assessment, SENRA was developing a new strategy that will ensure SENRA's presence in the provinces and training of its focal points. However, SENRA has not started implementing this strategy yet, hence, its effectiveness could not be determined by the time of this assessment.

164. Since its establishment, SENRA has established administratively another asset recovery mechanism referred to as the Voluntary Surrender of Assets Mechanism (VSOAM) in February 2019. Under this mechanism, a defendant initiates the surrender process by making a declaration of assets obtained illegally from the State that they wish to return to the State. Based on the declaration, SENRA drafts a declaration agreement, called the "Delivery and Acceptance Agreement" (the Agreement) that is signed by both the defendant and the SENRA in the presence of a notary. SENRA files the signed Agreement in court pursuant to Art. 4(2) of the Civil Procedure Code for the court's endorsement. The Court endorses the Agreement under Art.300 of the Code of Civil Procedure as a testament of the transfer of ownership title to the State. This process can run before or concurrently with the defendant's trial, as it does not bar criminal prosecution and is not dependent on a prior criminal conviction.

165. Notably, the recoveries made under the VSOAM so far are in relation to corrupt practices such as embezzlement. Further, all of the recoveries of proceeds of crime made by Angola and presented in this assessment so far are from the VSOAM, and not from conviction-based-confiscations *per se*.

Table 8.1-SENRA VSOAM Recoveries

Years	VSOAM Recovery Cases	Offences	Amount Recovered	Conviction-based Confiscations
2019-2020	**16**	**Embezzlement; ML**	**$5billion**	**0**

166. **However, mention should be made that the end result of VSOAM ensures the same objective with confiscation is achieved as the defendant will, through due process of the courts, lose ownership of the illegally-acquired assets. Ownership is transferred to the State based on a court order that ratifies the surrender agreement. The Assessment Team considered the objective of the VSOAM and found that it satisfies the elements of confiscations as outlined in the FATF Glossary's definition of confiscation**.[33] The surrender of assets Agreement, though drawn administratively by SENRA, leads

[33] The term confiscation, which includes forfeiture where applicable, means the permanent deprivation of funds or other assets by order of a competent authority or a court. Confiscation or forfeiture takes place through a judicial or administrative procedure that transfers the ownership of specified funds or other assets to be transferred to the State. In this case, the person(s) or entity(ies) that held an interest in the specified funds or other assets at the time of the confiscation or forfeiture loses all rights, in principle, to the confiscated or forfeited funds or other assets. Confiscation or forfeiture orders are usually linked to a criminal conviction or a court decision whereby the confiscated or forfeited property is determined to have been derived from or intended for use in a violation of the law.

to permanent deprivation of the assets endorsed by court order. The Agreement does not depend on a criminal conviction but still qualifies as a confiscation mechanism since FATF does not require that confiscations should be based on convictions. The FATF Glossary simply states that confiscations "are usually linked to a criminal conviction". It does not state that they must be linked to a criminal conviction.

167. However, the authorities did not provide sufficient data to demonstrate that they have used this mechanism in situations where a defendant volunteered to surrender assets after SENRA had successfully identified the assets on its own, and not in reliance on the voluntary disclosure of the existence and identity of such assets by the defendant. There is no evidence of measures that SENRA and other relevant authorities would follow to ensure that what a defendant has declared and is eventually recovered under this mechanism represents the true extent of the criminal benefits obtained by the defendant. This then demands SENRA's capacity to trace all such assets and verify that what a defendant has declared is the true extent of criminal benefit, in order to have a meaningful recovery in every case that falls under this mechanism. Further, authorities have not provided information or evidence to the assessment team on how third-party interests are protected in this mechanism and how third-party claims would be dealt with.

168. **Other than the VSOAM, which at the time of the on-site visit was targeting only corruption-related offences, there were no recoveries achieved through other asset recovery measures. Such measures include the non-conviction-based forfeiture, which SENRA and PGR had not yet implemented.** The failure by Angolan LEAs to pursue parallel financial investigations inhibits their ability to identify and pursue proceeds of high and medium-risk predicate offences for a full ML investigation. Beyond setting up a framework for implementation of conviction and non-conviction-based forfeiture, with the exception of SENRA, Angola has not yet implemented any mechanism for the pursuit of parallel financial investigations by SIC and PGR in general in order to identify and trace benefits from high-risk offences. Further, the authorities have not demonstrated the systematic and consistent use of the available asset recovery mechanisms in the recovery of proceeds of other proceed-generating predicate offences, instrumentalities or property of corresponding value. Thus, Angola has not demonstrated any policy objective to pursue wholistic and effective recoveries in relation to other offences apart from corruption related offences; and the use of other recovery tools such as conviction-based confiscation.

169. Notably, the non-conviction-based confiscation recently introduced by Angola is applicable only to instrumentalities of crime. However, this being a newly introduced mechanism, there has not been any non-conviction-based forfeiture implemented yet as at the time of this assessment.

170. Nevertheless, Angola has demonstrated that it pursues a wide range of proceeds of crime manifested in such cases as, money in cash, real property, motor vehicles, machinery and shareholding, although the scope of such recoveries is only concentrated on corruption so far.

Case Box 8.1-Isabel Dos Santos Case

In this case, the SENRA requested the seizure of assets belonging to Isabel Dos Santos, the daughter of the Former President of the Republic, Eduardo Dos Santos who was involved in massive embezzlement of Angolan government funds and ML. The assets were seized by SENRA in countries such as Portugal, Monaco, Isle of Man and the Netherlands, through mutual legal assistance channels. Among the seized assets were stocks held in banks, companies, profitable oil and gas, energy and telecommunication companies, real estate and cash, estimated at nearly USD 1.500.000.000,00. Investigations are complete, the matter awaiting commencement of prosecution on embezzlement and ML charges.

3.4.2. Confiscation of proceeds from foreign and domestic predicates, and proceeds located abroad

171. **To some extent, the authorities are able to trace, identify and freeze property that is located both in Angola and in other jurisdictions. Such property constitutes proceeds of domestic predicate offences laundered both in Angola and other countries such as Portugal and Brazil, among others.** However, there is no demonstration that Angola has put in any structures for the identification or pursuit of assets connected to Terrorist Financing. The focus is on ML related recoveries premised on corruption offences.

172. SENRA has pursued recoveries of property domiciled in both Angola and other jurisdictions through the VSOAM. According to the statistics given for 2019 and 2020, these recoveries were mostly on assets domiciled in Angola, with a few from foreign jurisdictions. Domestically, SENRA has recovered over $5 billion of corruption proceeds placed in Angola. The assets recovered under this mechanism are of significant value, demonstrating VSOAM's potential for making impactful recoveries of public funds that Angola loses through corruption. The authorities have demonstrated that this mechanism is a convenient and efficient tool in the pursuit of proceeds of corruption, as it cuts off litigation time due to the non-contentious nature of the process.

173. The table below illustrates recoveries made under the VSOAM so far in 16 embezzlement cases.

Table 8.2-Table of Assets Recovered under VSOAM

Year	No. of assets	Assets recovered with court approval	Value of assets recovered with court approval (USD)	Assets recovered with court approval awaiting valuation	Assets recovered awaiting court approval	Value of assets awaiting court approval (USD)	Cases with final VSOAM recoveries
2019	39	19	4,487,749,999.00	Shares to the tune of 30.98% in a bank	20	9,170,000	7
2020	55	55	1,363,056,654.55	40% and 90% shares in two separate business entities	0		9
Total	**94**	**74**	**5,850,806,653.55**		**20**	**9,170,000**	

174. The Table 8.2 above shows that under the VSOAM, Angola has managed to recover some assets with court's approval. These, according to the FATF Confiscation definition, constitute final confiscations. At the time of the on-site visit, recovery agreements in relation to 20 assets to the value of USD9,170,000 were yet to be approved by the courts. The authorities shared details of the assets that they recovered or pursued under VSOAM. The assets include high value assets such as big factories, mines, hotels, resorts, residential houses, business parks or commercial buildings, shares held in Banks and other businesses, money, water and air vessels. The assets are proceeds of crime in both Angola and foreign jurisdictions. Below is one of the cases where the authorities made recoveries under the VSOAM.

Case Box 8.2- Case of the Three Towers and the Intercontinental Hotel

Public officials in charge of a public oil concessionaire company, Sonangol, EP diverted public funds amounting to USD **251,375,882.77** (Two Hundred and Fifty-One Million, Three Hundred and Seventy-Five Thousand, Eight Hundred and Eighty and Two Dollars and Seventy-Seven Cents). They used the funds to construct three multi-story buildings, referred to as the Three Towers. Further, they diverted a total of USD **510,000,000.00** (five hundred and ten million dollars) of public funds which they used for the construction and furnishing of the Intercontinental Hotel in Luanda, Angola. During investigations, one of the suspects confessed to have constructed the properties using public funds. He voluntarily surrendered the properties to the State. The Court endorsed the surrender of the Hotel, while that of the Three Towers was yet to be finalised by the time of the onsite assessment.

175. Notably, the authorities have shared information on assets recovered and with on-going recovery process under VSOAM, for the years 2019 and 2020. There were no recoveries made under this mechanism in the year 2021. The authorities indicated that from the moment of surrender and notarisation of the agreement, the assets vest fully in the State, which takes control of them immediately. The court endorsement simply formalises the surrender agreement and change of ownership of such property from the individual to the State. Nevertheless, this understanding is not consistent with that of a senior pubic official whose Institution manages some of the recovered assets. He stated that his Institution does not regard property that is not yet endorsed by the courts as the State's property.[34] Further, as noted under Recommendation 4.4, Angola manages confiscated assets through the General Vault of Justice, and financial assets under the IGAPE.

176. Notably, out of the 10 concluded cases on ML discussed under IO 7, there is none in which Angola has pursued confiscation proceedings to their finality. Angola obtained confiscation orders only in two cases, i.e. *Grecima* and *AAA Insurance* cases at the trial courts. At the time of this assessment, both orders were under on-going appeal processes. The low number of confiscation orders exhibits Angola's low extent in the identification of property that may be subject to confiscation. Therefore, aside from the other 19 cases in which SENRA obtained freezing and seizure orders, and 19 cases of recoveries under VSOAM, Angola has exhibited limited effectiveness of its conviction-based asset confiscation framework.

Provisional Orders

177. SENRA and the other LEAs pursue the freezing and seizure of assets to some extent. Between 2020 and 2021, the value of seizures implemented by SENRA was USD 6.773.753.014,7 out of 13 cases; while the value of assets frozen was USD 6.403.137.148,54 out of 6 cases.

Table 8.3-Freezing and seizure orders obtained by SENRA

2020-2021	Freezing orders	Seizure orders
Number of cases	6	13
Amounts	USD 6.403.137.148,54	USD 6.773753.014,7

178. SENRA obtained 19 provisional orders between 2020 and 2021. Out of the 19 cases, 6 were freezing orders while 13 were seizure orders. Notably, out of the 19 cases, only 3 cases are part of the 10

[34] Recovered assets will only be state property after a court decision, says Government - Ver Angola - Daily, the best of Angola.

ML concluded cases, while 16 cases are part of the 94 ML cases that were investigated, as illustrated under IO 7. This means that the authorities did not implement provisional measures in 78 of the 94 on-going ML cases. Going by the provided statistics of ongoing ML investigations under IO 7, there is a low use of provisional measures, which Angola needs to implement in order to avoid the dissipation of assets, particularly at the onset of criminal investigations. This further reinforces the conclusion that there is very low use of parallel financial investigations that aid in ensuring early identification of criminal benefits for freezing, seizure or confiscation purposes.

179. Regarding assets that are traced in foreign jurisdictions, SENRA has, in some cases, obtained seizure orders from courts in Angola under Law 15/18 and sought their enforcement or execution in the respective foreign jurisdictions where the assets are located. Angola seeks the execution of such orders through Mutual Legal Assistance channels. In the AAA Insurance case, Angola managed to freeze money that the suspect, an Angolan Politically Exposed Person, accumulated fraudulently and laundered in different foreign jurisdictions as illustrated in Table 8.4 below:

Table 8.4- Money frozen in foreign jurisdictions in the AAA Insurance Case in 2020

COUNTRY	**MONETARY VALUES**
Portugal	Euros 20,951,988.20
Luxembourg	USD 3,637,885.71
Singapore	Euros 42,850,005.94
	USD 556,861,150.60
Switzerland	USD 1,114,165,175.00
Bermuda	USD 213,436,118.09
UAE (Dubai)	USD 18,000,000.00
	Euros 63,801,994.14
TOTAL	USD 1,906,100,329.04

180. Even though Angola has managed to trace and freeze or seize proceeds of crime located in other jurisdictions, the country has not yet recorded any final confiscations of such assets. The only recovery made in relation to money frozen in a foreign jurisdiction was registered in the United Kingdom. They are all currently under provisional orders such as freezing and seizure orders. The Tables below also show assets that are under seizure orders, domiciled in both Angola and foreign jurisdictions for the other years under review.

Table 8.5- Seizures of Assets, 2019-2021

Year	Number of assets seized under Art 13 of 15/18	Value of assets (USD)	Number of Assets seized under Art.9 of Law 13/18	Value of assets (USD)	Other assets (shares and craft)	Value
2019	45	160, 661, 696.39	9	-	-	
2020			15	4,683,500,000	8	Yet to be valuated
2021	-	-	6	1 959 392 262,03	9	

Table 8.6- Total Cash Freezing Orders in Banks in Foreign Jurisdictions

Year	Number of jurisdictions	Amount of cash frozen in USD
2020	7	5,434,100,000.00
2021	5	1,959,392,262.03
TOTAL	**12**	**7,393,492,262.03**

181. Notable from the information provided, the authorities effected some seizures pursuant to Art.9 of Law 15/18 while some were pursuant to Art.13 of the same Law. The authorities did not clarify the circumstances in which they obtain seizure of property in respect of these two provisions. Art.13 defines the powers of SENRA, which include the power to seize property, while Art.9 is the provision that stipulates for seizure by court order. Further, the authorities did not indicate how many of these seizures have resulted into final recovery processes such as the court approved VSOAM as well as the general confiscation. As such, in the absence of such information, it is not possible to assess whether Angola makes seizures with a view to confiscation and restitution regarding seizures of assets that are domiciled in foreign jurisdictions.

Asset Sharing and Restitution

182. Angola has articulated a policy direction on asset sharing (Article 106 (5) of Law 13/15) through entering into bilateral or multilateral asset sharing agreements in respect of confiscated assets with other States. However, Angola has not yet shared assets with any foreign jurisdiction because it has not yet obtained any confiscation order on assets involving other jurisdictions. Nevertheless, Angola has so far sought the restitution of assets located in the United Kingdom in a case named "the 500 Million" case.

Case Box 8.3- The 500 Million Case

An amount of USD500,000,000.00 which was stolen from the Angolan Government was eventually traced to a bank account in the United Kingdom. Angola sought to recover the funds from the United Kingdom through a Law Firm in London that obtained an order in the United Kingdom court for the release of the money to the Angolan government. In order to repatriate the funds to Angola easily, the two countries reached an agreement that allowed the Angolan Government through its Central Bank, BNA, to open a bank account in its name in the UK Bank. The UK Government transferred the recovered funds into the BNA account to enable the Angolan Government to access the funds directly from it. This arrangement allowed Angola to facilitate the process of restitution of the recovered stolen funds.

183. **Nevertheless, apart from this UK case, Angola has not yet registered any other successful restitution of assets/property located abroad. All of the property currently seized or frozen outside of Angola is pending the conclusion of confiscation proceedings, after which, the authorities can commence restitution processes.** The authorities have not demonstrated that they make any significant progress to obtain confiscation orders that Angola can execute or enforce in foreign jurisdictions. The authorities indicated that this is mainly due to delays by the courts in Angola to finalise trials and issue confiscation orders. This has not only delayed the recovery of foreign assets but also caused the management of some of the seized foreign assets to be costly. Angola should consider enacting a law on

non-conviction-based forfeiture of proceeds of crime, through which it may be easier to obtain or execute forfeiture orders in the foreign jurisdictions and seek restitution as it happened in the "500 Million case".

3.4.3. Confiscation of falsely or undeclared cross-border transaction of currency/BNI

184. **Angola implements the declaration system for currency and BNIs at the points of entry and exit, it does not seek the confiscation falsely or undeclared currency or BNI.** The implementation of the declaration system falls within the mandate of the General Tax Administration (AGT). AGT is primarily responsible for revenue collection. It also enforces compliance with the laws on the movement of goods, articles and other items across the Angolan borders in order to combat smuggling of currency and illicit goods such as drugs, wildlife and forest products. Currency smuggling is prevalent in Angola through its exit and entry points.

185. The AGT does not have investigative powers, save for the collection of intelligence for tax administration purposes. Generally, the AGT team works in collaboration with multi-agency teams comprising Fiscal Customs Police (PFA), SIC, National Directorate for the Combat of Illicit Trafficking in Stones, Precious Metals and Crimes against the Environment at the points of entry and exit.

186. The PFA attached its officers to the AGT at all points of entry and exit such as airports, land and sea borders. PFA officers are also present whenever the Postal Services conduct the inspection of inbound and outbound parcels/courier items. Their mandate is to carry out the law enforcement powers of seizure, arrest and detention at the points of entry and exit. According to the authorities, Angola faces the problem of illegal cross-border movement of currency because it is a cash economy. Further, some nationalities operating businesses in Angola do not use the formal financial institutions to remit funds abroad. Instead, they use the Hawala system, as well as holding of large cash amounts at their homes. This does not only expose Angola to unlawful cross-border movement of currency but to the more unregulated movement of currency. The authorities have since been taking measures to monitor the identified nationalities engaged in such practices, including more screening measures of those profiled as high risk. Further, along some of the borderlines, the nationals from Angola and the neighbouring countries who belong to the same ethnic groups are only divided by a physical border but visit each other frequently. This practice has created challenges in the effective implementation of cross-border controls on the movement of currency.

187. The authorities identified the border points that have the heaviest traffic of people that pose the increased risk of undeclared/falsely declared currency. To mitigate the risks, the authorities have introduced both fixed and mobile scanners at the border points. The authorities enhance mitigating measures, including addition of personnel at the border points, depending on the risk profile of the country where the flight or cargo is originating from, and increased training and awareness raising for both the port and border officials.

188. The authorities could, however, not demonstrate that their understanding of the risk of possible cross-border movement of currency at the above border posts was being transformed into effective implementation of the necessary counter-measures as they could not provide the number of cases of confiscation of currency detected at each of the border posts during the period under review. Pursuant to this observation, it is not clear how the authorities effectively allocate resources according to the exposure of risk at each of the border posts, as this is not informed by specific weaknesses identified. The AGT, to some extent, demonstrated that it had managed to seize considerable amounts of currency under false declarations within the period under assessment. However, the figures on the seizures made are not according to each specific border post to enable the assessment team to determine whether there is

effective control at the borders, which might be vulnerable to non-declaration or false declarations of currency.

189. Upon detection of currency, AGT disseminates currency detection and seizure reports to UIF. The AGT seizes the detected currency and deposits it into an account at the BNA, awaiting prosecution of the matter in court. Below are the statistics on currency seizures that were deposited at BNA.

Table 8.8- Failure to Declare

Table 8.11 Seizures of Currency For False Declarations								
	Inward			Outward		Totals		
Years	Nº of Failures to Declare	Amount		Nº of Failures to Declare	Amount	Total Nº of Failures to Declare	Total Value of Failures to Declare	
					USD 3.065.409,00		**USD**	3.065.409,00
2017	**0**	0		354	**Euro** 174.637,00	354	**Euro**	174.637,00
					KZs 115.024.920,00		**KZs**	115.024 920,00
					Euro 383.135,00		**USD**	383 135,00
2018	0	0		**213**	**USD** 1.191.301,00	**213**	**Euro**	1 191 301,00
					KZs 46.052.560,00		**KZs**	46 052 560,00
					USD 1.153.425,00		**USD**	1.153.425,00
2019	**0**	**0**		**117**	**Euro** 4.020.365,00	**117**	**Euro**	4.020.365,00
					KZs 113.807.525,00		**KZs**	113.807.525,00
	0				**USD** 47 909,00		**USD**	47.909,00
2020				**54**	**Euro** 67 210,00	**54**	**Euro**	67.210,00
					KZs 11.281 050,00		**KZs**	11.281.050,00
		USD	80.480,00		**USD** 262.976,00	**24**	**USD**	343 456,00
2021	**1**	**Euro**		**23**	**Euro** 32 506,00		**Euro**	32 506,00
		KZs			**KZs** 3.102.717,85		**KZs**	3.102.717,85

190. The figures illustrated in this Table indicate the capacity of the AGT to detect and seize false declarations of currency. The authorities shared cases in which AGT, acting in collaboration with other LEAs at the border posts seized some currency.

Case Box 8.4-Currency Seizure

On March 8, 2021, AGT coordinated with other agencies to analyse the risk profile of air travellers. In the process, the authorities targeted an Angolan national who carried a total sum of EUR 156,888.00 (one hundred and fifty-six thousand, eight hundred and eighty Euros), camouflaged in hand luggage, in violation of paragraph 1 of Article 4 of Notice No. 1/16, which regulates the entry and exit of national and foreign currency. The authorities seized and deposited the money in question in the State's account domiciled at the BNA, awaiting the application of the measures provided for and punishable by the Foreign Exchange Law on the basis of which the BNA issued the said Notice no. 1/16. This seizure did not result into the confiscation of the undeclared currency.

191. Despite the seizures noted in the table above, Angola has not implemented the confiscation of seized falsely declared currency within the period under review.

192. Further, apart from currency, Angola only started to implement the declaration system on cross-border movement of BNIs in March/April 2022, outside the period under assessment. Owing to this recent

development, the authorities did not give any information and cases to demonstrate their ability to detect false declarations of BNIs and seize or confiscate BNIs. Further, the authorities indicated that their scanners only detect currency and not BNIs. This, coupled with the finding that Angola has not implemented confiscation of falsely declared currency, indicates that Angola does not use confiscation of currencies and BNIs as an effective, proportionate and dissuasive sanction against cross-border movement of currencies and BNIs.

3.4.4 Consistency of confiscation results with ML/TF risks and national AML/CFT policies and priorities

193. The confiscation results registered in Angola reflect the country's risk profile and National AML/CFT policies and priorities only to a limited extent.

194. SENRA prioritises recoveries in corruption-related cases that generate the highest proceeds in comparison to other high proceed-generating offences. Among the high proceed-generating offences, Angola has only focused on proceeds of corruption-related offences (namely embezzlement) through the seizure and recoveries made so far through the VSOAM and confiscation orders. There are no such recoveries or confiscations of proceeds of crime registered for the other high and medium risk offences such as drug trafficking, trafficking of precious stones and minerals, and fuel theft. The statistics provided in relation to these offences are on the confiscation of contraband or instrumentalities of crime, and not proceeds of crime.

195. Further, there is no demonstration of any systematic and wholistic pursuit of assets from all high and medium ML risk offences as the recovery focus has been on proceeds of corruption that were recovered under both the VSOAM and the conviction-based confiscation (in the Grecima and AAA Seguros cases). Angola prioritises the recovery of high value assets which so far are obtained from embezzlement (through corruption practices) as compared to the other high-risk offences, such as human trafficking, illegal dealing in precious stones, drug trafficking and others, confirmed by the authorities to be of frequent occurrence.

196. As noted in IO 7, Angola registered many cases on these offences that have not led to ML prosecutions and also confiscations. In terms of drug trafficking, the authorities target the identification and confiscation of instrumentalities. There are no efforts to identify and recover proceeds of drug trafficking, mainly due to lack of capacity to conduct parallel financial investigations and lack of awareness on ML investigations which aid in proceeds identification, as already established under IO 7. In order to ensure that proceeds of drug trafficking are identified in such cases, SENRA has entered into a collaborative arrangement with the National Directorate on Combating Drugs to enhance the employment of financial investigations at the onset of an investigation. However, this being a recent intervention, the assessment team could not determine its effectiveness.

197. Therefore, there seems to be a lack of overarching policies and prioritisation that focus on the mitigating ML/TF risks posed by proceeds of the other high and medium risk offences. Therefore, the impact of not pursuing recoveries in relation to other medium-high to high-risk offences is that the ML risks posed by criminals from proceeds of such offences remain unmitigated.

198. In addition, SENRA has not demonstrated that it has the requisite capacity to recover property through measures such as confiscations, both conviction-based and non-conviction-based. The low number of successful recoveries outside the VSOAM underscores the finding in IO 7 that most LEAs exhibit low understanding and use of parallel financial investigations, which aid the identification of proceeds and instrumentalities of crime. As discussed under IO 7, LEAs lack the necessary training and

adequate personnel to carry out parallel financial investigations in order for them to be able to identify benefits arising from high-risk offences and possible laundering activities of the proceeds.

203. Additionally, Angola has not demonstrated that it implements any measures in terms of TF. In this vein, the results of confiscations are consistent with ML/TF risks and national AML/CFT policies and priorities only to a limited extent, *i.e.* focused on the recovery of proceeds of corruption only.

Overall conclusion on IO.8

199. To some extent, Angola has demonstrated that it pursues the recovery of proceeds of crime as a policy objective through the recoveries it has registered in terms of embezzled public funds which may have been precipitated by corrupt practices. Angola has used asset confiscation as a policy objective to combat financial crimes, as evidenced by the bigger number of cases with final recoveries that SENRA has registered, which surpass the number of concluded ML prosecuted. Angola, through SENRA, has managed to freeze and seize high value cash and assets both in Angola and abroad. However, while Angola has made significant seizures and freezing orders in respect of a wide range and volume of assets, the number of cases in which Angola has implemented seizure and freezing of assets is relatively low when compared to the number of corruption related cases (including embezzlement) Angola has investigated.

200. Furthermore, while SENRA has registered some success in the recovery of high value proceeds of corruption through the VSOAM, there is no similar attention given to instrumentalities of crime or property of corresponding value. Further, the prioritization of recoveries in corruption-related ML cases is consistent with the country's ML/TF risk profile to the extent that corruption related offences generated the highest proceeds, though the number of cases in which the recoveries have been made is low when compared to the number of investigated corruption-related predicate offences. However, there are no recorded recoveries of proceeds of other high and medium proceeds-generating offences.

201. Additionally, the recoveries registered so far are in the context of the VSOAM, which depends on the willingness of offenders to make a voluntary declaration of their illicit gains. There is low level of effectiveness of the other confiscation mechanisms such as conviction-based and non-conviction-based confiscation, which Angola would have to pursue in cases where there is no voluntary surrender of assets. The low understanding and use of parallel financial investigations at the outset of criminal investigations adversely affects the early identification of assets, which resulted into a low number of confiscations. Additionally, to some extent, Angola has not demonstrated that it confiscates cash currency that the authorities seize due to false or non-declarations, as an effective, proportionate and dissuasive sanction. Further, Angola has not yet not targeted BNIs that might have been falsely declared or undeclared. Furthermore, Angola has not yet pursued any provisional measures on, or confiscation of assets in relation to TF. In essence, the results of recoveries of tainted property reflect the assessments of ML/TF and national AML/CFT policies and priorities only to a limited extent, *i.e.* the recovery of proceeds of corruption related offences under the VSOAM so far. The observations made above exhibit that major improvements are required in Angola's asset recovery system.

202. **Angola has achieved a moderate level of effectiveness on IO 8.**

Chapter 4. TERRORIST FINANCING AND FINANCING OF PROLIFERATION

4.1 Key Findings and Recommended Actions

Key Findings

Immediate Outcome 9

a) UIF, SINSE and SIE demonstrated a good understanding of the TF risks. SINSE and SIE actively work to identify potential TF threats to Angola, and TF typologies in other jurisdictions, and share this information with relevant authorities to enhance TF risk understanding. Authorities utilize information provided by external sources to initiate TF investigations and build cases with additional relevant information available to advance TF investigations.

b) Angola has taken some alternative measures when there is an identified TF threat that does not warrant pursuing a conviction, including visa denials and enhanced surveillance.

c) Due to lack of TF convictions, it was not possible for the Assessors to determine the extent to which terrorists, terrorist organizations and terrorist financiers are deprived (whether through criminal, civil or administrative processes) of assets and instrumentalities related to TF activities. The lack of TF convictions is largely in line with Angola's TF risk profile.

d) Angola does not have formalized TF cooperation structures or a formal interagency cooperation on TF as part of a broader CFT and CT strategy. Relevant authorities cooperate on TF cases through established statutory mechanisms which function adequately but do not have a specific TF focus. Angola's counterterrorism strategy was not finalized at time of the on-site.

e) Angola has limited capacity among the LEAs to disrupt a TF offence or identify, track or seize assets connected with a TF offence, however, the resources dedicated to TF appear reasonable based on Angola's risk profile.

f) Initial TF investigations conducted by PGR (DNPCC) focus on establishing whether the facts of the case constitute a potential TF offense. When this threshold is met, DNPCC forwards the case to DNIAP which appears to rely on sending rogatory letters to other jurisdictions to gather additional evidence of TF activity without actively pursuing additional information domestically.

g) Angola's criminalization of TF has technical deficiencies, notably the inability to infer knowledge and intent through objective factual circumstances but there was no evidence this has prevented Angola from pursuing TF investigations and prosecutions.

Immediate Outcome 10

h) Angola does not effectively implement targeted financial sanctions (TFS) in terms of UNSCR 1267 and 1373, mainly because of technical deficiencies within the framework of applicable laws and regulations. Its legal framework creates confusion on when the obligation to implement freezes begins which impacts its effectiveness (see R.6).

i) Angola's competent authority to respond to domestic and international requests for designation, does not also have the responsibility to propose persons or entities to the relevant UNSC Committee for designation.
j) Angola does not always implement TFS without delay. The mechanism for communicating designations of UNSCR does not always occur without delay.
k) BNA and UIF have issued guidance to assist reporting entities in understanding their obligations as it relates to UNSCRs 1267 and 1373.
l) FIs, most NBFIs, and some DNFBPs demonstrated a good understanding of TFS obligations, while other DNFBPs like DPMS had a limited understanding.
m) Angola has not identified the sub-set of NPOs vulnerable to TF abuse, does not have the capacity to conduct risk-based supervision of this sector, and is not able to apply focused and proportionate measures to prevent misuse of NPOs for TF purposes.

Immediate Outcome 11

n) Angola reported no assets were frozen pursuant to UNSC designations during the reporting period despite an identified PF threat. Angola reported alternative freezing actions were taken absent UNSC designations, but did not provide adequate information to determine if these measures were relevant to or should have been conducted in line with UN obligations. Angola established a committee to coordinate Angola's response to UNSC 1718 sanctions obligations, but this committee does not have a specific focus on PF.
o) The same lack of legal clarity cited in IO.10 also creates confusion on when the legal obligation to implement freezes begins, which combined with delays in notification limits Angola's effective implementation of PF-related TFS. The Angola agencies, FIs and DNFBPs do not adequately implement UNSCRs on combating PF and this is due to the absence of comprehensive procedures, instructions or mechanisms. The awareness of the TFS requirements in relation to PF is weak.
p) Reporting institutions had a general understanding of their obligations to implement UN sanctions, but did not demonstrate an understanding of PF-related sanctions evasion typologies.
q) The legal obligation to comply with PF-related TFS began in 2017 and Angola has not demonstrated that not all reporting entities are monitored for compliance with these obligations. Supervisory authorities have not issued PF-specific instructions and guidelines.

Recommended Actions

Immediate Outcome 9

a) Angola should develop and implement formal interagency cooperation among relevant authorities on all stages of TF cases as part of a national CT strategy which includes CFT as a core pillar, and a corresponding strategy to mitigate Angola's TF risks.
b) Relevant LEAs and judicial authorities should develop TF investigative expertise to diminish reliance on information from external sources to initiate and develop investigations, and operational capacity to identify, investigate, and prosecute TF cases consistent with Angola's TF risk profile, notably higher risk TF activities, such as raising and moving funds to support terrorist activities outside of Angola.
c) PGR should develop and document TF investigative procedures to guide initial investigations to determine criminality and the following criminal investigations to focus investigations on proactively pursuing all relevant information to determine if TF activity has occurred.
d) SIC and UIF should enhance cooperation during TF investigations to share information on suspects and initiate monitoring of financial activities. Angola should enhance its TF knowledge and capacity through specialized TF trainings targeted among relevant agencies involved in the identification and investigation of TF.
e) Angola should address technical deficiencies in its criminalization of terrorist financing, notably the ability to infer knowledge and intent through objective factual circumstances.

Immediate Outcome 10

f) Angola should address the remaining technical deficiencies in their legal and institutional framework to clarify when UN designations come into force domestically and implement targeted financial sanctions related to UN designations without delay.
g) Angola should identify a competent authority or a court with responsibility for proposing persons or entities to the relevant UNSC Committee for designation.
h) Competent authorities should conduct targeted outreach to reporting entities, particularly DNFBPs, to inform them of their obligations to comply with UN sanctions.
i) Competent authorities should identify the sub-set of NPOs which are vulnerable to TF abuse and develop procedures to conduct targeted risk based supervision of this sector.
j) Angola should develop a strategy and guidelines which establish procedures to take administrative measures to monitor or disrupt potential TF when cases have been identified while the investigated process is conducted.
k) Angola should ensure that competent authorities have adequate capacity to carry out risk-based supervision and monitor the activities of NPO for any possible abuse for TF purposes.

Immediate Outcome 11

l) Angola should address the remaining technical deficiencies in their legal and institutional framework to clarify when UN designations come into force domestically and implement targeted financial sanctions related to UN designations without delay.
m) Angola's relevant authorities should improve interagency cooperation with a specific focus on mitigating PF risks, including studying sanctions evasion typologies and abuse of beneficial ownership loopholes.
n) Supervisory authorities should conduct targeted outreach to reporting entities to inform them of their obligations to comply with UN sanctions and PF-related sanctions evasion typologies.
o) Angola should develop investigatory processes and procedures to identify all assets held by UN-designated persons and entities after initial freezing actions are taken and such persons and entities are prevented from operating or from executing financial transactions related to proliferation.
p) Supervisory authorities should conduct targeted outreach to reporting entities to inform them of their obligations to comply with UN PF-related sanctions and PF-related sanctions evasion typologies. Angola should develop clear processes and procedures for monitoring and managing assets frozen pursuant to PF-related sanctions obligations.

204. The relevant Immediate Outcomes considered and assessed in this chapter are IO.9-11. The Recommendations relevant for the assessment of effectiveness under this section are R. 1, 4, 5–8, 30, 31 and 39, and elements of R.2, 14, 15, 16, 32, 37, 38 and 40.

4.2 Immediate Outcome 9 (TF investigation and prosecution)

4.2.1 Prosecution/conviction of types of TF activity consistent with the country's risk-profile

205. Angola has conducted a TF risk assessment, sectoral TF risk assessments, and worked with external intelligence and security services to identify and assess its TF risk. The UIF, SINSE and SIE demonstrated a good understanding of TF risk, while other authorities had a less developed understanding. The interaction with the different LEAs showed that the understanding of the TF risk varied among authorities with SIC demonstrating a fair understanding while PGR largely approached TF cases without a specialized TF focus. There is a potential threat of using the financial sector and NPOs to collect funds from different sources abroad and using them to serve terrorist activities outside Angola, and authorities have concerns of NGOs being used for criminal activities such as money laundering. There are some NGOs whose source of funds is anonymous hence it is difficult to monitor their operations. These factors increase their vulnerability to TF. However, despite these risk issues, there are no confirmed cases of abuse of the sector for TF purposes, nor any cases of investigation, prosecution, and convictions. Angola's criminalization of TF has technical deficiencies, notably the inability to infer knowledge and intent from objective factual circumstances The country has not also secured any TF convictions during the reporting period, but there was no evidence technical legal deficiencies contributed to the lack of convictions or prosecutions. Angola did not report any ongoing prosecutions during the reporting period although the PGR has two TF criminal investigations underway. One individual was convicted for TF prior to the reporting period, but this conviction was ultimately overturned by Angola's Supreme Court. This result was consistent with the facts of the case which ultimately was not TF-related although the circumstances created a perception of TF. Significant changes to Angola's TF framework since this overturned case preclude drawing conclusions about any deficiencies in investigating and prosecuting TF. The absence of TF prosecutions is largely consistent with Angola's TF risk profile related to UN-designated terrorist organizations (See Chapter 1 for additional information on Angola's TF risk profile).

206. **While Angola's National TF and PF Risk Assessment determined the TF risk was medium low, authorities assessed Angola highest TF risk to be the raising and moving of funds to support foreign terrorist organizations operating outside of Angola. These findings appear generally sound.** See Chapter 1 and IO.1 for an assessment of Angola's TF risks and their understanding of the same. Considering ongoing efforts by authorities to identify potential TF cases, continually enhance their understanding of TF risks to Angola, the region, and how terrorist organizations raise and move funds in other jurisdictions, and the nature of the PGR's TF investigations, the lack of convictions is largely consistent with Angola's risk profile.

4.2.2 TF identification and investigation

207. **Recognizing a growing terrorist threat in the region, Angola's intelligence services established units which focus on studying terrorist and terrorist financing activities in order to identify TF threats to Angola and potential TF cases in Angola. The relevant authorities to some extent utilize intelligence and information gathering tools and techniques as well as information from foreign partners to identify and investigate potential TF cases.** These techniques are effective at proactively identifying potential TF typologies, but have not yet proactively identified potential TF cases absent information shared from external sources. UIF is largely dependent on TF-related STRs and information shared by other authorities to identify potential TF. Angola's External Intelligence Service (SIE) actively works to study TF methodologies of groups operating outside of Angola and receives information from external partners of potential TF risks to Angola. This information is shared with competent authorities to develop a shared understanding of potential TF risks which Angola could be exposed to. This is in line with Angola's risk profile, where the threat of terrorism or TF activities in indigenous Angolans is low. Authorities have assessed that migrant communities from high-risk countries could be a risk for terrorism and TF activities and are therefore under constant scrutiny and surveillance, and there was no evidence this activity is disproportionate and infringes on human rights. Where there have been suspicions of potential radicalization efforts, authorities indicated they take steps to understand

the financial activities of suspected persons and entities. Steps were taken to determine that suspected individuals had no international financial connections, and were not raising revenue for TF purposes. The breakdown of investigatory responsibilities between competent authorities appears largely effective as UIF analyses and enriches TF-related STRs, and SIC conducts preliminary investigations, to identify if cases are worth forwarding to PGR for further investigation. However, it does not appear financial intelligence is adequately utilized at all phases of investigations, and PGR has limited TF expertise. UIF disseminates analysis based on STRs but this has not resulted in prosecutions during the reporting period (See Immediate Outcome 6 for additional information).

208. During the reporting period, UIF received 23 TF-related STRs which resulted in 13 TF-related disseminations to relevant authorities after initial analysis verified suspicious activity and enriched the STRs with additional information on the suspects and suspected activities. Three of the TF-related STRs prompted PGR to initiate criminal investigations. Prior to disseminating STRs to competent authorities, UIF leverages open sources and a closed source database to identify beneficial owners and enrich the STRs with additional information and context. UIF has two analysts which focus on TF and terrorism-related issues. Given the relatively low number of TF-related STR submissions, this appears largely adequate to analyse these cases.

209. PGR is the prosecuting authority responsible for the ultimate decision on whether or not to refer any TF case before the court for prosecution. PGR's National Directorate for Fighting Corruption (DNPCC) conducts an initial inquiry of all economic crimes cases, including TF. DNPCC has 9 attorneys supported by 11 technicians. These officials do not have specialized TF-investigative expertise. When provided a case of potential criminal TF activity, DNPCC conducts a broad initial investigation to determine if there is sufficient evidence of potential criminal activity to warrant initiating a formal criminal investigation. In cases involving foreign nationals, DNPCC also works with Angola's immigration service to determine the suspect's immigration status. DNPCC reported it does not have any internal manuals or procedures which guide the conduct of these initial inquiries into economic crimes cases. Given the lack of TF expertise and TF-specific procedures, these initial investigations focus on establishing a base level of criminal activity to pursue further rather than to identify specific TF-related criminal conduct. Where there is sufficient evidence of criminal TF activity, DNPCC forwards the case to the National Directorate of Investigation and Criminal Action (DNIAP) to open a criminal case. While this method of graduated investigations functions adequately, its effectiveness is limited by PGR's limited TF expertise. During the reporting period PGR has not handled any standalone terrorism cases, and therefore has not had the need to conduct a parallel TF investigation along a terrorism investigation.

210. DNIAP has the authority to request financial records from Fis, NBFIs, and select DNFBPs, as well as to direct SIC to conduct surveillance of a suspect in order to gather potential evidence to build a criminal case. However, in the TF cases provided, DNIAP did not take these steps. Instead, DNIAP relied on sending rogatory letters to foreign partners to ascertain if criminal activity occurred in the foreign jurisdiction or the partners have additional evidence of criminal activity. During the course of its investigation into the three TF cases, DNIAP determined that one case did not have sufficient evidence of criminality based on responses provided by foreign partners. This was case archived and can be reopened if additional information of criminal activity is provided. The other two TF cases are undergoing ongoing investigation and are awaiting responses to rogatory letters sent to foreign partners for additional evidence demonstrating criminal activity. This reliance on responses to rogatory letters without using all means necessary to collect additional evidence domestically limits the effectiveness of DNIAP's TF investigations. DNIAP only forwards cases to the courts for prosecution when there is a reasonable certainty a judge would find it a compelling case of criminality likely to result in sentencing. The ongoing TF investigations appear to be in line with Angola's TF risk profile.

211. **Angola's Criminal Investigation Service (SIC) reported three preliminary investigations into potential TF during the reporting period. SIC initiated these investigations based on**

information shared by intelligence services and other sources SIC leverages open-source material and clandestine sources to develop potential evidence of criminal activity to advance to PGR to initiate a criminal investigation when warranted. This includes leveraging sources and investigative techniques to investigate the suspects' financial activities and connections to ascertain the level of potential TF activity or TF risk. The three preliminary investigations ultimately determined that the reported TF activities were not occurring in Angola, and absent a nexus to Angola did not warrant further investigation by SIC or forwarding to PGR to initiate criminal investigations. SIC did not cooperate with UIF on these investigations due to the extraterritorial nature of the cases. This appears reasonable, but not sharing the case details with UIF precludes developing a holistic understanding of potential TF risks and threats among relevant authorities. During the reporting period, SIC has not dealt with any there had been no standalone domestic terrorism cases. However, SIC reported that intelligence services and other sources provide reports and alerts of terrorism activities and typologies being utilized abroad. SIC uses these reports and alerts to enhance its understanding of terrorist activities and enhance surveillance of said activities to proactively monitor for similar terrorist activities and typologies being practiced in Angola.

4.2.3 TF investigation integrated with –and supportive of- national strategies

212. **Angola does not have a national counter terrorism strategy nor an approved national AML/CFT strategy. Angola's ongoing TF investigations and counter terrorism investigations therefore occur on an ad-hoc basis and are not integrated into a broader counter terrorism strategy.** Interagency cooperation functions adequately along statutorily defined relationships between agencies when dealing with criminal matters, however the lack of defined TF-specific cooperation and coordination appears to reduce effectiveness as not all information regarding potential TF and terrorism cases and activities is shared among all authorities. Certain authorities spoke of a recognition of growing terrorist and terrorist financing activity in the region and the need to proactively strengthen Angola's ability to mitigate these threats. However, not all authorities shared this approach and there was no overall strategy to guide and coordinate efforts.

213. Angola reported that a Presidential Decree authorized the establishment of a National Observatory Against Terrorism (NOAT). However, at the time of the on-site, the NOAT had not yet been established. Terrorism issues are therefore handled by Angola's National Security Council, but only on an ad hoc basis. Authorities reported that the National Security Council has not considered policy changes to mitigate Angola's TF risks or any operational activities to disrupt TF.

4.2.4 Effectiveness, proportionality and dissuasiveness of sanctions

214. The legal regime in Angola provides for TF sanctions that are proportionate and dissuasive (see Rec 5). However, these have not been tested in practice, as there have not been any prosecutions and convictions for TF during the reporting period. Therefore, the effectiveness of these sanctions cannot be determined.

4.2.5 Alternative measures used where TF conviction is not possible (e.g. disruption)

215. **Angola did not report the use of alternative disruptive measures during the reporting period. However, Angola has implemented a number of reforms which have reduced Angola's vulnerability to TF although it is not clear that these reforms were guided by a strategy to reduce Angola's TF vulnerabilities.** This includes reforms to enhance controls on hard currency distributed to exchange bureau which reduced the scope of this sector and associated parallel market reduce reliance on cash, formalize the economy, enhance border controls and reduce the amount of hard currency which can be carried abroad. UIF has the powers to request FIs to suspend accounts if a transaction is suspected to facilitate TF. However, during the reporting period, there were no cases of suspected TF activities involving UN designated terrorist organizations which would warrant UIF to initiate such a request as all TF-related STRs did not involve UN-designated terrorist organizations. Additionally, UIF published guidance on suspicious indicators of TF to inform reporting entities of potential TF typologies to monitor

for. Reporting entities had a varying level of familiarity with this document and indicators, with banks demonstrating more familiarity while DNFBPs were less familiar and had less understanding of TF typologies.

216. Angolan authorities reported that it screens visa applications to prevent potential TF activities. One example was provided where the brother of a suspected terrorist financier applied for a visa but the request was denied once the familial relation was determined. Additionally, authorities reported that an Angolan citizen convicted of TF in a foreign jurisdiction has been under enhanced monitoring since their return to Angola following the completion of their prison sentence in the foreign jurisdiction. This demonstrates that Angola takes alternative measures when a TF risk is identified but does not warrant pursuing a TF conviction. While there was no evidence provided of other alternative measures—such as deradicalization, deportation, tracing TF, and programs for stakeholders to increase awareness of TF—being proactively applied to effectively disrupt TF, given Angola's risk profile, and active efforts to identify potential terrorist and terrorist financing threats to and within Angola, the lack of said measures being applied appears reasonable.

Overall conclusions on IO.9

217. Angola's intelligence services proactively share information on potential TF cases, risks, and typologies with relevant authorities, but this has not resulted in any TF prosecutions. These proactive steps to identify potential TF threats are in line with Angola's TF risk profile and appear to demonstrate that the lack of TF convictions is not due to fundamental deficiencies in Angola's TF investigations. Angola lacks a national CT strategy and interagency cooperation on TF cases is not formalized with a TF-specific focus, but cooperation functions adequately along established statutory mechanisms to cooperate on criminal cases, though the lack of TF-specific cooperation reduces effectiveness. Angola leverages information provided by external parties, foreign partners and STRs from FIs to initiate TF investigations. When this information is provided, the relevant authorities take steps to enrich the information and investigate potential criminal activity. SINSE and UIF demonstrated a good understanding of TF typologies, while it appears that PGR does not apply TF-specific investigative techniques, and instead relies on sending rogatory letters, which could negatively impact the development of TF cases. Angola has taken alternative measures where pursuing a TF conviction is not warranted, and also pursued reforms which reduce its TF vulnerabilities. Despite these efforts, Angola has major deficiencies in its approach to TF investigations, but its approach and reliance on external information is largely in line with its low TF risk.

218. ***Angola is rated as having a Moderate level of effectiveness for IO.9.***

4.3 Immediate Outcome 10 (TF preventive measures and financial sanctions)

4.3.1 Implementation of targeted financial sanctions for TF without delay

219. **Angola did not report any assets frozen pursuant to UNSCR 1267, and its successor resolutions, and UNSCR 1373 during the reporting period. However, Angola demonstrated UIF has a mechanism to communicate UN list updates to supervisory and reporting entities which generally understand their obligation to implement TF-related TFS.** This mechanism operates in addition to Angola's process to receive updates through MIREX and distribute these results to the National Designation Committee, which does not occur without delay. UIF's communication mechanism is in line with its statutory responsibilities as Secretariat for Angola's National Designation Committee and is intended to deliver updates in a timelier manner than MIREX. However, the evidence provided demonstrates that this notification does not always occur without delay. In some instances, the update was provided to reporting entities within 24 hours, but other examples provided occurred up to 7 days after a listing by the UN. This combined with lack of legal clarity on when UN designations enter into force in Angolan law limits the effectiveness of UIF's mechanism to achieve TFS implementation without delay. Additionally, Angola's National Designation Committee does not have the responsibility to propose persons and entities for designation to the UN Committee which reduces the effectiveness to its domestic targeted financial sanctions mechanism.

220. In order to access the sanctions list and any updates without delay, UIF has subscribed to the UN Sanctions Mailing List and receives notifications when updates are made to the list and communicated by the UN. Upon receipt of the email updating the list, UIF disseminates the updated list to supervisory entities and most reporting entities. The supervisory entities are meant to further disseminate the list to their reporting entities without delay, but there is no mechanism to verify if other authorities forward UIF's email. List distribution examples provided by reporting entities demonstrate the timeliness of these updates varies from within 24 hours to up to 7 days so targeted financial sanctions are not always implemented without delay. As National Designation Committee Secretariat, UIF's email can be considered a formal mechanism of communication, however, it is not clear if this excerpt of the list brings UN designations into force domestically (See R.6 for additional analysis).

221. UIF maintains links to the UNSC Consolidated List and UN Consolidated List Search on its website. Reporting entities were generally aware of the lists being maintained on UIF's website demonstrating that outreach by UIF has been effective in informing reporting entities of their TFS obligations. UIF also has guidance published on its website informing reporting entities of the obligation to freeze assets and transactions in accordance with the financial sanctions imposed in UNSCRs, pursuant to Law 5/20 of 27 January. This guidance does not inform reporting entities of their obligation to report any positive matches and corresponding actions taken to UIF. Reporting entities were generally aware of this requirement, but their understanding of TF risks was largely contained to compliance with UN sanctions. BNA has also published directives informing FIs of their obligations to comply with UN sanctions, and FIs were generally aware of these obligations.

4.3.2 Targeted approach, outreach and oversight of at-risk non-profit organisations

222. **While Angola has begun the process of reviewing the NPO sector, this review has not yet identified the subset of organizations, based on their characteristic or activities, that are at risk of TF abuse, and does not yet have effective measures or resources in place to prevent the raising and using of funds through NPOs.** The Ministry of Social Action, Family and Women's Promotion (MASFAMU) is the competent authority responsible for supervising NPOs. NPOs must first register a legal person with the Ministry of Justice and Human Rights (MIJUSDH) before being licensed by MASFAMU to operate as NPOs. Angola's TF and PF risk assessment concluded that the overall TF risk is low, but "use of NGOs for TF is a main consequence." It is not clear if this conclusion applies to all NPOs in Angola and how it was determined, but appears to be focused on NGOs being abused for ML purposes rather than TF. As a result, the risk assessment does not adequately identify the characteristics

of NPOs which could be prone to abuse for TF purposes. The National Directorate for Social Action (DNAS) within MASFAMU has the authority to monitor NPO financial flows for compliance with ML/TF requirements. Authorities indicated that within DNAS the Directorate of Community Development (DDC) has the authority to supervise and sanction NPOs for TF purposes. DDC has not yet begun conducting risk-based oversight of at-risk NPOs, and is still in the early stages of developing its supervisory capacity and procedures, as a result Angola is not yet effectively monitoring NPOs at risk of abuse for TF. UIF and MASFAMU have conducted some initial outreach to NPOs to inform the sector of potential TF risks and vulnerabilities. The frequency of outreach by MASFAMU to inform NPOs of TF risks and vulnerabilities could not be determined. The NPOs which the assessment team met with were not familiar with the TF risks they could be exposed to. They independently applied scrutiny on their donors and adhered to international due diligence best practices but this was not done with a focus on identifying potential terrorist financiers.

223. MASFAMU reported that not all NPOs currently comply with reporting obligations and it needs to conduct a mapping exercise to better understand the composition of the sector. While some NPOs stated they provide annual reports to MASFAMU, it is not clear what portion of NPOs comply with this requirement and this reporting is for broader supervision of NPOs and NGOs rather than targeted TF supervision. Overall, MASFAMU's understanding of the NPO sector and its supervisory capacity appears to be in early stages of development with a limited focus and capacity to effectively mitigate TF abuse in high-risk NPOs.

4.3.3 Deprivation of TF assets and instrumentalities

224. **Angola reported no assets were frozen pursuant to UNSCR 1267 designations, and had not made use of its domestic designation framework to target terrorist financiers in Angola.** Relevant authorities demonstrated a good understanding of the process to respond to UNSCR 1373 requests and to add persons or entities to Angola's National List, but at the time of the on-site neither of these measures have been utilized.

225. While Angola reported measures to investigate TF, the competent authorities did not provide any specific approach they have adopted to target terrorist assets. Where TF cases are investigated to generate evidence of criminality, there were no reported efforts to trace or monitor and freeze or seize assets of the suspected terrorist financiers as provisional measures during the course of the investigations, however, there is no obligation to do so as the groups involved are not UN-designated terrorist organizations. Where assets were frozen or accounts suspended, these actions appear to have been taken unilaterally by the reporting entities which identified suspicious transactions or customers associated with potential TF.

1.1.4 Consistency of measures with overall TF risk profile

226. **Angola's measures on TFS and NPOs are somewhat consistent with the TF risk profile of the country, but significant gaps remain. Despite the low risk Angola has specialised anti-terrorism units within SIC and the intelligence services which study potential TF risks and apply counter-measures in relation to terrorism and terrorist financing activities such as monitoring of persons from jurisdictions identified as high TF risk.** Angola's authorities advised that they continuously apply special preventative measures such as intelligence gathering, surveillance and other investigative techniques as well as sharing of information on terrorism and TF. Angola demonstrated proactive measures being taken to study regional TF methodologies. This information was shared with competent authorities to enhance understanding of Angola's potential exposure to TF abuse. These activities appear in line with Angola's TF risk profile, but have not translated into an effective use of TFS and technical and operational deficiencies appear to limit the effective implementation of TFS. Additionally, despite the low risk, significant deficiencies remain in Angola's monitoring of NPOs as the sub-set of high risk NPOs has not been identified and relevant authorities did not demonstrate a thorough understanding of

how NPOs could be abused for TF purposes or measures to monitor for such activity. Despite these shortcomings, the measures being taken appear consistent with Angola's low TF risk profile.

Overall conclusions on IO.10

227. Angola has two mechanisms to communicate TF-related UNSC updates to reporting entities. UIF's mechanism is intended to communicate updates in a timelier manner, but does not always occur without delay. There is also confusion on when UN designations come into legal force domestically and the obligation for reporting entities to implement freezes begins based on technical deficiencies in Angola's legal framework. This combined with occasional delays in list update dissemination reduces Angola's ability to effectively implement TFS without delay. Angola has not identified the sub-set of NPOs at risk of TF abuse and does not have the capacity to conduct risk based supervision of this sector. Angola has not taken measures to deprive suspected terrorist financiers of assets. The measures it has taken to reduce its TF risk are consistent with Angola's risk profile but were not taken as part of a strategy to reduce said risk. Angola has taken measures to reduce its risks but still requires fundamental improvements to enhance its effectiveness to preventing funds being raised, moved, and used by terrorists, terrorist organizations, and terrorist financers.

228. **Angola is rated as having a Low level of effectiveness for IO.10**.

4.4 Immediate Outcome 11 (PF financial sanctions)

229. Angola's economy produces minimal military or dual-use nuclear items. Angola has historical ties with DPRK resulting in military relations and some economic ties. DPRK maintains an Embassy in Angola and has provided military equipment and training as well as conducting construction projects. Prior to 2020, Angola hosted one of the largest populations of DPRK laborers in Africa. Angola has less developed ties with Iran.

4.4.1 Implementation of targeted financial sanctions related to proliferation financing without delay

230. **Angola's freezing regime to implement TFS related to PF came into force in 2017 through Angola's Law on the Prevention and Fight Against Terrorism which also cites PF-related UNSCRs. The AML Law further establishes the legal obligation to implement targeted financial sanctions related to PF to reporting entities.** These obligations are established by Law 1/2012 "Law About the Designation and Execution of Legal Acts" which only established freezing obligations pursuant to UNSCR 1267. Despite an identified PF-risk and other non-TFS measures taken in response to 1718 Committee actions, Angola reported it has not frozen any assets with its freezing regime so it does not appear this mechanism is being utilized effectively. Reporting entities, other than FIs, had a limited understanding of PF-related TFS obligations which demonstrated that PF-related TFS are not effectively implemented without delay.

231. UIF utilizes the same mechanism described in IO.10 to disseminate PF-related UNSC updates to reporting entities. This creates a cascading deficiency in the implementation of TFS without delay as some examples provided demonstrated reporting entities at times received UN list updates up to 7 days after the designation was announced. Additionally, the same confusion described in Recommendation 6 on when UN designations come into force domestically is also relevant.

4.4.2 Identification of assets and funds held by designated persons/entities and prohibitions

232. **At the time of the on-site, no PF-related assets had been frozen pursuant to UN designations in Angola.**

233. The 1718 Committee UN Panel of Experts identified two UN-designated entities operating in Angola. Authorities did not provide evidence of efforts taken to identify assets and funds held by these designated entities and corresponding actions taken to prevent them from executing financial transactions related to proliferation, although Angola's UNSCR 1718 Implementation Reports claim accounts are being monitored. This could be due to the limited access to accurate and up to date beneficial ownership information (see IO.5). This affects the capacity of reporting entities and authorities to identify the use of legal persons and arrangements to evade sanctions and the effectiveness of the regime by limiting its ability to identify assets held by designated persons.

234. A Presidential Decree was issued prohibiting economic activities with DPRK persons and a Committee was established to respond to Angola's obligations pursuant to UN Sanctions Committees Angola's implementation reports to the 1718 Committee reported a number of notices sent to relevant authorities informing them of the obligations to comply with relevant follow-on resolutions to UNSCR 1718, the contracts of all companies of DPRK origin operating in Angola were terminated, and the accounts of said companies were being monitored.. However, no information was provided to demonstrate competent authorities or the Committee have identified assets of designated persons and corresponding actions to sever any economic ties. Angola's Customs authorities, LEAs, and intelligence services have standing interagency task force, Container Control Program (CCP), at the Port of Luanda. CCP screens all incoming vessels against the UN list, but did not report a positive match during the reporting period. CCP also did not provide information on any specific efforts taken to strengthen export controls to screen for dual use items although intelligence services spoke about the need for greater diligence on vessels entering Angola, including to verify that a vessel is not using a third-party country flag to obfuscate its DPRK origins.

235. Angola did report on efforts taken to identify and deport DPRK laborers active in Angola. This resulted in a reported 293 laborers deported from Angola. Angola did not report any proposals or co-sponsorships of PF-related UN designations.

4.4.3 FIs, DNFBPs and VASPs' understanding of and compliance with obligations

236. **FIs demonstrated a good understanding of their obligations to screen existing and future clients against UNSC sanctions lists, including those related to PF.** However, this knowledge was limited to basic screening measures and no additional steps to verify UBOs where there may be suspicion of PF-related sanctions evasion.

237. DNFBPs were generally familiar with UNSC sanctions, but some had limited understanding of their obligations after receiving UN sanctions lists from their supervisory entity. Some DNFBPs stated a need for greater training on their obligations and tools to implement. FIs and DNFBPs did not demonstrate a thorough understanding of potential sanctions evasions techniques which would trigger enhanced due diligence.

238. UIF published guidance on PF-related obligations in 2022 and sanctions evasion red flags. This guidance covered broad illicit finance typologies with some specific sanction evasion techniques and reporting entities demonstrated varied familiarity with the guidance document.

4.4.4 Competent authorities ensuring and monitoring compliance

239. **Angola's UN Sanctions Committee Response Committee is managing the implementation of UNSCR obligations and reporting on actions taken.** While actions were reported

to ensure economic ties were severed, no information was provided to demonstrate the Committee was monitoring compliance by reporting entities.

240. BNA reported that its on-site and off-site inspections include criteria to verify reporting entities are implementing PF-related UN sanctions. However, a sample of BNA inspection reports demonstrate assessing FI compliance with UN PF-related sanctions obligations is not always an inspection criteria. During the reporting period, BNA stated that no violations of PF-related sanctions obligations were detected. BNA also stated that it was made aware of assets frozen pursuant to UNSCR 1718, but this was done indirectly. Supervision and compliance monitoring of PF-related obligations is at an early stage as it commenced only in 2017, and no sanctions have been applied so far. Supervisors, other than BNA, do not perform PF-related inspections; supervision is limited to checking how some banks screen against TFS lists.

241. Select authorities reported working with BNA to verify the UBOs of companies registered by DPRK persons in Angola. These actions were taken to ensure said companies were not continuing to operate by changing ownership, but it is not clear if this included UN-designated entities.

242. Pursuant to Presidential Decree 214/13, PGR is the competent authority responsible for managed assets frozen pursuant to all UNSC sanctions actions. However, PGR was not aware of this responsibility and was generally unfamiliar with the concept of frozen rather than seized assets. Therefore, it is not clear if Angola has a mechanism to manage assets frozen pursuant to PF-related UNSCRs.

Overall Conclusion on IO.11

243. Angola has taken a number of actions to respond to UNSC 1718 obligations, but those actions were not part of a cohesive counter PF strategy and the focus was not implementing PF-related TFS obligations. Reporting entities had a general understanding of their obligation to implement PF-related UN sanctions, but this was largely limited to screening clients against UNSC list updates and not conducting due diligence to screen for potential sanctions evasion activities. Authorities, other than BNA, have not yet begun monitoring reporting entities for compliance with PF-related UN sanctions compliance and there are not clear procedures to manage frozen assets. Angola requires fundamental improvements to enhance its effectiveness to combat PF.

244. **Angola is rated as having a Low level of effectiveness for IO.11.**

Chapter 5. PREVENTIVE MEASURES

5.1 Key Findings and Recommended Actions

Key Findings

Financial Institutions

a) Generally, FIs more especially banks and securities companies have demonstrated a good understanding of ML risks to a larger extent. The understanding of the risk was attributed to the dissemination of the national risk assessment report to the entities by the supervisors and completion of own entity risk assessment. Other NBFIs (exchange bureau, MVTS and micro-finance institutions (MFIs) demonstrated a fair understanding of ML risk. Banks and securities companies have developed appropriate AML/CFT controls and processes to mitigate risks to a larger extent, while other NBFIs applied basic AML controls to a lesser extent. Appreciation of TF risk is much less developed across all FIs.

b) Banks and securities companies demonstrated good understanding on application of EDD and ongoing due diligence (ODD) better than other FIs and have demonstrated a better application of risk mitigation measures on high-risk business relationships such as PEPs, high-risk countries, customers and transactions to a larger extent.

c) CDD and record keeping measures are well understood and are implemented to a larger extent in the FIs sector, but there is a lack of consistency in the processes for obtaining and verifying beneficial ownership information, therefore, in some instance there is undue reliance placed on customers' self-declarations since there is no reliable independent databases to verify the beneficial owner's identification documents. Banks demonstrated a good understanding of BO which has enabled application of BO measures, though some improvements are required.

d) FIs have put in place systems including automated systems to identify and verify PEPs and other high-risk customers business relationships and transactions, though international systems do not in some cases have data on some local PEPs. The FIs use independent sources of information including from Government gazette and open sources as well as self-declarations to identify and verify PEPs, though challenges exist in respect of identifying family members and close associates of local PEPs.

e) Banks have put in place proper mechanisms to identify suspicious transactions and the latter have been reporting majority of suspicious transaction during the last five years, while NBFIs reported few suspicious transactions. Securities and MFIs have not reported suspicious transactions over the past five years as they relegate their functions to banks which hold their accounts. Exchange Bureaux and MVTS reported few suspicious transactions because of limited understanding of what constitutes a suspicion. Banks have reported few suspicious transactions relating to TF, while NBFIs have reported no suspicious transaction in relation to TF.

Virtual Asset Service Providers (VASPs)

f) There are no known operation of VASPs in Angola for which market entry and AML/CFT obligations would apply consistent with requirements under R.15.

Designated Non-Financial Businesses and Professions (DNFBPs)

g) DNFBP's understanding of ML/TF risks and AML/CFT obligations is underdeveloped and mitigating measures are not risk-based owing to poor supervision.

h) DNFBPs apply basic CDD, however, the measures and mitigating controls applied were not commensurate with the risk profile of the DNFBP sector, and specially with those of higher risk

business relationships and transactions such as in real estate and dealers in precious metals and stones. There is no evidence of cases of business refusal, based on incomplete CDD.

i) BO information and ongoing monitoring for high-risk clients are performed to a negligible extent across the DNFBP sector.

j) There are no STR's filed by DNFBPs even from high-risk sectors such as real estate and dealers in precious metals and stones, which is not commensurate with their risk profile. This is attributable to inadequate or absence of processes and systems for monitoring suspicious transaction.

Recommended Actions

a) Reporting entities (other than banks and securities) should conduct ML/TF institutional risk assessments relevant for improving ML/TF risk understanding by focusing on customers, products/services, delivery channels and geographical risks and use the understanding to apply mitigating controls commensurate to the risks identified.

b) Except for banks, reporting entities should improve their understanding and application of BO of customers

c) NBFIs should put in place systems and procedures to enable detection and reporting of suspicious transactions and increase STRs filed to the UIF

d) NBFIs should put in place systems and procedures for identifying individuals and entities on UNSCRs on TFS on TF and PF.

e) Should VASPs be allowed to operate, Angola should develop ML/TF risks associated with VAs and apply mitigating measures commensurate with ML/TF risks identified.

DNFBPs

f) DNFBPs should conduct ML/TF institutional risk assessments to understand ML/TF risks prevalent in their customers, business relationships and transactions and apply commensurate controls to mitigate identified risks.

g) DNFBPs should develop and implement AML/CFT programs commensurate to risks and size of business including, appointment of AML/CFT compliance officers, ongoing AML/CFT staff and board of directors training, AML/CFT policies and procedures, and independent audit functions to test the AML/CFT system.

h) DNFBPs should develop an understanding of and apply CDD measures particularly EDD, ODD, BO for high-risk situations and keep accurate, reliable and updated records.

i) DNFBPs should develop and apply robust mitigating controls particularly in relation to PEPs, STRs, and TFS on TF.

245. The relevant Immediate Outcome considered and assessed in this chapter is IO.4. The Recommendations relevant for the assessment of effectiveness under this section are R.9-23, and elements of R.1, 6, 15 and 29.

5.2 Immediate Outcome 4 (Preventive Measures)

Background

246. Law no. 05/20 of January 27 is the main piece of legislation setting out the AML/CFT obligations for reporting entities in Angola. The Law was enacted on December 23, 2019, and was revised on January 27, 2020. The Law covers all FIs and DNFBPs but does not cover VASPs. Considering the relative materiality and risk in the context of Angola, the relevant sectors were weighed as follows for focus:

- most heavily weighted - banks, bureau de change, MVTS, dealers in precious metals and stones and real estate sectors.
- moderately heavily weighted - casinos and securities.
- less heavily weighed – accountants, lawyers, non-deposit taking micro-finance institutions and mobile money operator.
- insurance sector was not considered since they offer credit-linked life insurance (about 2 %) and non-life insurance (98%).

247. The findings on IO.4 are based on interviews with and information obtained from the private sector and public sector representatives such as supervisors, LEAs and UIF. The assessors interviewed eight banks, one security market participants and Angola Stock Market Exchange, three insurance participants, three MVTS (one MVTS also offers money exchange and one MVTS offers mobile money), one bureau de change, two micro-finance institution, one casino, one law firm, one accountant firm, one real estate agent, two dealers in precious metal and stones participants.

5.2.1 Understanding of ML/TF risks and AML/CFT obligations

248. **Understanding of ML/TF risks and AML/CFT obligations varies between FIs and DNFBPs, and across FIs. Generally, banks and securities have demonstrated a good understanding of ML risks and AML/CFT obligations.** The understanding of risk has been attributed to the dissemination of the findings of the risk assessment to the institutions by their supervisors as well as annual institutional risk assessment conducted by some entities. NBFIs (NBFIs excluding securities companies) have fair understanding of ML risks and fair understanding of AML/CFT obligations, while DNFBPs have a limited understanding of ML risks and AML/CFT obligations. All FIs and DNFBPs demonstrated limited understanding of TF risks.

Financial Institutions

249. **Banks and securities have demonstrated a good understanding of ML risks and AML/CFT obligations. Dissemination of the findings of the NRA by the supervisors to financial institutions contributed to their improved understanding of ML risks.** The prevailing risk understanding has also been attributable to the annual self-risk assessment which are undertaken by institutions as well as other supervisory actions such as inspections and outreach to FIs. Overall, the methodologies of ML risk analysis and classification of risk factors are more developed in the banking sector, likewise, level of understanding of ML risks is most understood in the banking sector than other FIs. Banks cited informal economy, high prevalence of transacting in cash, fraudulent use of ATM cards and the parallel exchange market as major ML risks facing the country in general and the sector in particular. Banks also highlighted corruption and fraud as the most frequently committed offences generating the most proceeds which are laundered through the sector. The understanding found support in the contents of the suspicious transactions reported filed by banks to UIF which revealed fraud, unusual cash large transactions and failure to provide information to support the transaction being some of the main risk concerns. Banks and securities have also demonstrated good understanding of their AML/CFT obligations as contained in Law

05/20 owing mainly to ML internal risk assessment conducted by entities, dissemination of the NRA and SRA findings to the supervised entities by supervisors, feedback provided by the supervisors after an onsite inspection and awareness-raising/training activities by the supervisors and the UIF, and self-assessment questionnaires conducted by institutions which are further considered by and receive feedback from the supervisors.

250. MFIs, exchange bureau and MVTS demonstrated a fair understanding of ML risk and AML/CFT obligations. These sectors indicated that they have not yet conducted entity risk assessment but had demonstrated a fair understanding of the ML risks based on information gleaned from the NRA and interactions with their supervisor, as well as day-to-day business operations They attribute the level of risk and AML/CFT obligations understanding to same actions described earlier for banks.

DNFBPs

251. **In general, the DNFBPs showed a relatively low level of understanding of the ML/TF risks and AML/CFT obligations.** Poor level of understanding of ML and TF risks by the DNFBP sector was attributable to lack of supervisory actions such as awareness-raising on AML/CFT obligations and compliance monitoring by the DNFBP supervisors. DNFBP representatives met had some basic knowledge of the most prevalent crimes generating proceeds in Angola - notably, corruption, embezzlement drug trafficking, human trafficking, tax evasion, wildlife trafficking and illegal dealing in precious stones and metals. The understanding was developed from the NRA results shared by the UIF. However, the DNFBP entities have not demonstrated how such knowledge and understanding of risks is used against ML/TF.

5.2.2 Application of risk mitigating measures

Financial Institutions

252. **Application of risk mitigation measures is implemented to a large extent by banks. Banks have generally established internal systems and controls to mitigate ML/TF risks.** Based on internal risk analysis, banks assign customer a risk rating of low, medium or high and apply internal monitoring procedures accordingly. Banks conduct enhanced customer due diligence, enhanced ongoing customer monitoring and annual customer due diligence reviews for all high-risk rated clients. In addition, high risk clients are approved by senior management or equivalent structures such as a high-risk committee. NBFIs implement risk mitigation measures to a limited extent due to the absence of institutional risk assessment necessary to develop adequate risk understanding such as commensurate customer risk ratings and application of commensurate mitigating controls. All MFIs in Angola do not accept deposits but offer credit only to the small business segment and some offer credit exclusively to salaried individuals. In addition, MFIs deal only with customers who have opened accounts at banks and do not accept any cash transactions as customers are required to conduct transactions through a bank account.

253. Following guidance from the supervisors, banks and NBFIs includes NPOs in their entity risk assessments for potential TF. NPOs are classified as high risk due to the high usage of cash within the NPO sector, lack of records of NPOs providing financial information to supervisors, as many believe they are independent institutions and are only accountable to donors.

DNFBPs

254. **DNFBPs have not demonstrated that they have conducted institutional ML/TF risk assessment for ML/TF risk understanding and applied commensurate AML/CFT programmes, policies and procedures for risk mitigation owing to inadequate supervisory activities**. The reporting entities met had recently started implementing improved customer identification measures, though constrained by the lack of risk understanding, following the instructions or guidelines provided by both

the UIF and some of the supervisors (for example real estate entities, casinos and dealers in precious metals and stones supervisors). Some DNFBPs stated that their companies do not have written policies and procedures for preventing or mitigating ML/TF risks

5.2.3 Application of CDD and record-keeping requirements

Customer Due Diligence

255. **FIs obtain from customers the required CDD information to a large extent and have put in place adequate risk mitigation measures in relation to CDD which considers whether a client is an individual or company.** Refusal of business where CDD information is not complete is applied to a larger extent by FIs as they have indicated that they refuse business relationship or transactions if the CDD process cannot be completed and as such FIs have also indicated that where necessary they report a suspicious activity to UIF on account of missing CDD information. CDD information was obtained for identification measures during customer on-boarding, and for occasional transactions, for MVTS and bureau de change customers.

256. **Banks demonstrated that they obtain basic CDD information for medium and low risk rated customers, while enhanced and ongoing CDD information, which includes obtaining source of funds or wealth and conducting site visits, among others was conducted for high-risk customers.** However, the same cannot be said for majority of NBFIs since they do not risk rate customers and hence obtain basic CDD only and apply the same level of due diligence across all customers. FIs have demonstrated that customer information is verified by obtaining a valid document containing a photograph and showing the person's full name, signature, address, date of birth, and nationality, for natural persons. While for legal persons, verification is done by obtaining the original or a certified copy of the articles of association or equivalent document; commercial registry certificate published in the Official Gazette; permits, valid license issued by the competent authorities, and the taxpayer identification number.

257. Regarding identification and verification of beneficial owners, FIs have a varying understanding and application of BO; where some FIs (mainly NBFIs and small banks) highlighted that they obtain and verify information of signatories and directors only. However, exchange bureaux have indicated that they only deal with natural persons who conduct once-off transactions which would ordinarily not require BO diligence. Large banks have demonstrated that in addition to obtaining and verifying information of signatories and directors, they also obtain information on shareholders and beneficial owners. Large banks use shareholding ranging between 10 – 25 percent to conduct beneficial ownership and have demonstrated that they apply it effectively. Angola does not recognise trust entities; however, some banks have reported that there are instances where foreign companies have trust entities as a shareholder in a legal person and under such circumstances the bank identifies beneficial owners in such trust and verifies such information using the Embassy offices of the registered foreign trust.

258. Banks have demonstrated that they update customer information on an ongoing basis to ensure that the customer information remains current, to a larger extent. Banks have reported that the customer information update is conducted in accordance with the customer's risk rating, where high risk rated customer's information is updated annually and low risk-rated customer every three years. The same cannot be said for other NBFIs as they have not demonstrated how they update customer information on an ongoing basis to ensure that previously obtained information remains current. However, this is not a cause for concern as most of their customers are one off customers.

259. Generally, all DNFBPs demonstrated that they apply CDD measures at a basic level such as mainly providing a declaration form to their clients and requesting for identity card or passport as the main identification document. Though most of the DNFBPs met were aware of the UNSCR lists and were to be consulted, there is no common or systematic procedure to screen clients against those lists and filing of STRs to the UIF where CDD information is incomplete.

Record Keeping Requirements

260. **Banks keep CDD and transactions information obtained when establishing business relationships and conducting transactions records both in manual and electronic format for at least 10 years after the conclusion of the transaction or termination of the business relationship.** Exchange Bureau, MFIs and MVTSs maintained CDD records electronically and physically, this was considered adequate given their smaller customer base and considering that they deal mainly with occasional customers (for exchange bureau and MVTS). Further, transactional records and customer identity information such as names were maintained electronically which is then used to assist the latter to monitor customer transactions to ensure compliance with BNA's set transactions limit for remittances and foreign exchange dealings.

261. **DNFBPs implement to a large extent record keeping requirements closer to the FIs' level.** Records are kept both in electronic and manual formats and for the period prescribed by the AML Law (up to 10 years).

262. The records for both FIs and DNFBPs are readily accessible by the UIF and LEAs upon request and this was further confirmed by LEAs and UIF.

5.2.4 Application of EDD measures

263. **FIs have adequate understanding of specific high-risk situations posed by clients, products/services, delivery channels and geographic risks such as PEPs, targeted financial sanctions, wire transfers, higher risk countries identified by FATF, new technologies, and correspondent banking (for banks only) to which they apply EDD and ODD measures proportionate to the risks identified**. Banks use screening tools to identify PEPs and persons designated under TFS. NBFIs and DNFBPs undertake PEP and sanction checks manually from the relevant websites or databases that they have created from information on TFS entities and individual received from UIF. Banks are aware of the requirements with respect of dealing with customers from higher risk jurisdictions and have implemented controls to comply with such requirements.

Application of EDD Measures - Politically Exposed Persons (PEPs)

264. Systems and measures to determine whether a customer or BO is a PEP are effective to some extent. Angola faces a significant risk of ML in relation to corruption and embezzlement of public funds committed by PEPs as demonstrated in the NRA (See IO.1). FIs demonstrated a good understanding of PEPs risks including how the risks manifest in business relationships and transactions especially in relation to businesses. Where a customer or a beneficial owner is determined to be a PEP, banks and large NBFIs take enhanced due diligence and monitoring measures to a large extent and to a lesser extent by small NBFIs. Banks and large FIs subject PEP customers to enhanced CDD and ODD measures, enhanced monitoring, and PEP customers are approved by a senior manager or equivalent structures such as high-level committee.

265. **Banks and larger NBFIs screen customers using automated screening systems such as World Check, Lexus Nexus, Dow Jones, among others, for identification and verification of PEP customers including BOs who are PEPs, before establishing a business relationship or conducting one off transactions**. The screening systems have been embedded in the banks' core banking system and when a prospective customer's name is entered in the core banking system, an alert is triggered if the prospective customer or BO is a PEP. Enhanced CDD measures is conducted on such customers in that the bank request for proof of source of funds and source of wealth and prospective customers are escalated to senior manager or a high-risk committee for approval. Since the screening system is embedded to the bank's core banking system, on an ongoing basis, the system screens the bank's customer data against the PEP system to identify new customers who might have been added in the PEP list. The screening system

is effective as far as internationally recognised PEPs are concerned. The minor challenge with the systems is that the list does not include some local PEPs and their immediate family members and close associate (for example; leaders of religious denominations) who are not internationally recognised. To counter the challenge, banks have indicated that they rely on Government Gazette notices, open sources such media and social media, self-declarations made by the customer through the questionnaire as well as employee's individual knowledge of the customer, to identify and verify the politically exposed status of a customer. However, the Gazette notices do not list close associates and family member of a PEP, therefore, family members and close associates of local PEPs are not identified and EDD measures are not applied to such.

266. **DNFBPs and smaller NBFIs do not use automatic system for identification of PEPs; as such, identification of PEPs was made through the questionnaire, where customers declared their PEP status at onboarding, therefore, placing reliance on customer's self-declaration**. In addition, DNFBPs and NBFIs rely on list provided through the Government gazette as well as knowledge that the customer is a PEP. The challenge with this system is that the entities could not identify close associates and family members of PEPs, therefore DNFBPs and smaller NBFIs do not apply EDD measures on close associates and family member of PEPs. These segment of NBFIs is not the preferred destination of for high-risk clients especially PEPs. There is a limited identification of PEPs that are BO, due to limited understanding of identification of BO, and hence application of EDD is less effective in this area.

Application of EDD - Targeted Financial Sanction (TFS)

267. **Banks and securities have a good understanding and application of TFS obligations. Banks have in place and use commercially available software such as World Check, Lexus Nexus, Dow Jones, to screen prospective and existing customers against the relevant UNSCR sanction lists. On an ongoing basis, the system screens the bank's database against the UNSCR lists since the software is embedded on the bank's core banking system.** This allows for real-time screening of customers both at onboarding and during the customer relationship with the bank. However, NBFIs also have a good understanding and application of TFS obligations, despite the fact that the screening is not automatic as is for banks. NBFIs reported to have generated an internal list of TFS, using lists received from UIF. Such FIs reported that as and when the list is received from UIF or the regulator, information is uploaded onto their in-house internally generated lists, which will screen against the existing entity's customer database. New customers are searched manually against the internally generated list.

268. In addition to the screening tool and internally generated databases, banks and NBFIs have indicated that they receive updates of UNSCR sanction lists from UIF and respective supervisors through the email. Once a new list is received, it is screened against the customer database and where a positive match is found, a report is filed within the UIF and the customer's account is frozen, until feedback is received from UIF. However, some FIs have indicated a limited understanding of the process to follow if they had identified a positive match as they indicated that they would escalate the name to board and UIF and close the account. However, all FIs interviewed reported that they had never had a positive match in relation to UNSCR sanction lists. The assessors could not establish the timeliness of feedback provided by the entities to UIF as the value chain information was not provided (See IO.10).

269. DNFBPs demonstrated a low level of understanding and implementation of TFS. DNFBPs, highlighted that they receive UNSCRs lists from UIF or their supervisors, however, assessors noted that most of the DNFBPs were not familiar with procedures for implementing TFS.

Application of EDD - Wire Transfers

270. **Banks and MVTS generally apply specific measures regarding wire transfers to a large extent for both domestic and cross-border transactions**. Banks and MVTS interviewed demonstrated a good understanding of risks involved in wire transfers transactions. Bank have indicated that they use SWIFT for conducting cross-border wire transfers and there are mandatory fields which capture required

customer information including originator and beneficiary information. Banks and MVTS ensure that the information obtained for both beneficiary and originator is maintained for 10 years (See analysis on record keeping above). Banks and large MVTS have a good understanding and application of ML risks associated with cross-border wire transfers to or from high-risk jurisdictions, and therefore, apply enhanced CDD on such customers and business transactions. Small MVTs have limited understanding of risks from high-risk countries and as a result there are no measures in place to deal with customers from high-risk countries. Banks have also indicated that they use the same process and systems as described under TFS to check if the beneficiary is not in the UNSCR sanctions list to ensure that they do not transfer funds to sanctioned individuals and entities, MVTS also use the internally generated list to check if an applicant or recipient entity or individual is not in the sanctions list.

Application of EDD - High-Risk Jurisdictions

271. **Banks, securities, large MVTS and exchange bureau have demonstrated good understanding of ML/TF risks from high-risk countries including those identified by the FATF**. FIs take reasonable measures to identify customers from higher risk jurisdictions when entering into business relationships and conducting occasional transactions by using various sources such as the list of high-risk countries in the FATF website as well as those communicated by UIF and supervisors. Identification of customers from high-risk jurisdictions have enabled FIs to conduct enhanced CDD processes and ongoing monitoring measures. Large FIs have reported that customers from high-risk countries are approved by senior manager and/or executive committee reporting to board.

272. DNFBP and small NBFIs have limited understanding of application of EDD measures on customers or transaction to or from higher risk countries, mainly because they do not engage in cross-border transactions.

Application of EDD - Correspondent Banking

273. **Banks in Angola do not provide correspondent banking relationship (CBR), but only act as respondent banks.** That notwithstanding, banks have indicated that they apply robust CDD measures in relation to foreign banks that they enter into a business relationship with, for settlement in foreign currency. This is done by determining the reputation of the foreign bank through publicly available source e.g Wolfsberg questionnaire and by obtaining senior management approval before establishing a new banking relationship. The foreign-owned or controlled banks use CBR management systems provided by the parent, and the parent bank approve the relationships.

Application of EDD - New Technologies

274. **Banks conduct risk assessments whenever new products and new business practices (including new delivery mechanisms, and the use of new or developing technologies) are launched for distribution through new technologies**. For assessment of ML/TF risk related to products and services, larger banks consider if the product or service enables anonymity, significant volumes of transactions to occur rapidly, facilitate transactions to foreign countries, and allows for usage by non-resident. In addition, banks conduct risk assessment and seek approval from BNA prior to launching a new product. However, small banks and NBFIs could not demonstrate that they assess ML/TF risks that may arise due to the development of new products and new business practices, in relation to both new and pre-existing products.

275. Banks in Angola are neither aware of any presence of VASP nor of any clients engaging in VA transactions. However, banks reported that since VASPs are not regulated, banks have implemented measures to identify VA activities including on the possibility that some of their client could engage in VA transactions. Banks indicated that in cases where there is suspicion that a customer is engaged in VA activities, the business relationship will be terminated. However, banks have indicated that they have

never encountered such a scenario.

276. With regards to DNFBPs, no risk assessment is done covering ML/TF when introducing new services/products. However, DNFBPs have indicated that they have not yet started to use any technologies for delivery of their products and services.

5.2.5 Reporting obligations and tipping off

277. **All reporting institutions are required to register on goAML reporting portal to submit their STRs through goAML platform to UIF. At the time of the onsite, only few banks have registered but NBFIs reported that they have not yet registered on the portal and UIF had not indicated plans to register remaining unregistered FIs**. However, entities not registered in the goAML use the prescribed emailing procedure to file STRs whenever identified. Banks reported that they use automated systems for monitoring and identifying suspicious transactions and alerts triggered by the system are analysed by staff. In that respect banks have been reporting majority of STRs in the past five years while an insignificant number (2.3 percent) was reported by money remitters and exchange bureau . The securities and micro-finance institutions have not reported any transactions as they reported that all transactions were conducted at banks. However, there have not been any STRs filed by banks, which were in relation to securities or MFIs transactions. In 2021, more than half (511 out of 858) reports were filed by one bank. UIF has highlighted that during that time, the particular bank suffered cyber-attacks, as a result many STRs related to cyber-attacks. Banks highlighted that STR related to fraud, forgery, unexplained large cash deposits, lack of information that supports the transaction and discrepancies between funds received and profile of the business, among others. Banks have indicated that suspicious transactions are reported to UIF immediately a suspicion arise. However, the timeliness of the report could not be determined, as the law is not prescriptive on the timeframe for reporting a suspicious transaction, but it does not appear from discussions with the private sector, UIF and supervisors that this has had a negative impact on filing of STRs to UIF in a timely manner.

278. In Angola, entities freeze the accounts immediately after reporting an STR to the UIF for three days and wait for feedback from UIF. The entities receive feedback on whether to continue freezing the account for a further 10 days or unfreeze the account as per the AML law. However, in situations where the entity does not receive feedback from UIF within 72 hrs, they release the transaction. UIF also indicated that once an STR is received, feedback on whether to release the transaction or continue freezing is provided to the institution within 72 hrs. UIF further highlighted that preliminary analysis of the STR is shared with PGR, who is given up to 10 days to respond to UIF. If feedback is not received from PGR within 10 days, UIF send feedback to the entity to release the funds.

279. There is generally a good understanding of tipping-off prohibition obligations across FIs with the majority of the FIs conducting training to staff on how to avoid tipping-off. FIs have implemented different measures, such as confidentiality agreements signed by employees and restrictions in their HR rules in respect of employees involved in filing an STR. Staff are made aware of the consequences of breaching tipping-off rules through training.

Table 4.1- STRs received from the reporting entities

	2017	2018	2019	2020	2021	Total
STRs filed by banks	152	126	214	279	857	**1 628**
STRs filed by NBFIs	22	5	3	8	1	**39**
Total	174	131	217	287	858	**1 667**

280. **The DNFBP sector has not submitted any STR, SAR or CTR to the UIF, which is not consistent with the risk profile of the country and of the specific sectors within the DNFBP sector**. With regards to tipping off obligations, the DNFBP reporting entities met did not provide elements that could substantiate the existence of polices, internal controls or procedures for STRs identification and filing and subsequently to comply with tipping-off rules. Most of the DNFBPs were not aware of the consequences for breaching tipping-off rules in the procedures. In practice, there has not been incidents of tipping-off violations observed during the period under review because DNFBPs have not reported any STRs.

5.2.6 Internal controls and legal/regulatory requirements impending implementation

281. **Banks and large NBFIs interviewed demonstrated a good level of understanding of AML/CFT obligations and the need to implement internal systems and controls as prescribed in Law 05/20**. FIs have demonstrated that they were aware of the various regulatory instruments and directives issued by regulators, which were aimed at creating awareness and enforce compliance with the AML obligations. FIs have formulated AML/CFT internal policies, procedures and controls. FIs have appointed compliance officers, who ensures that the institution complies with AML/CFT laws, regulations, policies and procedures, and ensure ongoing monitoring of the fulfilment of all AML/CFT duties by the entity. Banks and larger NBFIs have developed and implemented know your employee procedures that include screening of potential employees before recruitment to ensure professional integrity. The screening processes involve requesting for criminal record certificate from CIC and past employment references. Banks and larger NBFIs have generally demonstrated that they train staff on their AML obligations annually on their online AML/CFT training platforms, and in addition, conduct face to face trainings covering some specialized topics. Some banks indicated that the internal audit conducted independent audit of the AML function to test the system.

282. **Most of the small NBFIs and DNFBPs do not have internal AML/CFT policies, controls, and procedures, and do not implement programmes against ML/TF**. This is mainly due to lack of AML/CFT supervision and guidance. Some of the entities met had started to create those policies and internal controls, due to the training received in preparation for the ME but are still in an embryonic stage. The absence of such procedures in those sectors of higher risk is of some concern.

Overall conclusions on IO.4

283. Overall, Banks and securities have a good understanding of ML risks and AML/CFT obligations are implemented to a larger extent. Banks and securities showed higher measures in place than the rest of the FIs. CDD including BO, EDD and ODD are well understood and applied by banks on high-risk clients and transactions such as those from high-risk jurisdictions, though identification and verification of CDD measures on BO is limited to some extent. NBFIs demonstrated a fair understanding of ML risk and AML/CFT obligations are applied to a limited extent. All reporting entities have demonstrated a limited understanding of TF risks. Measures against TFS and international and domestic PEPs are well understood and applied by FIs, however, identification and application of EDD measures for family members and close associates of domestic PEPs is being implemented to a limited extent. Banks dominate STR submissions. Compliance function by large FIs is well implemented. The DNFBPs could not effectively demonstrate that they do understand the ML/TF risks, therefore, this has an impact on the level of implementation of AML/CFT measures and STR reporting in this sector, more so that even the DNFBP sectors identified as high risk such as dealers in precious metals and stones and real estate are also not effectively implementing AML/CFT obligations.

284. **Angola is rated as having a low level of effectiveness for IO.4.**

Chapter 6. SUPERVISION

6.1 Key Findings and Recommended Actions

Key Findings

a) Financial sector supervisors instituted fair market entry requirements which have to a large extent enabled them to conduct fit and proper tests at market entry and on an on-going basis in the event of a change in management or merger and acquisition to prevent criminals and their associates from penetrating, though some improvements on addressing BO challenges are required. Except for lawyers and accountants, DNFBP regulators have challenges in implementing market entry requirements including BO.

b) Financial sector supervisors demonstrated a good understanding of ML at national, sectoral, and to some extent at institutional level, but demonstrated less developed TF risk understanding. The DNFBP's supervisors understand ML/TF risks to a negligible extent.

c) Implementation of RBA is at emerging stage across the supervisors, with BNA a distant ahead. However, the measures were introduced largely in 2021 which was too closer to the assessment period bear the desired supervision outcomes. Financial sector supervisors have AML/CFT supervision tools including risk assessment in place but will require increase in resources including training and funding to supervise and monitor their entities effectively. DNFBP supervisors have no supervision tools in place and were yet to conduct supervision activities including inspections.

d) While financial sector supervisors applied remedial actions and/or sanctions for non-compliance with AML/CFT measures by their respective entities, the enforcement measures were found to be not proportionate, dissuasive ad effective to impact positively on compliance behaviour. Furthermore, outreach activities conducted, and guidance provided was narrow to address the specific areas of high-risk and therefore had not been successful in promoting the understanding of ML/TF risks across the sectors, though positive impact has been noted in respect of understanding of ML risk and AML/CFT obligations by FIs.

e) Although financial sector supervisors held industry engagements with FIs in their respective sectors after the completion of the NRA and the sectoral risk assessments to discuss the outcomes and provide guidance to FIs on the ML risk they are facing, there has been negligible focus on promoting the understanding of the TF risk in various sectors by financial supervisors. Industry engagements are not adequate and frequent to promote the understanding of ML/TF risks as well as AML/CFT obligations. a. Guidelines on AML/CFT obligations were issued by the UIF to all financial sectors, but to a negligible extent in respect of the DNBFPs sector. Financial sector supervisors conducted some outreach to FIs however, outreach to DNFBPs is done to a negligible extent.

f) There are no VAs and VASPs regulatory frameworks, and as such, they are not supervised for AML/CFT compliance.

Recommended Actions

Financial supervisors:

a) Financial sector supervisors should improve understanding of TF risks by conducting granular TF risk assessment on inherent risk assessments focusing on clients, products/services, delivery channels and geographical risks. BNA should complete the refinement of the entity risk assessment process and apply it to enhance its ML/TF risk understanding of at institutional level.

b) Financial sector supervisors should be provided with adequate resources (human, budget and technical) and use it to conduct risk-based inspections.

c) Financial sector supervisors should apply proportionate and dissuasive sanctions for compliance failures and ensure that inspected entities adhere to the timelines set for remediation by instituting follow-up processes wherever failure to file progress reports occurs.

d) Financial institutions should develop and implement mechanisms including keeping of statistics and case examples necessary to demonstrate change in compliance behaviour by entities.

e) Financial sector supervisors should develop awareness/outreach programmes and issue sectoral/thematic guidance based on risks identified including on entity risk assessment, CDD measures on high-risk scenarios, improving quality and diversity of STRs, screening of entities and individuals for TFS.

f) Angola should regulate and apply AML/CFT measures on VASPs. Should Angola decide to prohibit VA activities, the Authorities should implement measures to proactively identify illegal VA and VASPs activities and apply commensurate sanctions.

DNFBPs Supervisors:

g) Angola should ensure that DNFBPs supervisors institute and apply strong market entry requirements including conducting fit and proper assessments on BO and key persons to prevent criminals and their associates from owning or participating in the management and operations of DNFBPs.

h) DNFBPs supervisors develop improved understanding of ML/TF risks and use it to build supervision resources and conduct risk-based inspections especially in respect of dealers in precious stones and metals, real estate agents and casinos.

i) Where non-compliance is identified, DNFBP supervisors should apply commensurate remedial actions and/or sanctions and ensure post-inspection monitoring mechanisms including follow-ups where entities do not adhere to remediation agreements.

j) DNFBP supervisors should develop and implement post-inspection monitoring mechanisms which includes collection of statistics and case examples to demonstrate change in compliance behaviour.

k) DNFBP supervisors should develop awareness/outreach programmes and issue sectoral/thematic guidance based on risks identified including on entity risk assessment, CDD measures on high-risk scenarios, improving quality and diversity of STRs, screening of entities and individuals for TFS.

285. The relevant Immediate Outcome considered and assessed in this chapter is IO.3. The Recommendations relevant for the assessment of effectiveness under this section are R.14, 15, 26-28, 34, 35 and elements of R.1 and 40.

6.2 Immediate Outcome 3 (Supervision)

Risk and context

286. In addition to conceptual elements outlined in Chapter 1 (one) of the report, the assessment of whether supervisors appropriately supervise, monitor and regulate financial institutions, DNFBPs and VASPs for compliance with AML/CFT requirements commensurate with their risks, the Assessment

Team (AT) concentrated on the following supervisors on the grounds also provided below –

a) ***BNA*:** The heightened focus is necessitated by banks and MVTS having a large share of financial flows in Angola and being rated medium-high for ML risk in the 2020 and 2021 sectoral risk assessments and the 2019 NRA.

b) ***CMC*:** The heightened focus on CMC is necessitated by the fact that the significant FIs carrying out activities regulated by CMC are banks (brokerage agents rated medium-high for ML) along with Asset Managers, Collective Investment Schemes, Management Companies of Collective Investment Schemes, Property Appraisers, and Security Brokerage Firms.

c) ***ARSEG:*** The less focus on the insurance sector is because of negligible existence of life cover products in Angola and have been rated as posing insignificant risk for ML/TF.

d) **DNFBPs supervisors** of the Gaming Sector, the Real Estate Sector, Precious Stones and Metals Dealers, Lawyers, Auditors and Accountants for the reason that they are also considered vulnerable for ML, while the TF risk is considered low.

287. The assessment paid little attention toe insurance sector since it is presenting low ML/TF risks in Angola. Life insurance in Angola is predominantly credit linked, with no saving/investment option, thus presenting a significantly low risk of ML/TF.

6.2.1 Licensing, registration and controls preventing criminals and associates from entering the market

Financial Institutions

288. **Financial sector supervisors instituted fair market entry requirements which has to a large extent enabled them to conduct fit and proper tests at market entry and on an on-going basis to prevent criminals and their associates from holding or being the beneficial owner of a significant or controlling interest or holding a management function in FIs**. The application of the market entry procedures has allowed the supervisors to strengthen assessment of fitness and probity at entry as well as when there are relevant changes in management/key positions of FIs or in the event of a merger and acquisition including on BO. Information on BOs of foreign origin is verified through embassies and relevant local law enforcement agencies. In respect of BOs who are Angolans, verification thereof is done by consulting independent data sources such as the Official Gazette, One-Stop Shop, Criminal Investigation Directorate (within SIC) and Public Notaries.

289. Consequent to effective implementation of market entry requirements, BNA and CMC have been successful to a large extent to apply fit and proper requirements as evidenced by the rejections in a number of applications for licensing after they detected non-compliant issues such as (a) failure to provide justification as to the source of capital, and source of funds of key persons (b) financial unsoundness, c) Suspicious ML, d) involvement in criminal activities by key persons.

290. Financial sector supervisors in Angola have functional mechanisms in place to identify unlicensed institutions/operators which resulted in perpetrators being criminally sanctioned and assets confiscated in some cases, as expounded further ahead.

291. At the time of onsite visit, there was no policy decision on VASPs in Angola, let alone market entry requirements for VASPs.

The BNA

292. **The BNA has been successful to a large extent through a multidisciplinary approach to conducting fit and proper assessment at the licensing stage whereof various departments within the**

BNA are involved in the licensing process to assess and issue licenses to entities in a manner that protects the integrity of the sectors it regulates. These are; a) Banking Supervision Department (DSB) and the Non-Banking Supervision Department (DSN) both concentrating on the assessment of the viability, financial soundness, operational risks and governance matters; b) Financial Conduct Department focusing on ML/TF risks and compliance with AML/CFT measures; c) Payment Systems Department (DSP) concentrating on compliance with payment systems requirements; d) Risk and Compliance Department (DRC) conducting screening of shareholders, managers, related parties and beneficial owners against the UNSC sanctions lists; and e) Credit Monitoring Office (GAC) responsible for assessing compliance with credit obligations in respect of shareholders, managers and related parties as well as beneficial owners using information held by the Credit Risk Information Centre (CIRC), as well as foreign counterparts.

293. At market entry, the BNA requires duplex submission of a licensing application with supporting documentation by a FI seeking a license, via SILIF integrated system as well as delivery of hardcopies to the BNA premises. The submission of hardcopies is necessitated by the BNA's quest for document authentication, particularly criminal record certificates.

294. The BNA requires FIs to submit, amongst others, information on business incorporation, identification information of key persons[35], criminal record certificate, audited financial statements, source of capital, and source of funds of key persons. In the event of any changes post market entry related to capital injection, management or merger and acquisition, similar information is required and assessed to determine fitness and propriety.

295. Upon receipt of a license application, the different departments within the BNA carry out the assessment of the application focusing on their respective areas of concentration such as business viability requirements, financial soundness, mitigation of ML/TF risks and operational risks, payment systems requirement, and suitability of key persons. The assessment of suitability of key persons is focusing mainly on educational qualifications, criminal linkages, and source of income, amongst others.

296. In the event of a licensing application of a foreign applicant, the BNA has cooperation agreements in place with other central banks in foreign jurisdictions on which basis information pertaining to fitness and propriety is obtained ahead of assessing and issuing a license. The same channel is used when the BNA is assessing the fitness and propriety of key persons of foreign origin. The BNA considers mainly adverse findings related to non-compliance with regulatory requirements, involvement in any criminal activities including TF and PF, unjustifiable origin of capital or source of funds, as the basis to decline a license application.

297. BNA independently verifies information on incorporation of businesses obtained from FIs and key persons using information contained in the Official Gazette, One-Stop Shop and public Notaries. Additionally, the BNA verifies information pertaining to criminal linkages using criminal records held by the Attorney General's Office and the Criminal Investigation Directorate. Furthermore, the BNA screens FIs and key persons against the UNSC Sanctions Lists to determine criminal linkages in relation to TF and PF activities. Post market entry, the BNA applies similar fitness and propriety measures when there is a change in management or in the event of a merger and acquisition.

298. In the event FIs and key persons are of foreign origin, they are required to submit their applications and supporting documents through the Angolan consulates in foreign jurisdictions. The BNA does not accept documentation from foreign jurisdictions that are not received via the consulate in the jurisdiction where FIs and key persons originate.

299. During the period 2017-2022, the BNA declined 2 (two) license applications in respect of banks due to lack of business viability and failure to prove the legitimacy of capital and refused market entry to 7 (seven) key persons for failure to meet the fitness and propriety criteria. .

300. In respect of the NBFIs, the BNA during the same period declined 2 (two) license applications, one for a Micro Credit and another for a Payment Service Provider due to failure to prove the legitimacy

[35] Directors, shareholders, beneficial owners, and principal officers

of the source of funds in respect of shareholders and refused entry to 4 (four) key persons. Although the BNA revoked 24 licenses for NBFIs notably; Exchange Bureaus, Micro Credit and Payment Service Providers for failure to start operating after licenses were issued and 12 licenses lapsed due to failure to start operating within a period of 12 (twelve) months, no license of an operating FI has been revoked as at the time of the onsite.

301. Below is a case example of effective market entry requirements applied by the BNA during May 2020:

Case 3.1

During May 2020, the BNA rejected a request for authorization to set up a banking financial institution after the BNA uncovered that the majority shareholder (holding 96% of shares) was implicated in 23 criminal cases in Brazil.

302. Similarly, the BNA prevented a criminal from acquiring shares in a bank whose share capital was below the capital requirement threshold post market entry as summarized in the below case example:

Case 3.2

The share capital of Bank A was below the capital requirement threshold, which resulted in interested parties buying shares. As a requirement, one of the interested parties submitted documentation to enable the BNA to conduct fit and proper assessment. During the fit and proper assessment, the BNA uncovered that the person buying shares is under investigation by the National Directorate for the Prevention of Corruption. The BNA therefore prevented the person linked to corrupt activities from acquiring shares in Bank A.

303. The market entry requirements are largely the same for banks as well as the NBFIs such as MVTs, Microcredits and Foreign Exchange Bureaus.

304. The BNA identifies unlicensed operators through consumer complaints received via the consumer complaints department, tipping off, media reports and triggered inspections. Subsequent to identification of unlicensed institutions, the BNA alerts the public of the unlicensed institutions and applies the measures such as locate the illegal institutions mostly with the assistance of law enforcement, and if the unlicensed institutions cannot be located, the cases are referred to the law enforcement for further investigation.

305. During the assessment period, the BNA proactively identified illegal operators and referred the matters to PGR, which resulted in conviction of offenders and confiscation of assets.

CMC

306. **CMC has demonstrated that it takes to a large extent reasonable measures to ensure credible individuals and entities participate in the securities market.** CMC conducts fit and proper tests to determine suitability of key persons focusing mostly on business incorporation information, educational qualifications of key persons, criminal linkages, identification information of key persons, certificate of good standing from the revenue authority, source of funds of key persons, source of starting capital, 6 (six) months financial/bank statement, physical address, contact details and certificate of commercial registry not older than 6 (six) months.

307. CMC screens both FIs and key persons against the UNSC sanctions lists, Interpol Red List, and Office of Foreign Assets Control (OFAC) list, as well as internal PEP list for PEP status of key persons in addition to public information on individuals who qualify as PEP. In the event of FIs and key persons of foreign origin, CMC on the basis of existing cooperation agreements requests consent letters from its counterparts in foreign jurisdictions from where FIs and key persons originate.

308. During the licensing process, CMC consults other competent authorities such as the BNA, UIF, ARSEG, and Attorney General's Office for any adverse information related to FIs and key persons,

particularly on disqualification by professional bodies, contravention of regulatory rules and involvement in any criminal activities.

309. Information obtained at licensing stage particularly on business incorporation is verified against data in the Official Gazette as well as One-Stop Shop and the public Notary.

310. CMC revoked 4 (four) licenses in respect of banks and 1 (one) license for a broker, all for being inactive.

311. CMC places reliance on tipping off, media reports and triggered inspections to identify unlicensed institutions. Although CMC identified unlicensed institutions, no sanctions were imposed on any of the unlicensed institutions identified. However, CMC alerted the public about the identified unlicensed institutions to deter the public from using financial services or buying financial products of the identified unlicensed institutions.

ARSEG

312. ARSEG conducts fit and proper assessments at market entry and post market entry when there is a change in management or in the event of a merger or acquisition. In this regard, FIs seeking a license submit to ARSEG a letter of intent, incorporation documents, source of capital, source of funds of key persons, governance structure, educational qualification of key persons, identification information of key person such as copy of ID cards in respect of locals and copy of passports in respect of foreigners, self-declaration by key persons that they have no criminal records regarding crimes such as theft, robbery, breach of trust, fraud, embezzlement, fraudulent misrepresentation or any offenses punishable by imprisonment.

313. ARSEG verifies information submitted by FIs against the Official Gazette, One-Stop Shop on incorporation of businesses and private investors. ARSEG also verifies criminal linkages with criminal records held at SIC and Attorney General.

314. During the licensing process, ARSEG consults BNA and CMC prior to issuing of a license on any useful information for purposes of fitness and propriety test. In the event FIs and key persons originated from foreign jurisdictions, ARSEG requests letters of consent from its foreign counterparts on the basis of existing bilateral and multilateral agreements on information sharing.

315. During the period 2017 to 2022, ARSEG did not reject any license application. However, ARSEG has revoked licenses of 6 insurance companies for failure to meet capital requirements, failure to commence business within the given period, misrepresentation of financial data related to paid-up share capital, and because of voluntary de-registration.

316. Through tipping off, consumer complaints and media reports, ARSEG identifies unlicensed institutions and alert the public. ARSEG also make effort to bring those operating unlawful into the regulated mainstream by encouraging them to apply for licenses. However, no sanctions have been imposed so far on the unlicensed institutions.

DNFBPs

317. **DNFBPs supervisors have procedures and processes in place on licensing and registration of institutions under their purview, though challenges in implementation persist, with lawyers and accountants as outliers.** However, the application of fit and proper requirements varies largely from one authority to another. Most of the DNFBPs supervisors have challenges with respect to the determination of the fitness and propriety of persons owning, controlling or managing entities. None of the DNFBPs licensing/registration authorities or supervisors implement UNSCRs screening requirements to prevent designated persons or entities from entering, or continuing in, the market.

318. Angola has a large number of unregistered and unlicensed real estate agents and dealers in precious stones and metals which pose a high ML/TF risk. No evidence has been provided to demonstrate measures taken by Angola to address unauthorised real estate agents. Apart from the gaming sector, other

DNFBPs supervisors were unable to provide information on the number of operators as well as the number of applications received, rejected, or revoked, and reasons thereof.

Institute for Gaming Supervision (ISJ)

319. There are legal requirements for gaming operators in Angola set out in Law n.º 5/16, of 17th May. These include the requirements for suitability, financial and technical capacity, and fitness in respect of business premises (game rooms), amongst others.

320. The suitability is demonstrate by presenting several documents, such as business registration, the public deed of incorporation of the company and any amendments to public deed, exclusivity of the corporate object for the exploitation of the gaming activity, published in the Public Gazette, tax identification number, personal and professional identification of shareholders and directors through a specific form, criminal record certificate of shareholders/partners, directors/managers and employees with relevant functions in the management of the company and operation of games, declaration attesting that neither the shareholders nor the companies controlled by it, or companies in which they have been directors or managers, have been declared insolvent or bankrupt, amongst others.

321. The Presidential Decrees No. 131/20 of 11th May and 141/17 of 23rd June, as well as the Presidential Decree No. 139/17 of the 22nd June set out the licensing requirements for Casinos and gaming rooms, games of chance and social games. The owner(s) of a casino is/are only considered suitable if they have not been convicted of any crime, including the crime considered as predicate offences of money laundering.

322. The fit and proper assessments are extended to the beneficial owners (of at least five per cent voting shares), the directors and senior management of a casino. The validity of Casinos licenses varies from 10 (ten) years to a maximum of 30 (thirty) years. The monitoring of suitability of companies and natural persons is determined on an on-going basis as per the inspection plan.

The National Housing Institute (INH) – Real estate agents

323. The National Housing Institute (INH) is responsible for registration and supervision of real estate agents, and requires criminal record clearance certificate prior to registration, as part of screening process. The real estate agents are in the business of property sales (commercial and residential) to investors and individuals, with large value transactions conducted in cash, whose source cannot easily be verified. The fit and probity assessment is carried out on board members, managers, directors of legal persons, on the legal persons and on natural persons.

324. The INH is aware of the existence of a significant number of unregistered estate agents operating in Angola, which they estimate to be more than those that are registered. The screening is not effective and the majority of the agents remain unregistered. This exposes the sector to high risk as the unregistered estate agents are not being supervised for compliance with AML/CFT obligations.

325. As at the time of the on-site visit, there were 40 registered real estate agents, 8 construction companies and 5 developer companies in Angola. Real estate agents apply for license requirement after every three years.

ANIESA – National Authority for Economic Inspection and Food Security

326. The Ministry of Commerce and Industry (MINDCOM) is responsible for the licensing and registration of precious stones and metal dealers, while ANIESA is entrusted with the supervision and monitoring mandate of precious stones and metal dealers. By the time of the onsite visit the number of precious stones dealers in Angola stood at 52. The licensing requirements of these dealers are generally focus on prudential requirements and less so on detecting unsuitable players which can enter the market and exploit it for criminal activities.

Bar Association of Angola (OAA) - Lawyers

327. OAA is designated as the AML/CFT regulator for the legal profession in Angola. At market entry, the Ethics and Disciplinary committee conducts fitness and probity for lawyers, wherefore potential lawyers are required to submit a criminal record clearance certificate. Some of the fitness and probity criteria include submission of CVs, identification documents, and undergoing internship with OAA. The fidelity certificate issues to lawyers by OAA has a validity period of 1 (one) year, renewable annually.

OCPCA – Organisation of chartered accountants, accountants' experts of Angola

328. In Angola there are 4783 accountants, 4015 accountants' experts, 8420 probationer accountants and 143 audit and accounting firms. OCPCA is a professional body which licences and registers qualified accountants and accountants' experts, who conduct fit and proper assessment as stated in its statutory law, and criminal record clearance of prospective members.

329. Despite the inexistence of licensing renewals, the OCPCA has the power to analyse and suspend the license of the accountant or accountant expert in terms of article 60 of its statute. The accountants are required to write an entry examination and undergo an internship, before admission to the profession. However, according to information provided to the AT, the above process neither include due diligence in compliance with AML/CFT requirements nor does OCPCA ensure that the fitness and propriety of members is maintained post-registration.

Notaries and Registers.

330. In Angola there are only public notaries and no presence of private notaries. There is no (legal) framework on establishment and regulation of private notaries.

6.2.2 Supervisors' understanding and identification of ML/TF risks

Financial Institutions

331. **Financial sector supervisors, particularly the BNA and CMC have a good understanding of ML risks stemming from the NRA, the Sectoral Risk Assessments and to some extent institutional risk assessments.**

332. After the 2021 Sectoral Risk Assessment, the BNA adopted a risk matrix and assessed entity specific risks in respect of banking institutions. The banking sector has been rated medium high for ML, while some individual banks in the sector were rated high, and medium driven largely by risks posed by proceeds from major proceeds-generating crimes, notably; trafficking in drugs and human beings as well as corruption, fraud, embezzlement, tax evasion, illegal trade in foreign currency (Kinguilas), and the use of cash, requiring improvements on implementation of controls with regard to PEPs, BO, and cross-border trade through the findings of the risk assessment, the financial sector supervisors demonstrated how the proceeds could be laundered through the types of clients, delivery channels, suites of products/services and risks emanating from high-risk jurisdictions.

333. Despite the BNA's demonstration of a good understanding of the ML risk at institutional level in respect of the banking sector, there is room for improving the risk assessment criteria especially in relation to MVTS, Exchanges and Microcredit to inform consistent risk understanding across its sectors. At the time of onsite visit, the BNA was in the process of refining and documenting the risk assessment criteria and the approach for assessing ML/TF risks of the individual NBFIs. At the NBFIs sector level, both the ML threats and vulnerabilities were rated Medium-high, similar to the banking sector.

334. BNA demonstrated a good understanding of inherent risks of the type of customers, products/services, distribution channels and exposure to foreign jurisdictions for banks and MVTs as well

as NBFIs (particularly MVTs, and Money Remitters) under its purview which were identified to take place through cross border transactions at source and destination from high risk jurisdiction, types of clients such as PEPs and cash-intensive and informal business as well as potential for fraudulent transactions that could take place if unlicensed or unregistered financial activities were not detected and addressed proactively. Overall, the BNA concludes that the risk of potential threats taking place is medium-high for both the banking and MVTS sectors.

335. Regarding TF, the BNA to a limited extent understands factors presenting the TF risk in the banking and NBFIs sectors it regulates, such as porous borders, cash-intensive and informal sectors, high capital outflow to foreign jurisdictions through the financial system as posing potential terrorist financing risks.

336. CMC deployed a risk matrix to assess ML risks facing financial institutions in the securities sector and concluded the ML risk exposure to be Medium-High. The CMC understands that due to underdeveloped securities sector in Angola, the sector is less attractive for criminals seeking to maximize illicit proceeds through the offering. In addition, cross border transactions are very rare which minimizes external threats in the securities sector. The CMC has limited TF understanding with the sole focus on screening of clients against the UNSC sanctions lists and the absence of cases on terror attacks as the only considerations.

337. ARSEG which is responsible for the regulation and supervision of the insurance sector understands ML risks facing the insurance sector. ARSEG has determined that the ML/TF risk exposure for life insurance sector is low largely because short-term insurance occupies 98 percent of the premiums with 2 percent by credit-linked life insurance.

DNFBPs supervisors

338. Overall, DNFBPs Supervisors have limited to no understanding of ML/TF risks in their respective sectors.

6.2.3 Risk-based supervision of compliance with AML/CFT requirements

339. **Overall, financial sector supervisors were found to be at emerging stage of implementing risk-based supervision frameworks, with BNA a distant ahead.** Most risk-based supervision tools were adopted during 2021/2022 which were too close to the assessment process to bear significant desired outcomes.

340. **DNFBPs supervisors are yet to develop and implement risk-based supervision frameworks largely due to lack of resources coming from government.** The BNA has a dedicated structure responsible for AML/CFT supervision comprising 14 skilled inspectors who have received dedicated AML/CFT training. The BNA is in the process of increasing the number of its personnel for improved supervision coverage of the entities under its purview. The BNA adopted a supervision strategy outlining the type of data used in the risk matrix to identify entity specific risks which includes the Annual Risk Survey, Institutional Risk Assessment Reports as well as information obtained from on-site inspections, amongst others. The supervision strategy further outlines the focus of supervision whereby high-risk institutions receive greater and frequent coverage as opposed to low-risk institutions. In terms of the BNA risk-based supervision strategy, institutions rated high or medium high should be inspected annually, while institutions rated medium should be inspected after every two years. Inspection of low-risk institutions is limited to offsite, unless there is a trigger which necessitates an onsite inspection.

341. The frequency and intensity of inspections are emerging, though from a low base. After the adoption of the risk-based supervision strategy, the BNA instituted a supervisory plan/schedule for banks and NBFIs covering the period 2021/2022 based on the risk ratings of the entities. In terms of the

inspection plan/schedule, BNA scheduled 7 onsite inspections to be conducted on 7 (seven) banks during 2021/2022, all to be conducted before 31 March 2022. However, as at the date of the onsite visit, the BNA only conducted 3 (three) onsite inspections on 3 (three) high-risk banks and 1 (one) onsite inspection on a medium risk bank. In terms of the NBFIs, the BNA scheduled 23 (twenty-three) onsite inspections for the period 2021/2022, but due to staffing limitations, only carried out 9 (nine) onsite inspections out of the 23(twenty-three) onsite inspections that were scheduled.

Table 3.1-Onsite inspections:

Type of institution inspected	Type of inspection	2017	2018	2019	2020	2021	2022
Banks	Scheduled	0	26	0	23	4	1
Banks	Punctual	0	13	28	3	7	0
Non-banking	Scheduled	2	82	16	0	3	6
Non-banking	Punctual	0	0	1	0	0	0

Offsite inspections:

Type of institution inspected	Type of inspection	2017	2018	2019	2020	2021	2022
IFB (Banks)	Offsite	55	29	60	20	91	35
IFNBs (Non-Banking)	Offsite	36	138	96	16	25	25

342. During the period under review, the BNA in aggregate conducted 105 on-site inspections on banks and 110 on NBFIs. The BNA also conducted offsite inspections on banks totalling 290, and NBFIs amounting to 336. However, 99% of these inspections were rule-based focusing on AML/CFT controls and compliance with the submission of offsite AML/CFT self-assessment questionnaires.

CMC

343. CMC started conducting AML/CFT/CPF risk-based supervision from 2021 following its improved understanding of the risks as a result of risk-rating of entities through a recently introduced 2021 risk assessment matrix. Prior to this, CMC followed a rule-based approach to AML/CFT supervision whereby offsite inspections were conducted focusing on self-assessment questionnaires. The table below indicates 23 risk-based inspections conducted on market intermediaries (banks) during 2021 after CMC adopted a risk assessment matrix and assessed the ML risk individual institutions under its purview are facing. This was the beginning of CMC's application of a risk-based approach to AML/CFT supervision.
344. Inspections conducted by CMC since 2019 are tabulated below:

Table 3.4- Inspections conducted by CMC

No. of registration processes	2019	2020	2021
On-site Generic with ML/TF[36]			
Fund Manager	0	6	8
Banks (Market Intermediary)	0	5	7
REBF	0	0	0
Stock Exchange	0	1	0
TOTAL	**0**	**12**	**15**
ML/TF Specifics on-site inspection[37]			
Banks (Market Intermediary)	8	0	8
REBF	1	0	0
TOTAL	**9**	**0**	**8**

345. CMC has a dedicated team of qualified inspectors responsible for AML/CFT supervision, which appears adequate considering the size of institutions under its purview, the less complex securities traded in the Angolan market, the lower volumes of transactions. The majority of traded securities are government bonds as compared to shares being traded in the stock market. Additionally, CMC demonstrated that all onsite inspections that were scheduled for the year 2021/2022 were executed.

DNFBPs

346. **The DNFBPs supervisors have no supervision tools and as such, no inspections carried on DNFBP entities.**

6.2.4 Remedial actions and effective, proportionate, and dissuasive sanctions

347. **Overall, Financial sector supervisors, with BNA as an outlier, applied to a limited extent remedial actions and sanctions to FIs for failure to comply with AML/CFT obligations while DNFBPs supervisors have not applied enforcement action owing to failure to conduct any inspections during the assessment period.**

348. During the period 2018-2022, BNA imposed some sanctions, notably; revocation of licenses, suspension of licenses, reprimands, personal sanctions, and financial penalties (fines) to high risk and medium risk FIs under its purview as a result of non-compliance with identification and verification obligation in respect of PEPs and beneficial owners, obligation to screen clients against the UNSC sanctions lists, obligation to have an AML/CFT policy/program/internal rules, obligation to identify and assess ML/TF risks at institutional level, staff training obligation, and reporting obligation.

349. The majority of sanctions imposed by BNA are financial penalties (fines) imposed on banks, however, the fine amounts are relatively low, thus disproportionate to the severity of breaches. This exerted limited impact on compliance behaviour of FIs under its purview, which is evident in recurring breaches related to CDD, identification and verification of BOs, as well as application of a risk-based approach by FIs under the purview of BNA as at the time of the onsite.

Consequent to remedial actions undertaken and sanctions imposed, the deficiencies identified were addressed but to a limited extent. A summary of sanctions imposed by BNA for the period 2018-2022 is reflected on the table below:

[36] This is a combination of prudential, market conduct and AML/CFT inspections.
[37] These are AML/CFT inspections only.

Table 3.5- Sanctions by BNA, 2017 - 2022

Type of sanctions	No. of AML/CTF Sanctions Imposed				
	2018	2019	2020	2021	2022
Warnings					
Revocation of license		1	1	1	
Suspension of license	1	1			
Reprimands		6			
Personal sanctions			7	0	2
Fines	14	24	21	19	8

350. Regarding CMC, a recommendation map was developed to track implementation of remedial actions by inspected FIs. During the period 2019/2021 CMC noted limited improvement in compliance behaviour characterized by some of the identified deficiencies not being addressed within the agreed timeframe. In addition to remedial actions, most sanctions imposed by CMC are prudential related with only three (3) AML/CFT related sanctions for failure to submit the AML/CFT self-assessment questionnaire (two sanctions imposed) and failure to submit a STR (one sanction imposed).

351. So far, the AML/CFT breaches identified through inspections by financial supervisors do not have a criminal element to warrant application of criminal sanctions. However, in the event of a criminal element, supervisors will follow the existing procedure to refer the matters to competent authorities such as CID and Attorney General's Office for further investigation and possible prosecution.

DNFBPs

352. Although DNFBPs supervisors have enforcement powers under the AML Law, neither remedial actions nor administrative sanctions were imposed since no AML/CFT inspections were conducted as at the date of onsite visit**.**

6.2.5 Impact of supervisory actions on compliance

353. **Financial sector supervisors demonstrated limited change in behaviour by FIs following application of administrative sanctions, remedial actions while DNFBPs could not demonstrate any change since no supervisory actions (except for UIF outreach) were conducted.** Although remedial processes are in place, FIs in most cases do not implement them as agreed and there was no information provided to demonstrate positive impact of any follow-up taken.

354. Although the UIF conducted outreach to the DNFBPs sector to foster understanding of the risk of ML and AML/CFT obligations, including dissemination of guidelines to the sector, there has been less appreciation of the requirements to comply with the national AML/CFT measures in the sector.

6.2.6 Promoting a clear understanding of AML/CFT obligations and ML/TF risks

Financial Institutions

355. Financial sector supervisors shared the outcome of the NRA and sectoral risk assessments with their respective sectors to promote the ML/TF risks and AML/CFT obligations. In addition, supervisors held meetings with FIs to promote understanding of ML risk. However, there has been less focus on the TF risk, leaving FIs with limited understanding of the TF risk exposure in their respective sectors.

356. Financial sector supervisors held industry engagements with FIs in their respective sectors to, on an on-going basis, promote understanding of AML/CFT obligations. During 2021-2022, CMC in

collaboration with the UIF held various industry engagements with banks, collective investment schemes and brokers focusing on the obligations related to CDD and reporting of STRs, amongst others.

357. BNA has issued guidelines to FIs under its purview, mostly on TFS with emphasis on asset freezing, so as to promote the understanding of AML/CFT obligations. The majority of guidelines were issued by the UIF to foster consistent understanding of the ML/TF risks as well as AML/CFT obligations.

358. BNA conducted AML/CFT related outreach to its regulated institutions as tabulated below:

***Table 3.7*- BNA Outreach Activities**

Year	Date	No. Financial Institutions	Awareness-raising	Themes
2018	06/21/2018	29	1	AML/CFT Supervision of Banking Financial Institutions
	12/12/2018	29	1	Statistics on the outcome of on-site actions.
2019	18/04/2019	26	1	Supervisor's approach from a perspective of awareness and statistics of sanctions (fines);
	02/10/2019	26	1	Guidelines for the preparation of the AML/CFT/CPF prevention section of the Corporate Governance and Internal Control System report;
	05/12/2019	26	1	Statistics on BNA supervision and results of inspections (Jan 2018 to Oct 2019).
2020	30/09/2020	26	1	Approach on the mandatory risk assessment and implementation of computer tools or applications to prevent AML/CFT/CPF
	1/23 2/2020	26	1	Approach to Instructive No. 20/20 of 9 December
2021	13/05/2021	25	1	Results of inspections (deficiencies, quality of information and constraints;
	14/10/2021	25	1	Customer Due Diligence Measures and the main weaknesses identified in inspections on this subject;
	21/12/2021	25	1	Approach on the importance of compliance with the CDD process and the duty of suspicious operations communications in the prevention and combating of money laundering, terrorist financing and proliferation of weapons of mass destruction.
2022	30/03/2022	25	1	Approach on the importance of fulfilling the duty to report to the UIF whenever identifying or suspecting Suspicious Operations in the context of preventing and combating money laundering, terrorist financing and proliferation of weapons of mass destruction.

359. Other supervisors have not issued guidance to improve the understanding of ML/TF risks and AML/CFT obligations in their respective sectors.

DNFBPs

360. The UIF provided guidance and conducted outreach to DNFBPs in relation to risks and reporting obligations. None of the DNFBP supervisors have issued guidance nor conducted outreach for its entities.

Overall conclusion on IO.3

361. Overall, financial sector regulators have relatively fair market entry requirement implementation than DNFBPs (with accountants and lawyers as outliers), though challenges on verification of BO is more pronounced in the DNFBP sector. Financial sector supervisors have a fair understanding of the ML risks than DNFBPs owing to use of the findings of NRAs, SRAs and entity assessments. Understanding of TF risks is less developed across the FIs and DNFBPs supervisors. Implementation of RBA is emerging with BNA a distant ahead while no efforts have been demonstrated on of DNFBPs by their respective supervisors. Financial sectors have RBA frameworks in place but are yet fully impact positively on compliance levels by their supervised entities due to the recent nature of the measures. Remedial actions and sanctions have been applied mostly by BNA but were considered not proportionate and dissuasive to positive impact on compliance levels. Outreach activities and guidance issues has to some extent promoted understanding of ML/TF risks and AML/CFT obligations of FIs while negligible evidence exist for DNFBPs. There is no policy decision nor market entry requirements on VASPs, though no evidence of existence of VA activities were identified.

362. **Angola is rated as having a low level of effectiveness for IO.3.**

Chapter 7. LEGAL PERSONS AND ARRANGEMENTS

7.1Key Findings and Recommended Actions

Key Findings

a) Information on the creation of legal persons in Angola is publicly available to a negligible extent despite the fact that there was introduction of an online platform which is exclusive for legal persons that intent to be created as commercial entities.

b) Angola has not assessed ML/TF risks associated with legal persons created in Angola. As a result, Competent Authorities could not demonstrate that they identify, assess and understand vulnerabilities emanating from legal persons created in Angola being misused for ML/TF purposes.

c) Competent authorities are able to access or obtain basic information of legal persons at One Stop Shop (OSS), for legal persons registered after 2019. However, OSS does not implement measures to ensure that the information they hold is accurate and up to date.

d) Angola has no legal framework governing collection and maintenance of Beneficial Ownership (BO) information and there is limited understanding of the concept of BO amongst the authorities.

e) Angola allows registration, conversion and transfer of bearer shares. There are limited mechanisms in place to prevent the misuse of bearer share for ML and TF.

f) Angola does not recognise the concept of trust and other legal arrangements. Therefore, there is no legislation that govern legal arrangements of any form.

g) The authorities could not demonstrate that they have imposed effective, proportionate and dissuasive sanctions against legal persons and natural person that failed to comply with measures for legal persons and arrangements.

Recommended Actions

a) Angola should ensure that information on creation of legal persons and legal arrangements is publicly available.

b) Authorities should conduct a ML/TF risk assessment to identify and assess which legal persons are vulnerable to abuse for ML/TF.

c) Mitigation measures should be developed in line with the potential abuse or risks identified with legal persons and arrangements for ML/TF.

d) There should be capacity building for officers dealing with registration of legal persons and arrangements, supervisory and Competent authorities in Angola. The areas of training should focus on determining beneficial owners in legal persons and arrangements, obtaining and maintenance of BO information, and the difference between basic and BO information.

e) Authorities should develop a comprehensive mechanism to deal with issuance, conversion and transfer of bearer shares in line with FATF Standards, to ensure that they are not misused for MF/TF.

f) Authorities should review the current legal framework to ensure a dissuasive and proportionate sanctions' regime and take steps in effectively implementing sanctions for non-compliance by legal persons to provide or update BO information.

g) Angola should develop a legal framework to regulate creation of legal arrangements including trusts, and adopt mitigating measures requiring trustees to disclose themselves to FIs and DNFBPs when they engage them.

363. The relevant Immediate Outcome considered and assessed in this chapter is IO.5. The Recommendations relevant for the assessment of effectiveness under this section are R.24-25, and elements of R.1, 10, 37 and 40.

7.2 Immediate Outcome 5 (Legal Persons and Arrangements)

7.2.1 Public availability of information on the creation and types of legal persons and arrangements

364. **The information on creation of legal persons, in particular, the formation of companies, is publicly available through a website[38] to a very limited extent**. The online platform was introduced in 2019. The online system lists three types of companies that can be created in Angola, namely, a sole trader, a commercial company and a cooperative. However, the information on this website is limited to what identification information will be required and the fee payable for each of the commercial entities that one intends to create in Angola, save that, for corporate partners the required documents would include minutes of the shareholders, management or administrative decision to authorise incorporation. Other information which details creation of legal companies can only be obtained in person by visiting any of the registration offices in Angola. It was further noted that information on the creation of other types of legal persons, besides companies can be obtained at the Ministry of Justice offices where such legal persons are licensed, for example information on foundations and associations can be obtained at Ministry of Social Action, Family and Women's Promotion (MASFAMU). Information on creation of financial companies can be obtained at the National Bank of Angola.

365. **Angola does not recognise the creation of trusts but the definition of legal arrangement under Article 3(30) AML Law 5/20 includes express trusts or similar arrangements whether established in Angola or elsewhere.** This Law does not stipulate or provide how activities of trust can be regulated for the purposes of AML/CFT. However, other than this law there is no publicly available information on the creation of trust in Angola.

366. Based on the forgoing, it is concluded that information on the creation and types of legal persons in Angola is publicly available to a negligible extent and information on the creation of express trusts or similar arrangements in Angola is not available publicly.

7.2.2 Identification, assessment and understanding of ML/TF risks and vulnerabilities of legal entities

367. **Angola has not assessed the Money Laundering or Terrorism Financing (ML/TF) risks associated with the various types of legal entities created and registered, nor has it identified the nature of vulnerabilities of misuse of such entities for ML/TF purposes.** Nevertheless, during the onsite the law enforcement agencies revealed that according to their investigations, a number of legal persons had been misused to perpetrate criminal activities (see IO7). Corruption cases that have been investigated so far reveal the use of legal persons in public procurements and in fraudulent loan contracts involving senior public officers hiding behind these legal structures. Therefore, to some extent LEAs have been exposed to the risk of legal persons being used to commit crimes during their investigations but such knowledge is not based on specific identification and understanding of the ML/TF risks and vulnerabilities involved. As a result, the authorities could not demonstrate that investigations and prosecutions instigated by competent authorities were as a result of the misuse of legal persons created in Angola for ML/TF.

7.2.3 Mitigating measures to prevent the misuse of legal persons and arrangements

368. **Angola has not conducted a risk assessment to determine the ML/ TF risk associated with legal persons therefore, it is not easy to determine whether Angola has taken appropriate mitigating measures to prevent misuse of legal persons and legal arrangements consistent with specific identified ML/TF vulnerabilities.** Nevertheless, Angola has some measures in place which could be used to minimise the misuse of legal persons and arrangements, however, such measures are not comprehensive. For instance, OSS has powers to register legal persons in line with the requirements of the Law. However, authorities do not have powers to sanction or dissolve entities which have been

[38] https://gue.gov.ao.

dormant or not active since incorporation unless they resort to courts of law for that legal person to be removed from the roll or to be deregistered. In the end. this may be a lengthy and costly process for a competent authority responsible to administer such a legal person. Moreover, the authorities do not enforce the requirement that registered legal persons file annual reports/ returns with the relevant authority.

369. In an effort to promote transparency of legal persons (companies) created in Angola, the country has introduced online platform that can be accessed by the public. However, the information of entities registered and created before 2019 is not publicly available. Furthermore, although competent authorities can access information on legal persons free of charge, the private sector must pay a fee of 16,100 Kwanzas to access the information of entities registered and created before 2019.

370. During the onsite it was noted that authorities were working on a strategic document that would set up mechanisms on obtaining BO information. This would be a commendable initiative as it was noted that the authorities across the board have no understanding of the beneficial ownership concept as they refer to shareholders' information as beneficial ownership information. This has resulted in Angola not having a mechanism to obtain and verify beneficial ownership information to ensure transparency of legal persons and mitigate risks to use legal persons as vehicles for ML/TF.

371. For the companies intending to enter into the financial sector, they need to submit company details to the Bank of Angola (BNA) before registering with the OSS. The motive behind this is to check basic information of the legal entity which includes shareholder's information amongst others, and the authorities refers to such information as BO information. Further, the Financial Institutions require a client to submit a company deed which contains the name of the entity, information of directors and shareholders, address of the entity, structure document of the entity and capital details of the entity when entering into a business arrangement with the bank. The client is also required to provide certificate of incorporation of the entity and identification documents of the shareholders and directors. Foreign entities are subjected to the same requirements as domestic entities, except that the documents should be certified by Ministry of Foreign Affairs and if the documents are not in Portuguese, the documents should be translated into Portuguese. This to a certain extent provides some information on the business, although not necessarily on the BO.

372. In addition to the AML Law, FIs have created and adopted their own procedures to identify beneficial owners when dealing with clients. However, FIs cannot verify the beneficial ownership information in all cases as Angola does not have a standardised mechanism, like BO registry to obtain and maintain beneficial ownership information. As a result, FIs rely on the information provided by the client when opening an account. However, it not mandatory for registered companies to open bank account unless such company will engage in trade and business activities.

373. Angola regards accountants and lawyers as gatekeepers for preventing the misuse of legal persons for ML/TF. The accountants and lawyers are mandated to comply with the money laundering law as they conduct businesses on behalf of client/s. However, there is low understanding of the BO concept amongst the lawyers and accountants, as a result they do not collect and maintain basic and beneficial ownership information of their clients. Further, casinos and precious stones dealers only collect the identity document of the client without any further particulars being obtained. Therefore, little to no effort is made by DNFBPs as reporting entities to collect and maintain accurate BO information.

374. Angola allows registration, conversion and transfer of bearer shares, and a bearer share can be converted into nominative shares at the discretion of the Issuer. Therefore, the conversion is not mandatory as it is up to Issuer whether to convert the bearer shares or not. Also, the bearer shares are only registered depending on whether the Issuer has the right to know the identity of the holder. This means that the Issuer might not know the identity of the Holder of the bearer shares. As a result, there are no measures taken by Authorities to enhance the transparency of holders of bearer shares**.** Furthermore, Angola permits nominee directors and shareholders but there are no measures in place to ensure registration and determination of principal director and shareholder as a mechanism of reducing the risk of abuse for ML and enhance transparency of legal persons.

375. On legal arrangements, Angola does not register domestic trust and other legal arrangements such as Trust Company Service Providers (TCPs) but there is no clear prohibition on creation of such legal arrangements. In addition, Angola allows foreign companies registered in Angola to have foreign trusts as shareholders, and there are no appropriate mitigating measures in place to enable the identification of the trustees by reporting entities and competent authorities. As a result, there is a possibility that trusts in company structures might be used as vehicles for ML and TF.

7.2.4 Timely access to adequate, accurate and current basic and beneficial ownership information on legal persons

376. **The basic information on companies is publicly available to a negligible extent, while basic information of other legal persons (foundations, organised unions) is not publicly available. As indicated above, information relating to companies registered before 2019 is still retained manually unless the company has updated its details.** Further, the other legal persons such as foundations and associations are still registered and maintained manually by MSAFWP. Therefore, the Competent authorities are able to access basic information of the legal persons on the OSS system for entities registered from 2019 onwards. However, the competent authorities indicated that they are obliged to make a written request to the Director OSS for the information on legal persons to be provided.

377. The authorities further indicated that OSS takes 1 to 5 days to provide a response to their request for basic information for legal persons that are registered after 2019. The process takes longer for legal persons registered before 2019 as the records are accessed manually. The information is provided free of charge to the Competent Authorities.

378. The request for basic information by the private sector and general public is treated differently from the request made by Competent Authorities. OSS request the private sector and the public to submit a request in writing and the information will be provided at a minimum of 5 days. The information will be provided also upon payment of a fee of $ 31.40 (16100 Kwanza). As a result, the timelines of which OSS facilitates access to basic information of legal persons poses challenges as the information takes long to get it.

379. There is no legal requirement for a registered legal person to maintain registers on basic information such as on members, directors, or shareholders. Also, OSS does not enforce that a registered legal person should file updates of changes that occurred within a legal person being change of director, members or shareholders as required by the Commercial Registry Code. Consequently, there is a high possibility that the information held at OSS is not adequate and accurate.

380. Also, authorities do not enforce the filing of annual reports and up-to-date information by legal persons, as a result the information of legal persons available might not be accurate and up to date. OSS does not enforce requirements on filing of annual reports by legal persons or prescribe a fine or measure to remove such legal persons from the roll for failure to file annual reports. Therefore, it is difficult to deal with discrepancy of information held by reporting institutions and OSS. This indicates that the competent authorities are not getting access to accurate basic information of the legal persons. Furthermore, where there is a discrepancy of information OSS indicated that it does not have powers to rectify the register unless the legal person files changes.

381. Further, most of the authorities do not understand the difference between basic (legal ownership) and BO information of a legal person, Authorities refer to basic information as BO information, particularly pertaining to shareholders. Currently, OSS collects and maintain information on shareholders as a result OSS does not have sufficient mechanisms to collect and maintain beneficial ownership information as required by Law 5/20. As a result, it is highly likely that the Authorities would not be able to identify BOs in foreign legal persons that hold shares in companies registered in Angola, nor understand complex structures of such companies.

382. FIs and DNFBPs are required to collect basic and BO information in terms of Law 5/20 but it was noted during the onsite that majority of the reporting entities did not understand the difference between basic and BO information. Furthermore, FIs due to a number of reasons cannot verify the accuracy of the information collected from customers (see IO 4) as well as knowing how to go about doing it.

Consequently, competent authorities have no easy access to BO information and reliable, accurate, up to date basic information at all times.

7.2.5 Timely access to adequate, accurate and current basic and beneficial ownership information on legal arrangements

383. **Angola does not have a legal framework that creates domestic trusts and other legal arrangements.** However, based on the analysis in core issue 383 above, it is clear that the Angolan laws do not prohibit creation of trusts hence Law 5/20 imposes some obligations on FIs and DNFBPs when dealing with activities relating to trusts or similar arrangements. The obligations include enabling access to basic and BO information on a trust by competent authorities. However, it could not be demonstrated that competent authorities are able to access this information, if at all any express trusts or similar arrangements exist in Angola.

7.2.6 Effectiveness, proportionality and dissuasiveness of sanctions

384. During the onsite, OSS indicated that legal persons are required to file changes kept by the legal person but failed to provide the timeframe on which such information should be reported to OSS. Moreover, the authorities failed to stipulate if there is a fine for legal persons who fail to file changes. Also, OSS indicated that it did not have resources to ensure compliance by legal person to update basic information. The authorities have indicated that fines have been applied to legal persons but did not provide statistics where such sanctions have been applied against legal persons that did not report changes and failure to keep up to date and accurate information. Thus, the only conclusion which can be made is that if any sanctions have been applied, the authorities could not demonstrate that they were effective, proportionate and dissuasive.

385. In regard to AML/CFT measures, the Competent Authorities indicated that failure by the legal persons or reporting entities to provide them with information constitute an unlawful act. The authorities are empowered by the AML Law to apply the fines between $ 89,109.85 and $ 869,263.56 (45,645,000.00 and 4,564,5800.00 kwanzas) if the offender is a legal person. A fine between $11,127.99 and 27,528.26 (5,705,725.00 and 1,141,14500.00 kwanzas) is imposed, if an offender is a natural person. Furthermore, the authorities indicated that the fines have not been applied as the institutions and reporting entities always provide the basic information of the legal person.

Overall conclusion on IO.5

386. The information on creation and maintaining of legal persons in Angola is publicly available to a limited extent. While information on legal arrangements is not available because Angola does not register legal arrangements, there is no prohibition of such entities. As a result, Angola does not prohibit foreign companies registered in Angola to have a foreign trust as a shareholder in their company structures. This is due to the fact that the definition of legal arrangements under AML Law includes express trusts and foreign trusts. Angola has not assessed the ML/TF risks associated with the various types of legal entities created and registered nor has it identified the nature of vulnerabilities leading to misuse of such entities for ML/TF purposes.

387. The competent authorities can access limited basic information of legal persons timely as most of the information is manual and takes about from 1 to 5 days to be provided. However, reporting entities and the public must pay a fee of $ 31.40 (16100 Kwanzas) to obtain information of registered legal persons.

388. Angola permits the registration and transfer of bearer shares. The conversion of such bearer shares is not mandatory as it is up to the Issuer whether to convert them into ordinary shares or not. The potential misuse of bearer share for ML/TF is high risk as there is limited preventative measures in place.

389. The authorities and reporting institutions have no mechanism to verify the information they collect. Also, the collected information is not accurate as the authorities do not enforce a requirement for legal persons to file annual reports at the end of each financial year. Moreover, the authorities and reporting institutions are not always collecting beneficial ownership information of legal persons as the assumption is that basic information of legal persons serves as beneficial ownership information. Lastly there is no evidence that sanctions or fines have been applied on any natural person or legal person for not complying with the respective laws that creates legal persons.

390. **Angola is rated as having a Low level of effectiveness for IO.5.**

Chapter 8. INTERNATIONAL COOPERATION

8.1 Key Findings and Recommended Actions

Key Findings

a) Angola provides, to some extent, MLA and extradition in response to international requests. However, due to lack of a coherent system to keep and maintain a record of requests in order to track and monitor how they were responded to, made it impossible to determine the usefulness of the assistance provided or if it has contributed to the resolution of some criminal cases in other jurisdictions. The information and/or the data provided in the form of tables has been inconsistent, inaccurate and unreliable to a large extent, indicating a system which is not well coordinated in attending and/or addressing international cooperation measures.

b) There is an absence of an effective case management system (despite the introduction of a digital registry in 2019) which hinders the Central Authority capacity not only to prioritize, select and make requests for assistance, but also to track and monitor all incoming and outgoing requests for international cooperation.

c) Angola has made requests for MLA and extraditions in a very limited number of instances, which is inconsistent with Angolan's risk profile. The authorities have not adequately demonstrated that seeking international cooperation in the investigation of ML, associated predicate offenses, and TF is a priority and need major improvements on how they follow up on outgoing requests.

d) The main competent authorities exchange information, using both formal and informal channels with their foreign counterparts, reasonably consistent with Angola's risk profile. Most information is exchanged by the UIF and PGR with their international counterparts or organizations and it has been increasing since 2018.

e) When requested, the different competent authorities and the financial supervisors provide international cooperation to some extent. Spontaneous international co-operation has been provided to some extent.

f) Some basic information on companies can be shared in a timely way as it is publicly available, but there are challenges with the timeliness for information about most companies registered before 2019, since only recently digital keeping of company records has been initialized. From 2017 Angola has become more active on requesting BO information to foreign jurisdictions, but still inconsistent with Angola's risk profile.

Recommended Actions

Angola should:

a) Actively seek formal and timely MLA for all ML, associated predicate offenses, and TF in a much greater proportion of the cases that have transnational aspects and actively follow up on such requests in a timely manner.

b) Establish an efficient case management system in the Attorney-General's office for the collection and dissemination of MLA and extradition information including requests made, requests received, actions taken and quality of the information obtained as well as the duration of the response in order to improve collection of statistics on international cooperation.

c) Provide the necessary resources (financial, human and technologic) to both AGO/PGR as Central Authority for international judicial cooperation in criminal matters and the Ministry of Justice and Human Rights as the Central Authority for international cooperation in all other jurisdictional matters.

d) Maintain adequate and accurate statistics on all international cooperation requests, to enhance monitoring of timely execution and internal review processes across all relevant competent authorities.

e) Improve the overall capacity and turnaround time to share and seek basic, legal ownership and BO information with foreign counterparts.

391. The relevant Immediate Outcome considered and assessed in this chapter is IO.2. The Recommendations relevant for the assessment of effectiveness under this section are R.36-40 and elements of R.9, 15, 24, 25 and 32.

8.2 Immediate Outcome 2 (International Cooperation)

Background

392. Angola generally has a legal framework that allows its competent authorities to provide both formal and informal international cooperation on the principle of reciprocity. The Law n.º 13/2015 of June 19th, on international judicial cooperation in Criminal Matters, combined with the Presidential Decree n.º 221/2017 of September 26th appoints the Attorney General Office (AGO/PGR) as the Central Authority for international judicial cooperation in criminal matters and the Ministry of Justice and Human Rights as the Central Authority for international cooperation in all other jurisdictional matters. The Ministry of Foreign Affairs (MoFA/MIREX) is the diplomatic channel through which requests for MLA and extradition are received and dispatched. The context of the Angolan economy is also very complex. Angola, as other African resource-rich countries, is particularly exposed to capital flight through embezzlement of export proceeds and export mis-invoicing. One of the main issues undermining Angolan economy concerns the so called "wealth management services" provided by global banks, law and accounting firms, wealth management offices and others. The main objective is getting the proceeds (money) out of Angola and getting the money into foreign bank accounts or assets (what in some cases would be the laundering of proceeds generated by the commission of predicate offenses to ML, such as corruption and embezzlement. Therefore, Angola has searched key partners for cooperation such as the Community of Portuguese Language Countries (CPLP) and the Sub-Region partners, and searched agreements with key financial players such as Switzerland, Netherlands, UK, USA, China and, for taxes purposes, even Russia. This framework reinforces the strategic importance of having solid MLA procedures and other international cooperation mechanisms implemented, as an enormous amount of Angolan proceeds is being generated or kept in foreign countries.

8.2.1 Providing constructive and timely MLA and extradition

393. The Attorney General of the Republic of Angola, was designated by the Presidential Decree No. 221/17, of 26 September as the Central Authority for mutual legal assistance (MLA) and extradition. In this way, the Official Letters received by the exchange Department of the Ministry of Justice and Human

Rights (MINJUSDH) from the MoFA/MIREX, requesting international cooperation in criminal matters, are sent to the National Directorate of Justice Administration of the Ministry of Justice and Human Rights. Within the scope of its attributions, this ministerial department sends it to the Attorney General's Office for treatment.

394. Those requests are received by the Office of International Exchange and Cooperation of the AGO/PGR (GICI) and then sent to the National Investigation and Prosecution Directorate of the AGO/PGR for execution.

395. Before October 2017, the issues of cooperation in the criminal matters were dealt by the Supreme Court and the Ministry of Justice, reserving the Attorney General's Office to comply with the requests

396. The process to deal with TF is different from the one used in ML. With regards to "Terrorism Financing", the GICI does not directly engage with the Ministry of Foreign Affairs. For this there is a "Multisectoral Technical Group for the Creation of the National Observatory Against Terrorism", coordinated by the Ministry of the Interior. In this regard, international cooperation in matters of Financing of Terrorism is processed by sending the request from the MoFA/MIREX to the Ministry of the Interior, as coordinator of the Technical Group, so that it can proceed with the appropriate treatment. There was not information to demonstrate how the process of handling TF matters was distinct from dealing with any other offences in Angola.

397. During the onsite assessors noted that the office of Attorney-General had a designated unit manned by two magistrates and five (5) technicians to process international requests on criminal matters. Authorities did not provide the relevant trainings undertaken by these officers that would enable them to efficiently discharge their duties in this unit which is entrusted to handle international cooperation requests. Furthermore, the assessors established that prior to 2019 requests for international cooperation were captured in a manual register. Since 2019 the requests are captured electronically. Although authorities indicated that it would take 6 months to execute a request, this could not be established from both the manual and electronic register seen by the assessors during the onsite. There was also no evidence that Angola has mechanisms and/or case management system in place on how international requests are assessed and prioritised to respond to request for assistance. Thus, some of these identified deficiencies may have compromised the efficiency of the Angolan international cooperation in criminal matters.

Incoming MLA Requests (AGO/PGR) on ML.

398. **Incoming MLA requests on ML appeared to be increasing steadily since 2017 to 2021 as shown in table 2.1 below. According to the data in this table a total of 60 ML requests were received out of which 38 appeared to have been executed.** It would also appear from this table that each year requests were executed as within the same year they were received. Surprisingly, a total of 52 request was still pending execution as at the onsite. Thus, a total of 38 executed ML requests for the period under review is highly incredible to be relied on.

Table 2.1- Incoming MLA requests on ML (AGO/PGR)

Year	2017	2018	2019	2020	2021
Requests Received	6	10	13	15	16
Requests Executed	4	10	12	4	8
Pending	2	2	3	14	22

399. Information on the total incoming MLA requests on predicate offenses from 2017 until 2021 was provided as shown in table 2.2 below. From this table assessment team observed that the main **predicate offenses** that originated incoming MLA requests were participation in an organised criminal group and racketeering (11), Corruption and bribery (39), fraud (173), counterfeiting currency (50).

Table 2.2- Total of incoming requests (AGO/PGR)

Year	2017	2018	2019	2020	2021
Requests Received	191	275	78	82	93
Requests Executed	69	280	60	12	59
Pending	122	117	135	205	239

400. **As noted in the preceding paragraphs, assessors could not establish with certainty on whether the office of AG execute request for assistance the same year they are received as depicted in the tables provided by authorities. What appears certain is that Angola does not have clear and comprehensive systems in place to track and monitor requests for international assistance.** Hence, the inconsistent figure, kept and maintained by authorities render the international cooperation system inefficient. There was also no indication that there are time frames observed nor priority given in granting requested assistance in line with the country's risk profile.

401. Moreover, the Ministry of Foreign Affairs also appraised the assessors of the MLA requests, made through the diplomatic channels, For the period under review, 60 ML requests were received and 26 appear to have been granted. There were also 705 requests for other criminal offences of which 49 requests for assistance were granted. These numbers once again do not tally with the ones kept and maintained by the AG as the designated central authority on MLA issues. There was no explanation from Angola why the provided conflicting data on the same matter. Once again this shows that competent authorities in Angola cannot ensure that relevant and accurate information is provided to requested foreign jurisdiction and this can even compromise the quality of assistance provided.

402. **No incoming MLA requests on provisional and confiscation measures were brought to the attention of the assessment team for the period under review.**

Extradition

403. The extradition procedure is urgent and comprises the administrative and the judicial phases. The administrative phase is intended for the consideration of the request for extradition by the Holder of the Executive Power in order to decide, taking, namely, into account, the guarantees that exist, whether it can be followed up or if it should be outright dismissed for reasons of political order or of opportunity or convenience [see Article 22, 47 e 49 of Law 13/2015 of 19.06]. As soon as the request for extradition has been received the Central Authority, within a maximum period of 20 days submits it to the Holder of the Executive Power. The Holder of the Executive Power (the President of the Republic of Angola) decides whether the request must be followed through or whether it must be rejected. The Central Authority must adopt the necessary measures for the surveillance of the requested person. No further information was availed on what would trigger deploying administrative phase, and as such, its effectiveness could not be assessed.

404. On the other hand, the judicial phase is the exclusive competence of the court of 2nd instance in criminal matters, and is intended to decide, with a hearing of the interested party, on the granting of extradition based on its formal and fundamental conditions, with no evidence of the facts imputed to the extradited being admitted.

405. Information on incoming extradition requests on predicate offences from 2017 until 2021 was provided by the office of Attorney-General. The predicate offenses that originated incoming extradition requests were fraud (2), corruption and bribery (1), terrorism, including terrorism financing (1). The table below shows the total of incoming requests received from 2017 until 2021. In the absence of specific year request on the type of year was received, the assessors assumed that two fraud cases were received in 2019 while terrorism, terrorist financing, as well as, corruption and bribery were received in 2020 and 2021 respectively on. Although the information in the table indicates that in 2019 two cases were rejected, this does not make sense as in the same year, two cases were responded to. There is also no evidence that any prosecution was initiated for the rejected cases. Given the inaccuracy of data, assessors could not establish with certainty the average time Angola takes to respond to extradition requests.

406. On the other hand, the Ministry of Foreign Affairs also tendered the number of requests received through diplomatic channels. The data submitted showed only two cases that were received which relate to fraud and corruption and there was no indication that it ever received a case on terrorism and terrorist financing. Once again there is inconsistency in data kept and maintained by these competent authorities which ordinarily would be complementing or seamlessly coordinating the international cooperation issues.

407. **No information was provided concerning the feedback from foreign authorities about the quality of the information provided, concerning both MLA and extradition. Thus, in the final analysis, the assessment team noted that, although Angola received and appeared to have responded to requests from foreign jurisdictions, this has been done to a limited extent**, and this may have been exacerbated by information gaps and the apparent lack of appropriate mechanisms to keep and maintain records which resulted to even failure by assessors to determine how constructive and timely the requests have been responded to.

8.2.2 Seeking timely legal assistance to pursue domestic ML, associated predicates and TF cases with transnational elements

Mutual Legal Assistance

408. **For outgoing requests, the procedure is essentially the same as for incoming requests. The AGO/PGR channels its requests for legal assistance to other jurisdictions through the MIREX. Also, for these outgoing requests, there is no proper manual or electronic case management system. All outgoing requests are managed manually**. AGO/PGR indicated that it followed up on the status of requests made, by sometimes sending letters of reminders to the counterpart authorities or to the embassies / consular offices of Angola in the country concerned. However, the authorities could not indicate how many times such follow-ups had been done or the kind of results it had yielded.

Outgoing MLA Requests (AGO/PGR) on ML

409. **During the onsite Angola submitted data to demonstrate that it sought legal assistance for international cooperation to pursue money laundering and other predicate offences. Table 2.4, below, shows the number of outgoing MLA requests on ML from 2017 until 2021. From the data provided in this table, the total number of ML requests sent was 30 out of which 24 requests were responded to, authorities could not furnish the nature of requests and the time within which it was responded to, but apparently all requests appear to be responded to within the same year they were sent.** However, from the same data submitted the total number of requests in progress surpasses the total number of requests responded to. Analysis made on the data given below led the assessors to conclude that the information is so distorted and cannot as such be relied upon to measure the timely manner and the extent to which the country has effectively sought legal assistance to pursue domestic money laundering, associated predicate offences and TF cases which have transnational elements.

Table 2.4 - Outgoing MLA requests on ML (AGO/PGR)

	2017	2018	2019	2020	2021
Requests Sent	4	4	6	8	8
Requests Responded	2	2	3	5	14
Requests in Progress	2	4	7	10	4
Requests rejected	0	0	0	0	0

410. Apart from MLA requests on ML, Angola also indicated to have sought legal assistance for international cooperation on predicate offences from 2017 until 2021. The Table below shows the total

number per year of all requests made. From this data assessors observed that the main predicate offenses that originated outgoing MLA requests were participation in an organised criminal group and racketeering (15), Corruption and bribery (16), fraud (4), illicit trafficking in stolen and other goods (8) and Tax crimes (1). There is no information on the nature of request sought. There is also no turnaround time on requests responded to and nothing was said on whether the responses or feedback was appropriate for the matter under investigation as the case might be. Nevertheless, interviews made during the onsite and some case study examples (see IO8) show that the country has sought assistance to pursue predicate offences that are transnational in nature, but the information given does not show whether request were prioritised per risk profile of the country.

Table 2.5- Total of outgoing requests (AGO/PGR) predicate extract

	2017	2018	2019	2020	2021
Requests Sent	6	20	11	16	26
Requests Responded	4	8	5	8	39
Requests in Progress	2	14	20	29	14
Requests rejected	0	0	0	0	0

Extradition

411. Despite the fact that the legal framework been in force (through law n.º 15/2013) since 2013, Angola has sought extradition requests to a limited extent and contrary to its risk profile. Information provided by the authorities showed that only two requests were issued during the period under scope (2017-2021), one to Spain and the other to Portugal. Both were related to a predicate offense (corruption and bribery) and only one of those ended with the extradition of the suspect. No case studies were provided to illustrate how Angola is using extradition in relation to ML, TF or terrorism.

8.2.3 Providing and Seeking other forms of international cooperation for AML/CFT purposes

412. **The authorities have at their disposal a variety of other forms of international cooperation for AML/CFT purposes. Most of the competent authorities in Angola can provide information to counterparts using informal channels and bilateral agreements entered between competent authorities in Angola and counterparts in other jurisdictions.**

413. Law Enforcement Agencies: The Angola Revenue Administration (AGT) has, among other powers, controlling the country's external border and the national customs territory, for fiscal, economic and society protection purposes, in accordance with the policies defined by the Angolan Executive. In this sense, AGT has celebrated (15th September 2021) a MoU with the United Nations, represented by the Office on Drugs and Crime (hereinafter referred to as "UNODC). The main objective is UNODC to assist and cooperate in the implementation at the normative and operational levels of the relevant United Nations conventions. The AGT is well positioned to exchange information with its counterparts. AGT has signed 2 MoUs relating to tax information exchange with Portugal (Agreement with the Portuguese Republic on Mutual Administrative Assistance and Cooperation in Tax Matters, effective on 30 November 2018) and with the United States of America (*Foreign Account Tax Compliance Act - FATCA* **:** Angola signed an intergovernmental agreement with the United States of America to implement the *Foreign Account Tax Compliance – FATCA regime*, under which national authorities undertake to report to the US tax authorities information personal and financial assets of US tax resident citizens who maintain financial assets domiciled in Angolan financial institutions).

414. AGT has also signed several MoUs relating to International Agreements in Customs Matters with Namibia, Democratic Republic of São Tomé and Príncipe, Republic of Zambia, Republic of south Africa, Democratic Republic of Congo, Kingdom of the Netherlands, Portugal, Mozambique, Guiné-Bissau.

Angola is also part of the Convention on Technical Cooperation between the Customs Administrations of Portuguese-speaking Countries, signed on 26 September 1986; Convention on Mutual Administrative Assistance between Portuguese-speaking Customs States, - Prevention, Investigation and Reprimand of Customs Offenses, signed on 26 September 1986; Convention on Mutual Administrative Assistance between Portuguese-speaking Customs States, - Fight against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, signed on 26 September 1986; Convention to Eliminate Double Taxation in Respect of Income Taxes and to Prevent Fraud and Tax Evasion of the Republic of Portugal, with entry into force on 22 August 2019 and applicable to tax facts verified after 31 December 2019; Convention to Eliminate Double Taxation in Respect of Income Taxes and Prevent Fraud and Tax Evasion with the United Arab Emirates, effective on 28 March 2020 and applicable to tax events occurring after 31 December 2020. However, the authorities did not provide any information that could enable the AT to determine if the cooperation provided and requested had been for purposes of discharging AML/CFT requirements.

415. UIF: The Angolan UIF is a member of the Egmont Group of UIFs since 2014. The UIF was able to demonstrate the informal exchange of information it had undertaken. The UIF also provides assistance directly to its foreign counterparts through the EGMONT Group Secure Web system by disseminating information both on request and spontaneously (at a less extent). Furthermore, Angola has celebrated 26 bilateral MoUs with its counterparts.

The table below shows the incoming and outgoing requests received and sent by the Angolan UIF.

Table 2.6-Requests from 2017 to 2021 made by the others jurisdictions (UIFs)

INFORMATION REQUESTS (incoming and outgoing)				
YEAR	**RECEIVED FROM THE UIFs (counterparts)**		**SENT FROM THE UIF (OUTGOING)**	
-	**RECEIVED/ENTRY**	**FEEDBACK**	**SENT/EXIT**	**FEEDBACK**
2017	16	16	9	6
2018	8	7	17	8
2019	16	9	19	6
2020	13	7	16	7
2021	**10**	**7**	8	5
TOTAL	**63**	**46**	**69**	**32**

416. The UIF also provided detailed statistics (broken down per year and per jurisdiction) on incoming and outgoing requests to or from its counterparts. No information was provided on outgoing and incoming requests considering the crime typology (ML/TF or predicate offense). The AT considers that Angola demonstrated the use of international cooperation mechanism to a lesser extent. The statistics provided showed that the use of international cooperation mechanisms by the UIF are increasing but still not consistent with the country risk profile. The UIF also demonstrated that it was able to provide assistance informally and directly to other jurisdictions through the EGMONT Group Secure Web system. The nature of the cooperation related mainly to the provision of information and identification, tracing and freezing of assets.

417. Nevertheless, there are good examples of international cooperation between UIF and its counterparts, as shown below (box n.º 2.1 and 2.2)

Case Box 2.1. AAA CASE

This case refers to a former manager of the AAA, Seguros, S.A., a state-owned company, 100% owned by the Sonangol group, S.A. (Sonangol, E.P. and Sonangol, P&P). The defendant served concurrently as Director of the Risk Management Department of Sonangol, E.P. and CEO of AAA, Seguros, S.A. While performing such duties, he unlawfully took ownership of the AAA Seguros S.A. company, by gradually transferring the stakes on his behalf.

The case was started by means of a report submitted by the Public Prosecutor of the Canton of Geneva to the central body in charge of criminal affairs in Angola (the Office of the Attorney General) stating that Mr. X requested from a bank in Switzerland a bank transfer of over USD 900.000.000,00 (nine hundred million United States dollars), raising suspicion of a money laundering transaction.

In view of such information, the Angolan Attorney General's office initiated the relevant criminal proceedings and the related financial and property investigation. The following entities were part of such investigation: The Criminal Investigation Service, **the Financial Intelligence Unit**, the Central Bank of Angola (BNA), Commercial banks, the Angolan Insurance Regulatory and Supervision Agency (ARSEG), the One-Stop-Shop for establishing a business, the Property, Vehicle and Commercial Registry, the Revenue and Customs Administration (AGT), the Angolan Maritime and Port Institute and the National Civil Aviation Institute.

On request, commercial banks also surrendered documents used by the defendant to open bank accounts in his name and in the name of his spouse, relatives and companies to him associated. Two experts from the Angolan Central Bank (BNA) conducted a thorough examination of the money trail.

As part of the cooperation between the Angolan Financial Intelligence Unit (UIF) and the Angolan Attorney General's Office (PGR), the PGR requested the UIF for the latter to engage its counterparts in providing financial intelligence about the defendant, having such counterparts from Singapore and Luxembourg responded positively.

Assistance was also requested from the UK's International Anti-Corruption Centre (IACC) which submitted an intelligence report related to the defendant and the companies he owned in Bermudas which, despite having third-parties as owners, the bank transactions revealed that the defendant was the **beneficial owner** of such companies.

Assistance was also provided by the Attorney-General Offices of Portugal and Switzerland.

Source: Angola UIF/PGR

Case Box 2.2.

The FIU of the Grand Duchy of Luxembourg on 10-05-2021 sent the Financial Information Unit – Angola a request for information in which a European bank was involved, which was owned by a citizen of Angolan nationality with about 42.5 % of the shares.
However, the freezing of invested funds, as a precautionary measure, was suspected that they originated by committing a crime of embezzlement in Angola.
The UIF has disseminated intelligence to the National Asset Recovery Service (SENRA) to inform that the seized funds may be the subject of a request for mutual legal assistance.
The Luxembourg FIU has informed us that, in accordance with the AML/CFT legislation in force in that jurisdiction, Law 2001 of 12 November, has jurisdiction to order non-execution of transactions relating to the customer (freezing order). And that the freezing order has no time limit.
The UIF, at the request of the FIU-Luxembourg, disseminated to the SENRA whether it was interested in the amounts being frozen. If so, the PGR-SNRA had within 3 months to issue a letter rogatory, otherwise failure to comply with the time limits implies that the freezing order is lifted.

National Cooperation - UIF & SENRA				
UIF-Luxembourg	**Shipping Date**	**Average response time**	**Frozen Amount in EUR**	**Frozen Amount in USD**
Request for Information	10/05/2021	30 days	16 574 763,37	2 610 530,68

418. SIC: SIC noted the importance of international cooperation in transnational crime and investigations, in areas such as drug trafficking investigations, human trafficking, precious metals and precious stones trafficking, amongst others. However, there is no case (or at least no case was provided

to the AT) of ML prosecution or conviction with such crimes as a predicate offense, where a request for international cooperation was done.

419. SIC incorporates Interpol National Office, which handles all the informal requests for international cooperation. Though the authorities indicated that the office has at its disposal a case management system that is used to manage and prioritize the requests received and sent, this could not be verified as the authorities could not demonstrate how the case management system works.

420. Regarding international cooperation, two channels have been used, which are police cooperation through Interpol's National Office (for the exchange of information and joint police operations) and judicial cooperation through the PGR and the Courts (pursuant to Law No. 13/15 of June 19 - Law on International Judicial Cooperation in Criminal Matters and bilateral cooperation agreements). In the cases presented to the AT, the second channel was used to obtain cooperation from the requested jurisdictions, mainly by issuing rogatory letters. Although SIC had successful cases of cooperation, none of the cases presented were related to ML/TF, but to its predicate offenses, mainly drug trafficking. The examples provided don't describe how international cooperation contributed to the results.

PGR/SENRA Attorney General Office and National Asset Recovery Service

421. The National Asset Forfeiture Unit – SERNA – is part of the AGO/PGR office. Therefore, it benefits of the bilateral MoUs celebrated by AGO/PGR. AGO/PGR has celebrated MoUs, for instance, with the Arab Republic of Egypt, The People's Republic of China, The Republic of Zambia, the Swiss Federal Council, Turkey and Portugal.

422. The AGO/PGR is also part of multilateral MoUs such as the MoU celebrated between the AGO's offices of the Portuguese speaking countries (CPLP Fora).

423. SERNA has improved its mechanisms of international cooperation with its counterparts. Nevertheless, Angola is still using these mechanisms only to a lesser extent, giving priority to the most mediatic or valuable cases. There is no case management system in place nor any other type of procedure to prioritize the use of the international cooperation tools that are available. The effectiveness of international cooperation is still not consistent with Angola's risk profile.

424. Nevertheless, there are some examples of international cooperation between SERNA and its counterparts, as shown below (Case Boxes 2.3 and 2.4).

***Case Box 2.3.- AAA CASE*[39]**

This process began with a communication from the Public Prosecutor's Office to the Canton of Geneva to the Central Criminal Body of the Republic of Angola (Attorney General's Office) in relation to an individual who requested a bank in Switzerland to transfer more than USD 900,000,000.00 (nine hundred million US dollars), suspected of money laundering.

The individual is a former manager of one public company, initially owned 100% by the Group three other big public company in Angola. He simultaneously performed the functions of Risk Management Director of Sonangol, E.P. and Chairman of the Board of Directors of AAA, Seguros, S.A. In the performance of his duties, he fraudulently appropriated AAA Seguros, S.A., gradually transferring the shareholdings in his favor.

Through domestic cooperation with institutions such as the Criminal Investigation Service (SIC); Financial Information Unit (UIF); National Bank of Angola (BNA); Commercial banks; Angolan Insurance Regulation and Supervision Agency (ARSEG); Unique Company Window; Land Registry; Automotive and Commercial; General Tax Administration (AGT); Maritime and Port Institute of Angola; and The National Institute of Civil Aviation and international cooperation such as the International Anti-Corruption Centre (IACC) in the United Kingdom, The Attorneys General of

[39] Case in box 8.3 is the same that was presented in box 8.1, but from the PGR/SERNA point of view.

Portugal and Switzerland, as well as other investigative techniques that allowed the perpetrator to be charged and pronounced for the crimes of Embezzlement, Tax Fraud and Money Laundering, at first instance, sentenced to a single sentence of 9 years in effective prison, similarly seized and seized assets and valuables that were in the bank accounts of the accused plaintiff, wife, children and companies entitled by him. The case is currently at the appeal stage.

Values achieved through cooperation of the UIF, the IACCC, Portugal and Switzerland. Details to check in the table below:

COUNTRIES	MONETARY VALUES
PORTUGAL	Euros 20,951,988.20
LUXEMBOURG	USD 3,637,885.71
SINGAPORE	Euros 42,850,005.94
	USD 556,861,150.60
SWITZERLAND	USD 1,114,165,175.00
BERMUDA	USD 213,436,118.09
UAE (DUBAI)	USD 18,000,000.00
OVERALL TOTAL	***Euros 63,801,994.14***
	USD 1,906,100,329.04

Source: Angola PGR

Case Box 2.4-Cases No. 70/19- and 71/19/SENRA/PGR

Embezzlement, Document Forgery, Qualified Fraud, Abuse of Trust, Influence Peddling, Economic Participation in Business and Money Laundering

The processes under analysis refer to a former Chairman of the Board of Directors of Sonangol, E.P, who is a state-owned oil company responsible for the administration and exploration of oil and natural gas in Angola.

A consultancy firm established in Malta owned by the defendant concluded a consultancy service contract, set at EUR 8,500,000.00 (eight million five hundred thousand euros) with Sonangol to increase the effectiveness and efficiency of the oil sector whose payment was fully assumed and effected by the Ministry of Finance. This was the case before the defendant took over the presidency of the state-owned company.

Thus, when ascending to the position of PCA of Sonangol, decided to create with his friends a new consulting firm Y, registered in DUBAI, on behalf of a friend and having as administrator his right arm, the then Administrator of company X and other companies owned by the defendant, to replace company X that identified her as shareholder.

The Y company that later became Z was inserted in Sonangol E.P. and began to benefit from public money.

Company Y issued invoices to Sonangol in the total amount of USD 61,843,004.59 (sixty-one million, eight hundred and forty-three thousand and four dollars and fifty-nine cents) and Z issued invoices of USD 69,305,777.95 (sixty-nine million, three hundred and five thousand, seven hundred and seventy-seven dollars and ninety-five cents), amounting to USD 131,148,782.54 (one hundred and thirty-one million, one hundred and forty-eight thousand, seven hundred and eighty-two U.S. dollars and fifty-four cents) these payments were made, disrespecting the internal rules and procedures of certification and validation of invoices, and the same not having passed through the competent areas that should be made if the services charged had been actually performed.

His friends, as representatives of Y and Z companies, issued invoices to Sonangol for services not

provided.
The ongoing investigations also found that the defendant, in collusion with other organs of the State administration, bought diamonds at a price below the market and subsequently sold abroad at competitive prices in the international market, and the State was injured in about USD 5,000,000.00.
Therefore, to guarantee the payment of USD 5,000,000.00, plus USD 131,148,782.54, we require the seizure of all assets that the defendant had both in Angola and abroad, even of lawful property, pursuant to Article 9 of Law No. 15/18 of December 26.
The Public Prosecutor's Office had judicial cooperation from Portugal, the Netherlands and Monaco, which provided information relevant to the investigation.
It also had the support of the International Anti-Corruption Centre (IACC) in the UK, which sent intelligence reports allowing the identification of heritage in the UK, more specifically in London and the Isle of Man.
This information allowed the Public Prosecutor's Office to request from the Supreme Court of Angola the seizure of the defendant's assets located in Portugal, Monaco, Isle of Man and the Netherlands, requests deferred.
Based on this arrest, the Public Prosecutor's Office requested its counterparts in Portugal, Monaco, The Isle of Man and the Netherlands, through international judicial cooperation, to implement the decision, which was effective.
Having been seized shareholdings in banks, profitable companies in the oil and gas, energy and telecommunications, real estate, and cash sectors, valued at about USD 1,500,000,000.00.
In this case, we also have the support of national institutions that have provided us with intelligence information such as the State Intelligence and Security Service (SINSE), The External Intelligence Service (SIE) and the Financial Information Unit (UIF), as well as information from commercial banks, Banco Nacional de Angola, Sonangol EP, Ministry of Finance, Angolan Diamond Trading Society (SODIAM, EP), National Diamond Company (ENDIAMA, EP), Ministries of Mineral Resources, Oil and Gas, among others.
The investigation is complete, and ready to be sent to court.

Source: Angola PGR

425. The two cases provided showed that SENRA/PGR recognize the importance of international co-operation in what concerns assets recovery issues. Though they represent good examples of co-operation, both international and domestic, the use of international cooperation instruments is still not consistent with Angola's risk profile. Since SENRA initialized its work (created in December 2018 and started to function in January 2019) it has sent – from 2019 up to 2021 a total of 232 requests – 43 in 2019, 91 in 2020 and 98 in 2021 – and received a total of 162 requests – 13 in 2019, 81 in 2020 and 68 in 2021. No information was provided by the authorities regarding the nature of the requests and its turnaround time.

426. **For supervisors (financial and non-financial), some information was provided on international cooperation with counterparts. Supervisory authorities have an uneven use of international cooperation mechanisms for AML and CFT purposes.**

427. *ARSEG- Agência Angolana de Regulação e Supervisão de Seguros (Angolan Insurance Regulation and Supervision Agency)* is member of IOPS – International Organisation of Pension Supervisors. and provides life insurance which is considered a low-risk activity. ARSEG has not received any request to exchange information with foreign supervisory authorities and counterparts in the period under scope (2017-2021). On the other hand, ARSEG did seek international cooperation by sending out for requests in 2020 alone. One request was responded to and 3 were still in progress as at the time of the onsite. The nature and relevance for AML/CFT purpose had not been provide and the time it to for the request to be responded to was also not provided.

Table 2.7-Cooperation with Foreign Authorities (ARSEG)

	2017	2018	2019	2020	2021
Requests Sent	NA	NA	0	4	0
Requests Responded	NA	NA	0	1	0
Requests in Progress	NA	NA	0	3	0
Requests rejected	NA	NA	0	0	0

428. ARSEG is able to exchange information with its counterparts, mainly requiring technical assistance which is stipulated in various MOUs it has entered into with its respective foreign coutnerparts. A good example is the CISNA MoU, which is the common legal base (beyond the national legislation) for international cooperation for Southern Africa jurisdictions. Angola, as a member of CISNA, (Committee of Insurance, Securities and Non-Banking Financial Authorities) benefits from the exchange of information and assists other jurisdictions with information relating to insurance issues.

429. CMC - Comissão do Mercado de Capitais (Securities Market Commission)-CMC is a IOSCO member and benefits from IOSCO's multilateral MoU concerning consultation and cooperation and exchange of information. The CMC enters into international supervisory cooperation agreements, with the aim of making supervision more effective, bringing it closer to the practices followed by institutions that perform the same functions in other countries, and combating fraudulent acts of an international nature. The CMC has 14 International Cooperation Protocols, both bilateral and multilateral. Of the international protocols which signed, the counterparts that have had the most correspondence with the CMC have been the CMVM (Portugal, CVM (Brasil), AGMVM (Cabo Verde), FSC (Mauritius) and the South African Reserve Bank. During the years 2018 to 2021, the CMC made 143 requests to international and regional entities, and of this amount, 93 were successfully responded to with an average timeframe of 12 days.

Table 2.8 – CMC International/Regional Cooperation -Outgoing requests

Requests Sent to the Entities	**2018**				**2019**				**2020**				**2021**			
	Intl		**Reg.**		**Intl**		**Reg.**		**Intl**		**Reg.**		**Intl**		**Reg.**	
	S*	**MI ****	**S***	**MI ****	**S***	**MI ****	**S***	**MI ****	**S***	**MI ****	**S***	**MI ****	**S***	**MI ****	**S***	**MI ****
Requests Sent	7	7	0	4	2	9	0	1	20	5	15	12	11	31	1	18
Requests Answered	5	7	0	2	1	8	0	1	16	5	10	12	4	12	0	10
Unanswered Requests	2	0	0	2	1	1	0	0	4	0	5	0	7	19	1	8
Quality of Requests Responded	Good	Good	N/A	Good	Good	Good	N/A	Good	Good	Good	Good	Good	Good	Good	N/A	Good
Average Response Time	14	14	N/A	14	14	14	N/A	14	12	12	10	10	12	12	N/A	12
Total	18 requests				12 requests				52 requests				61 requests			

*suitability / ** Market Issues

430. The CMC provided assistance on financial information exchange and supervisory issues in a timely manner. During the years 2018 to 2021, the CMC received 8 requests from international entities,

and of these 8, all were successfully responded to with an average timeframe of 8 days. The CMC also received 8 requests to regional entities, which were all answered. CMC understands and uses both formal and informal channels to exchange information to a reasonable extent, considering the risk and context of the securities sector in Angola.

Table 2.9 – International/Regional Technical Assistance (incoming requests)

Requests Received	2018				2019				2020				2021			
	International		Regional		International		Regional		International		Regional		International		Regional	
	S*	MI **	S*	MI **	S*	MI **	S*	MI **	S*	MI **	S*	MI **	S*	MI **	S*	MI **
Requests received	3	0	1	1	1	0	0	1	2	0	1	0	2	0	0	4
Requests Answered	2	0	1	1	1	0	0	1	2	0	1	0	2	0	0	4
Unanswered Requests	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quality of Requests Responded	Good	N/A	Good	Good	Good	N/A	N/A	Good	Good	N/A	Good	N/A	Good	N/A	N/A	Good
Average Response Time	8	N/A	8	8	8	N/A	N/A	8	8	N/A	8	N/A	8	N/A	N/A	8
Total	5 requests				2 requests				3 requests				6 requests			

*suitability / ** Market Issues

431. BNA (National Bank of Angola) - The BNA has signed cooperation agreements with several foreign counterparts, for the exchange of supervision and law enforcement information and other information for AML/CFT purposes, namely, with the Central Bank of Brazil, Central Bank of Cape Verde and with the Central Bank of Portugal.

Table 2.10– BNA Information Requests to Foreign Central Banks

Central Bank	Year	Number of outgoing requests
Spain	2019	1
Mozambique	2019	3
Mozambique	2020	1
Mozambique	2021	1
Brasil	2018	2
Congo	2019	3
Cape Verde	2018	1
Cape Verde	2019	1
Cape Verde	2020	1
Portugal	2018	7
Portugal	2019	10
Portugal	2020	2

Table 2.11 **– Information Requests to BNA from foreign Central Banks:**

Central Bank	Year	Number of outgoing requests
Romania	2018	1
Cape Verde	2018	1
Cape Verde	2019	5
Cape Verde	2020	2
Cape Verde	2011	1
Portugal	2017	14
Portugal	2018	17
Portugal	2019	8
Portugal	2020	4
Portugal	2021	8

432. In some cases, formal cooperation is preceded by informal cooperation, which is based on the exchange of correspondence, telephone contacts, videoconferences, face-to-face meetings between experts from various countries. BNA understand and uses the international cooperation tools, both formal and informal

433. Regarding the DNFBP supervisors and their foreign counterparts, though interactions, both formal and informal, do exist in several areas, in what concerns international cooperation related to ML and TF no information was provided to the AT in order to assess its level of effectiveness.

8.2.4 International exchange of basic and beneficial ownership information of legal persons and arrangements

434. **Angola has legal framework requiring all Financial Institutions and DNFBPs to obtain and maintain BO information of subject entities (mainly FIs and DNFBPs). However, there is no procedure on how BO information obtained by these entities can be exchanged with foreign counter-parts**. Further, the institutions have no platform to verify collected information, as there is no enabling mechanism or standardised process to collect adequate, accurate and up to date for BO. Nevertheless, competent authorities can obtain and provide basic information on legal persons registered in Angola to their foreign (international) counterparts, This information can be accessed publicly through Angola Public Gazette.

435. There are some examples of international cooperation with elements of BO information, being Angola the requesting country, as shown above in box 8.1. Nevertheless, the absence of statistics or concrete information on international exchange of basic and beneficial ownership information of legal persons and arrangements hinders the AT ability to assess if the existing exchange of information was useful or done in a timely manner.

Overall conclusions on IO.2

436. In general, Angola has the legal instruments to enable provision of international cooperation, including MLA and extradition requests. However, the country has inadequate institutional capacity to implement the measures for purposes of requesting or providing MLA, extradition and other forms of cooperation regarding ML, TF and associated predicate crimes. There is no proper case management system and prioritisation mechanisms to enable a determination to be made on how timely the authorities have been able to provide MLA and extradition and the quality of the assistance. Angola has made or received very few MLA and extradition requests on ML. Most of the requests made or received relate to predicate offences, though in one instance the requests involved a case reminiscent of TF. Requests from foreign jurisdictions were all rejected as they were not meeting legal requirements in Angola and there was no evidence that requests to have such cases prosecuted domestically was ever initiated. This may be attributed to lack of system or mechanism to provide feedback by the authorities in the event of the extradition requests being granted by requested jurisdictions. Angola has been granted one extradition request in the period under review and there is very limited information to demonstrate that it actually pursued extraditions despite its identified threats on financial crime. Moreover, what was even more concerning was the qualitative and quantitative information submitted by Angola in the form of tables to demonstrate conclusively how they have received and sought international cooperation during the period under review. The figures in the tables have been inconsistent, inaccurate and unreliable to a large extent, indicating a system which is not well coordinated in attending and/or addressing international cooperation measures.

437. Nevertheless, competent authorities are able to provide basic information of legal persons registered in Angola with their foreign (international) counterparts though to some extent. Mechanisms for international exchange of BO information of legal persons and other arrangements are not in place.

438. **Angola is rated as having a low level of effectiveness for IO.2.**

TECHNICAL COMPLIANCE

1. This section provides detailed analysis of the level of compliance with the FATF 40 Recommendations in their numerical order. It does not include descriptive text on the country situation or risks, and is limited to the analysis of technical criteria for each Recommendation. It should be read in conjunction with the Mutual Evaluation Report.

2. Where both the FATF requirements and national laws or regulations remain the same, this report refers to analysis conducted as part of the previous Mutual Evaluation in 2012. This report is available from https://www.esaamlg.org/reports/ANGOLA_MUTUAL_EVALUATION_DETAIL_REPORT.pdf.

Recommendation 1 – Assessing risks and applying a risk-based approach

These requirements were added to the FATF Recommendations when they were revised in 2012 and therefore were not assessed under the 2012 1st Round mutual evaluation of Angola.

OBLIGATIONS AND DECISIONS FOR COUNTRIES

Risk assessment

Criterion 1.1 – (Met)- Article 4, paragraph 1 of the AML Law establishes the requirement to conduct a risk assessment, at the national level, on order to identify, assess and understand the risks associated with money laundering, the financing of terrorism and the financing of proliferation of mass destruction weapons activities in Angola. Angola conducted its first National Risk Assessment (NRA) in 2019 using a comprehensive ML/TF risk assessment methodology. Additionally, some competent authorities carried out their own sectoral risk assessments in 2021.

Criterion 1.2 – (Met) The UIF is designated by the Supervisory Committee which responsible for coordination of national ML/TF risk assessment.

Criterion 1.3– (Met)-As per Art. 4 paragraph. 4 of Law No. 5/20, the risk assessment must be updated periodically on a three-year basis. Article 5 of the same Law creates the requirement for supervisory authorities and other relevant entities to carry out sectoral risk assessments which are updated annually. Some parts of the 2019 NRA were updated through sectoral risk assessments in 2021.

Criterion 1.4 – (Met)- Article 5 of the AML Law establishes the requirement to make the relevant findings of the NRA to be made available to all subject entities and other entities for which they are pertinent in order to make them aware of the outcomes of the Assessment. The NRA exercise and development of the report involved all relevant competent authorities and Self-Regulatory Bodies (SRBs), representatives of industry associations. These stakeholders were therefore privy to the results of the risk assessment. In addition to this, the authorities conducted meetings, seminars and workshops during which the results of the NRA exercise were shared.

Risk mitigation

Criterion 1.5 – (Not Met)- Paragraph 6 of the AML Law establishes the requirement to prepare and submit an Action Plan to mitigate the identified risk for approval by the Head of Executive Power. However, such an Action Plan has not been developed. In addition, Angola has not yet developed a risk informed AML/CFT Policy and/or Strategy which would have guided the authorities to effectively allocate resources and implement measures to prevent or mitigate ML/TF risks.

Criterion 1.6 – (*Non Applicable*)- Angola has not applied any exemption from its AML/CFT framework with respect to activities conducted by FIs or DNFBPs as defined under the FATF Standards.

Criterion 1.7 – (*Not Met*)-

Criterion 1.7 (a) – (*Not Met*)- Article 14 of the AML Law establishes the requirement for subject entities to apply EDD in relation to customers and operations, taking into account the nature, complexity, volume, unusual nature, lack of economic justification or susceptibility to frame a legal type of crime or other high risk factor. However, this appears to be a requirement for subject entities to determine circumstances of higher risk, rather than to apply EDD to higher risks identified by authorities which may not be included in the AML Law.

Criterion 1.7 (b) – (*Not Met*)- Article 9 of the AML Law establishes the requirement for subject entities to adopt appropriate measures to identify, assess, understand and mitigate the risks of ML/TF/PF by taking into account a variety of factors. However, it does not appear that subject entities are required to take into other areas/activities or higher risk which may be identified by authorities and communicated to subject entities.

Criterion 1.8 – (*Met*)- Article 13(3) establishes a requirement that the implementation of simplified or reinforced measures addresses the risk assessment and the guidelines of the supervisory and oversight authorities.

Criterion 1.9 – (*Partly met*)- FIs and DNFBPs are subject to AML/CFT supervision and monitoring by the supervisory authorities to ensure compliance with AML/CFT requirements as per Article 57 of the AML Law No.5/2020. However, compliance monitoring is not based on identified risks.

OBLIGATIONS AND DECISIONS FOR FINANCIAL INSTITUTIONS AND DNFBPS

Risk assessment

Criterion 1.10 – (*Met*)

Criterion 1.10 (a) – (*Met*)- Article 9, paragraph 5 of the AML Law No. 5/2020 requires FIs and DNFBPs to document their ML/TF risk assessments, have senior management approval and document the methodology used for the risk assessments.

Criterion 1.10 (b) – (*Met*)- Paragraph 5 b) of article 9 of the AML Law No. 5/2020 requires the FIs and DNFBPs to consider all relevant risk factors before determining the overall risk level and the type and size appropriate to the mitigation measures to be applied. Article 9, paragraph 1 also establishes specific criteria to be considered.

Criterion 1.10 (c) – (*Met*)- Article 9, paragraph 5 c) of the AML Law No. 5/2020 creates the requirement for a continuous update of the institution's risks assessments on the analysis.
Criterion 1.10 (d) – (*Met*)- Article 9, paragraph 5 e) of the AML Law No. 5/2020 provides for the risk assessment information to be made available for the competent authorities.

Risk Mitigation
Criterion 1.11 – (*Met*)-

Criterion 1.11 (a) – (*Met*)- In terms of Section 9(6)(a) of the AML Law No.5/2020, FIs and DNFBPs are required to develop, adopt and implement a customer acceptance policy, internal rules, programs, policies, procedures and controls adopted by a management body, to effectively manage and mitigate the risks of ML/TF.

Criterion 1.11 (b) – (*Met*)- Article 9, paragraph 6, b) of the AML Law No.5/2020 establishes the requirement for FIs and DNFBPs to monitor controls and to enhance them if necessary.

Criterion 1.11 (c) – (*Met*)- Article 9, paragraph 5 c) of the AML Law No.5/2020 establishes the requirement for FIs and DNFBPs to take enhanced measures to manage and mitigate the high risk areas.

Criterion 1.12 – (*Met*)- Article 13, paragraph 3 a) of the AML Law No.5/2020 establishes that simplified measures can never take place where there are suspicions of ML/TF/PF. Article 13, paragraph 1 establishes the requirement to identify a demonstrably reduced risk of ML/TF/PF as necessary for subject entities to simplify due diligence measures.

Weighting and Conclusion

Angola has completed its first National ML/TF risk assessment in 2019. Overall, Angola's AML/CFT framework provides for general requirements to implement mitigating controls on a risk-sensitive basis. The gaps are related to: (ii) absence of specific obligations for FIs and DNFBPs to conduct enhanced CDD based on information provided by the authorities and (iii) lack of risk-based strategy by Angola or its relevant public institutions which will enable prioritisation of resource allocation for mitigation of higher ML/TF risks. Compliance monitoring is not also based on identified risks.

Angola is rated Largely Compliant with Recommendation 1.

Recommendation 2 - National Cooperation and Coordination

In its 1st Round MER, Angola was rated partially compliant (formerly R31). The main technical deficiencies were that UIF had not finalized the signing of the necessary MOUs with all the relevant authorities to enable effective cooperation in accordance with the provisions of Presidential Decree 35/11; the coverage and composition of the AML/CFT task-force composed of the UIF Director and representatives of relevant ministries do not extend to some of the DNFBPs or their supervising entities; and there were no MoUs concluded between the BNA or ISS and CMC. The new requirements relate to cooperation in the context of proliferation financing and compatibility of AML/CFT requirements and data protection and private rules.

Criterion 2.1 – (Not met) There are no national AML/CFT policies which are informed by identified risks and are regularly reviewed.

Criterion 2.2 – (Met) The Supervisory Committee and the National Task Force are responsible for institutional coordination on issues of AML/CFT policies and strategies. Article 34 of the UIF Organic Statute No. 02/2018 provides for the powers of the Coordinating Board of the Supervisory Committee and Art 37 of the same Law and Dispatch nº 4340/21 provide for creation of the National Task Force which technically supports the Supervisory Committee.

Criterion 2.3 – (Met) The Supervisory Committee and the NTF serve as the mechanisms enabling cooperation, coordination and exchange of information domestically relating to development and implementation of AML/CFT policies and strategies. The Supervisory Committee is composed of members consist of high level appointees composed of the Ministers of Interior (who chairs the Committee), Foreign Affairs, Finance and Justice and Human Rights, Governor of BNA, Secretaries of the President for Judicial, Economic and Legal Affairs, the UIF (Secretary) and offices represented in the NTF with the addition of the UIF. Decisions made by the NTF at operational level on assessment of ML/TF risks and vulnerabilities, drafting and updating of legislation, national strategy and action plans on AML/CFT are escalated to the Committee which at policy level proposes these decisions to the Council of Ministers (Cabinet) for consideration.

Criterion 2.4 – (Not Met) There are no mechanisms to facilitate cooperation and coordination amongst competent authorities to combat the financing of proliferation of weapons of mass destruction.

Criterion 2.5 – (Not Met) There is no co-operation and co-ordination mechanisms in place to ensure the compatibility of AML/CFT requirements with Data Protection and Privacy rules and other similar provisions.

Weighting and Conclusion

Angola has established a Supervisory Committee for AML/CFT responsible for AML/CFT policies. There are no national AML/CFT policies in place yet. There are no cooperation mechanisms to ensure the compatibility of AML/CFT requirements with Data Protection and Privacy rules and other similar provisions. In addition, there are no mechanisms to facilitate coordination to combat the financing of proliferation of weapons of mass destruction.

Angola is rated Partially Compliant with Recommendation 2.

Recommendation 3 - Money laundering offence

In its 1st Round MER, Angola was rated Non-Compliant and Largely Compliant with the requirements of the recommendations concerning the criminalisation of ML (formerly R1 & R.2 respectively). The main shortcomings concerned Angola's non-criminalisation of most of the designated categories of predicate offences. These include trafficking in human beings, sexual exploitation of adults, illicit arms trafficking; illicit trafficking in goods other than diamonds; fraud other than tax evasion; counterfeiting and piracy other than that of literary; scientific and artistic works; environmental crimes, kidnapping; illegal restraint and hostage-taking and forgery. The other deficiency related to effectiveness issues that are not subject to assessment as part of technical compliance under the 2013 Methodology.

Criterion 3.1- (Partly Met) – Angola has criminalised Money laundering (ML) adequately only in terms of the physical elements of the offence, according to the article 82(1) of Law No. 05/20. However, the cited law does not provide for the inference of knowledge or intent from objective circumstances. Further, the provision refers to different terminology for the subject matter property in each element of the ML offence. For instance, Art.82(1) (a) criminalises the conversion or transfer of an 'advantage'. Art.82(1)(b) criminalises the concealment and hiding of 'assets' or 'rights' to such assets. Art.82(1)(c) criminalises acquisition, possession and use of 'goods' or 'rights' related to goods. Article 3 states that 'assets' include goods, rights and virtual assets. Goods and rights are among the different categories of the broader definition of assets. Art 82 in its current form suggests that each ML element is applicable to subject matter that is different from the rest. Therefore, it is not clear whether laundering through concealment, for instance, applies only to the category of goods and rights thereof, and not to the broader scope of assets as defined in Article 3 of this Law. This affects the overall criminalisation of ML, as it would limit conduct that Angola may prosecute a defendant for, if they acquired virtual assets for instance, but the prosecutor is not sure if the virtual assets constitute goods, yet they are captured as an example of an asset under Art.3. Art.82 should have just made reference to assets in the broader context of Art.3(10).

Criterion 3.2- (Partly Met)- Angola adopted a threshold approach to the criminalisation of money laundering and designation of predicate offences. Art. 82 (4) of Law No 5/20, considers as underlying offences for money laundering, all typical unlawful acts punishable with a minimum term of imprisonment equal to or greater than 6 (six) months. However, the following offences do not meet the minimum threshold of 6 (six) months imprisonment, that is to say their minimum threshold starts from 3 up two years, for instance, and as such do not qualify to be predicate offence of money laundering, namely, illicit trafficking in stolen and other goods, corruption in relation to tax collection, forgery, counterfeiting and piracy of products, tax crimes, smuggling and insider trading and market manipulation and financing of travelling of terrorist individuals are not predicate offenses for money laundering.

Criterion 3.3 (Met)-Angola has opted for a threshold approach by considering crimes punishable by a minimum prison sentence of six months or more as predicate offences. According to Art.82 (4) of Law No. 5/20, predicate offenses for ML are all typical unlawful acts punishable by imprisonment for a minimum duration equal to or greater than 6 (six) months. The threshold covers all designated categories of offences.

Criterion 3.4- (Partly Met)- Art. 82 paragraph 1 (b) and (c) and paragraph 4 of Law No. 5/20, ML crimes extend to all assets or rights over assets arising from the commission of the crime underlying money laundering, regardless of their value. However, the reference to the different forms of assets in the respective elements of ML is problematic as explained on criterion 3.1 above.
Criterion 3.5- (Partly Met)- According to Art. 82(11) of Law 5/20, the proof of the crime of money laundering does not depend on the conviction of those that commit the predicate offence. However, article 82(6) of the same law states that the offences are not punishable if at the time of their practice, there is no pursuit of confiscation due to factors such as amnesty, limitation period applicable to criminal procedure, and a delayed lodging of a complaint relating to the unlawful acts. The authorities explain that amnesty in relation to, or time limits for the prosecution of the predicate offence would affect the prosecution of ML that arises from the same underlying offence. The authorities cannot prosecute a person for ML from a predicate offence that is subject to amnesty, or whose prosecution is statute-barred. This ultimately ties the prosecution, and thereby, proof of the offence of money laundering to a conviction on the underlying predicate offence which is not affected by amnesty or time limits.
Criterion 3.6-(Met)-According to Art. 82 of nº 5 of Law 5/20, predicate offences for money laundering extend to conduct that occurred outside Angola but which would have constituted an offence had it occurred in Angola.
Criterion 3.7- (Partly Met)-Art 82 (1) of Law No. 05/20 criminalises money laundering by the person who commits the predicate offence, *i.e.* who obtains the proceeds of crime. However, the limitations by the differentiation of assets, advantage and goods as highlighted in criterion 3.1 above apply.
Criterion 3.8- (Not Met)-Angola does not have enabling provision to infer intent from objective circumstances.

Criterion 3.8- (Not Met)- There is no enabling law to allow knowledge or intent to be inferred from objective circumstances**.**
Criterion 3.9 - (Partly Met)- Article 82(1) of Law No. 5/20 provides that the offence of money laundering is punishable only by imprisonment from 2 to 8 years. The sentence range is within the sentencing ranges that applies to predicate financial crimes such as fraud and corruption. Additionally, Art.82 of Law No.05/20 provides that the courts may enhance sentences by 1/3 in cases of aggravated ML, such as that the defendant is a habitual ML offender or the offence has been committed in the context of an organised group. Such considerations would lead to punishment that is proportionate and dissuasive. However, the explanation given by the authorities to Art.82(6) ties the punishment of ML to the outcome or status of the predicate offence. This would be contrary to the dictates of Criterion 3.5 and would affect the punishment of ML.
Criterion 3.10 (Partly Met)-Articles 43 and 100 of the Angolan Penal Code provide for a wide range of criminal and administrative sanctions applicable to legal persons for their involvement in criminal activities. Legal entities are specifically liable to offences under Law No.5/20 according to Art.86(1) and are punishable to a fine and/or dissolution as per Art 86(8). Notably, pursuant to Art.86(4), the liability of the legal persons does not exclude the individual liability of its agents, nor does it depend on their liability. However, Article 76(2) of Law 5/20 excludes the institution of civil or administrative proceedings to run in parallel to criminal proceedings in situations where a legal person is prosecuted for both a crime and misdemeanour that relate to the same facts and legal issue. In such scenarios, a judge may only apply additional sanctions applicable to the misdemeanour in question. This implies that additional sanctions would not apply to the crime under such circumstances.
Criterion 3.10 (Met)-Articles 43 and 100 of the Angolan Penal Code provide for a wide range of criminal and administrative sanctions applicable to legal persons for their involvement in criminal activities. Legal entities are specifically liable to offences under Law No.5/20 according to Art.86(1) and are punishable to a fine and/or dissolution as per Art 86(8). Notably, pursuant to Art.86(4), the liability of the legal persons does not exclude the individual liability of its agents, nor does it depend on their liability.
Criterion 3.11 -(Partly Met)- Article 82 (2) of Law No. 5/20 creates ancillary offences to ML such as

participation, association, conspiracy, attempt, aid, facilitate and guide the commission of any of the ML conduct is subject to the same punishment applicable to ML under Art.82(1). Punishment in this regard is subject to applicable mitigating factors as stipulated under the Criminal Code. However, the limitations noted on C.3.1 and C3.5 would apply.

Weighting and Conclusion

Angola has criminalised the offence of ML. However, the reference to the different forms of assets that are applicable to each ML physical element affects the overall criminalisation. Further, Angola does not provide for an inference of knowledge or intent from objective circumstances. Additionally, the law under Article 82(6) bars the punishment for ML if the predicate offence is subject to amnesty or its prosecution is statute barred. This, in effect, ties the prosecution and punishment for the ML offence to the status or outcome of the predicate offence trial, contrary to the basic requirement under Criterion 3.5. Furthermore, offences listed in the analysis to criterion 3.2 have been considered as posing ML risk in Angolan NRA yet they do not meet the threshold of a predicate offence in terms of Law 5/20. Additionally, Law 5/10 precludes parallel civil and administrative proceedings in situations where criminal proceedings are instituted in relation to a crime and misdemeanor that arise from the same set of facts and legal issue. Owing to these shortcomings, the criminalisation of ML presents significant deficiencies.

Angola is rated Partially Compliant with Recommendation 3.

Recommendation 4 - Confiscation and provisional measures

In its 1st Round MER, Angola was rated non-compliant with these requirements (formerly R.3). The main technical deficiencies were that Angola does not have yet a comprehensive and coherent legal framework with specific procedures for the application of provisional measures and confiscation for ML/FT offenses. The other deficiency related to effectiveness issues that are not part of technical compliance assessment under the 2013 Methodology.

Criterion 4.1 (a)-(Met)- The Angolan law permits the confiscation of laundered property. Article 2 of Law 15/18 (Loss of Assets) provides that this Law applies confiscation to all 'property cases' in which the State has been injured. Article 4 of this Law provides for confiscation of assets that have caused a loss to the State.

Criterion 4.1 (b) (Met)- Art.120(1) of the Penal Code provides for the confiscation of proceeds and instrumentalities of crime in general, capturing even property intended for use in the commission of a crime. Art.120(2) goes further to provide for the non-conviction-based confiscation of instrumentalities of crime.

Criterion 4.1 (c) (Partly Met)- Article 51 of Law 19/17 provides for the confiscation of proceeds of any offence related to terrorism. Such offences include terrorist financing and terrorist organisations. However, there is no law that covers the confiscation of instrumentalities of these offences.

Criterion 4.1(d)(Met)- Art.122(4) of the Angolan Penal Code, Law 38/20, provides that in the event that rewards, rights and if things that are subject to forfeiture to the State are not available or cannot be appropriated by the State upon forfeiture, a payment of the corresponding value will be made to the State instead**.** This would be preceded by a seizure of assets of corresponding value to criminal advantage that is stipulated under Art.9 of Law 13/18.

Criterion 4.2(a-d) (Mostly met) –

Criterion 4.2 (a)- - Pursuant to Art.13(1) of Law15/18 (Loss of Assets), the National Asset Recovery Service has the power to identify, trace and seize assets related to crimes, that are located either in the country or abroad.

Criterion 4.2 (c)- - Art.88(1) of Law 05/20 gives power for carrying out provisional measures such as the seizure and the freezing of assets or funds, in order to prevent the transaction, transfer or disposal, before or during the criminal proceeding aimed at the crime of money laundering and terrorist financing.

Additionally, Art.9 (1)(2)&(3) of Law 15/18 (Loss of Assets) gives power to the public prosecutor to apply for the seizure of a suspect's assets of corresponding value to that which the State has lost due to a criminal activity.

Criterion 4.2 (c)- The Angolan law does not stipulate any measures for the LEAs to prevent or void actions that prejudice the country's ability to freeze or seize property that may be subject to confiscation.

Criterion 4.2 (d)- The legal framework for Angola provides for a broad range of investigative measures in support of existing confiscation powers under different pieces of legislation including Art 88 of Law 5/20, Law 15/18, the Criminal Code, the Penal Code. See Rec 31.1-31.4.

Criterion 4.3-(Met)- Third party *bona fide* rights are protected under Art.88(3) of Law 05/20 on seizures and freezing of assets. Articles 80 (1)(2) and (3) of Law 5/20 elaborate how a third party can invoke the *bona fide* purchaser defence in order to save their interest in any asset that is subject to seizure. In addition, under Art. 8(3) of Law 15/18 (Loss of Assets), a third party is given an opportunity to prove the lawful origin of property that has been transferred or gifted to them by a suspect. The same is applicable to Art.227(4) of Law 39/20. In terms of property that is subject to forfeiture, third party interest in such property is protected under Art.234(3) of Law 39/20.

Criterion 4.4 (Met) - In terms of Art.4(c) of Presidential Decree No. 324/19 of 7th November 2019, the General Vault of Justice manages assets recovered in the context of criminal proceedings, situated either in Angola or in another country.

Weighting and Conclusion

Angola has set up a fairly comprehensive system for the confiscation of property proceeds of crime, instrumentalities of crime and property of corresponding value. The law provides adequate protection of *bona fide* third-party rights. However, the law does not cover the confiscation of instrumentalities of terrorism and terrorist financing; and does not provide for measures for the prevention or voiding of actions that may prejudice efforts to freeze, seize and confiscate assets.

Angola is rated Largely Compliant with Recommendation 4.

Recommendation 5 - Terrorist financing offence

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly SR II). The main technical deficiencies were that Angolan legislation does not cover the conduct of mere financing, under any form, of individual terrorists or terrorist organizations. While criminal liability exists in Angola for FT, it has not also been extended to legal persons.

Criterion 5.1 – (*Met*)- Angola criminalizes TF in line with the United Nations Convention for the Suppression of the Financing of Terrorism (TF Convention) (Law 19/17, Article 26). While Angola's defined terrorist offenses, including intimidation, do not enumerate all offenses listed in the Annex to the TF Convention, the broad definitions can be interpreted as covering the Annex's defined terrorist offenses (Law 19/17, Article 23) and these broad offenses are further specified in separate legislation (Law 38/20 "Penal Code," Law 17/17, Law 24/15) to cover the range of activities defined as offenses in the Annex to the TF convention. Acting as an accomplice to and threatening a terrorist act are not specifically captured, however Angola's Penal Code establishes both as crimes in the context of any crime (Penal Code Articles 25 and 170). Angola's TF provisions largely cover the elements set out in Article 2 (1) of the TF Convention as it provides for the key elements of intent, knowledge, direct or indirect provision or collection of funds, as well as intention or awareness of the use of funds for terrorist purposes. Unlawful collection is not cited, but this is captured by criminalization of "any means."

Criterion 5.2 – (*Met*)- The TF offense defined in Article 26 of Law 19/17 includes providing and collecting funds, directly or indirectly, "with the intention or is aware that they may be used in whole or in part" for terrorist financing. This includes planning and preparation for terrorist groups and crimes as

well as individual terrorists and terrorist groups. Article 26, paragraph 2 establishes that the funds do not need to be linked to specific acts to be considered terrorist financing.

Criterion 5.2^{bis} – (*Met)*- Travel anywhere, to include travel of individuals to a State other than their States of residence or nationality is criminalized (Article 29 paragraph 1). The organization, financing, and facilitation of a trip "with a view" to joining a terrorist organization (Article 29, paragraph 2) and "with a view" to the training, providing logistical support, or instruction of others to conduct acts defined as terrorism and international terrorism (defined by Articles 23 and 24) is also criminalized. This covers the aspects of "financing the travel of individuals." Preparatory acts are criminalized (Article 23, paragraph 6) as well as providing and receiving training to conduct terrorist acts (Article 30 paragraph 1).

Criterion 5.3 – (*Met*)- The definition of assets includes funds from both legitimate and illegitimate sources (Law 5/20, Article 3, paragraph 1).

Criterion 5.4 – (*Met*)- The TF offense is not dependent on the funds being linked to a specific terrorist act or used to commit a terrorist act (Law 19/17, Article 26, paragraph 2).

Criterion 5.5 – (*Not Met*)- Criterion 5.5 – (*Not Met*)- Angola's legal framework does not provide the ability to infer intent and knowledge through objective factual circumstances. Neither Law 19/17 nor Law 5/20 specifically stipulate that intent and knowledge can be inferred through objective factual circumstances.

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Criterion 5.6 – (*Mostly Met*)- Angola has a sentencing range of 5-15 years for TF (Law 19/17, Article 26), but pecuniary sanctions are not provided for TF cases. This is proportionate to the same sentencing range for terrorism acts, exceeds the penalty for ML, and appears dissuasive. However, financing of travel of an individual has a minimum sentence of 3 months and therefore may not always be treated as a predicate offense.

Criterion 5.7 – (*Partly Met*) Criminal liability extends to legal persons for all crimes and is not limited to natural persons acting on their behalf (Penal Code, Article 9). Criminal liability specifically extends to legal persons when the crimes provided for in Law no 17/19 are committed by "their members, employees or service providers, representatives or agents or by members of its bodies, acting on their behalf and in interest" (Law 19/17, Article 3). However, Angolan law precludes parallel civil or administrative proceedings when a criminal case is being pursued (Law 5/20, Article 76, paragraph 2).

Criterion 5.8 – (*Met*)- Angola's Penal Code, Article 20, establishes criminal liability where a criminal act is attempted without the crime being consummated. The Penal Code extends to the TF offense and also establishes criminal liability for accomplices and organizing or directing others to commit or attempt to commit an offense as well as acting as a group with a common purpose to commit a crime.

Criterion 5.9 – (*Mostly Met*)- All crimes with a penalty exceeding 6 months are considered predicate offenses. TF has a penalty range of 5 to 15 years so it is captured as a predicate offense. However, financing an individual to travel for terrorism purposes, Law 19/17 Article 29 paragraph 3, has a maximum penalty of 4 years, while the minimum sentence, as proscribed in the Penal Code, is 3 months. Financing travel could therefore be sentenced below 6 months in which case it would not be considered a predicate offense, but all other TF offenses would be automatically captured as predicate offenses due to the 5 year minimum penalty.

Criterion 5.10 – (*Partly met*)- Law 19/17 is applicable to facts practiced abroad (Article 2, paragraph 2). However, this is limited to when the persons are "found in Angolan territory," therefore, Angola could not pursue a conviction in absentia with a follow-on request for extradition.

Weighting and Conclusion

Angola has criminalized TF in-line with the TF Convention, and its legal definition of terrorist offenses captures the activities defined in the TF Convention Annex. Minor deficiencies remain including the lack of possibility for parallel criminal and civil or administrative proceedings and limits on the extraterritoriality of the TF offense, and inability to infer intent and knowledge from objective factual circumstances.

Angola is rated Partially Compliant with Recommendation 5.

Recommendation 6 - Targeted financial sanctions related to terrorism and terrorist financing

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly SR III). The main technical deficiencies were that there was no framework to implement the requirements on the freezing of funds used for terrorist financing. The other deficiency related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 6.1 – (Partly Met)

Criterion 6.1(a) – (Not Met)- There is no competent authority or a court as having responsibility for proposing persons or entities to the 1267/1989 Committee for designation; and for proposing persons or entities to the 1988 Committee for designation in Angola.
Criterion 6.1(b) – (Not Met)- Angola's National Designation Committee has designation criteria as set out in the relevant United Nations Security Council resolutions (UNSCRs) to identify targets for designation, however, said criteria are only relevant for domestic designations and responding to requests for designation.
Criterion 6.1(c) – (Not Met)- Neither Law 1/12 or Presidential Decree 214/13 establish that decisions to designate will apply an evidentiary standard of proof of "reasonable grounds" or reasonable basis.
Criterion 6.1(d) – (Partly Met)- Angola utilizes a version of the UN's standard form for designation requests, however, it does not have the procedures to propose designations as adopted by the relevant committee (the 1267/1989 Committee or 1988 Committee).
Criterion 6.1(e) – (Not Met)- Angola requires relevant identifying information be submitted, as well as a statement of case to justify the designation (Law 1/12, Articles 9 & 10, and Presidential Decree 214/13, Article 13). However, this does not include proposing targets for designation by UNSC 1267 and there is no specification that the statement of case include as much detail as possible. .

Criterion 6.2 – (Partly Met)
Criterion 6.2(a) – (Met) Pursuant to Presidential Decree 214/13, Article 15, the National Designation Committee has the responsibility to designate domestically and respond to requests for designation by other countries and competent authorities in Angola.
Criterion 6.2(b) – (Met) Articles 15-17 of the Presidential Decree 214/13 establishes the mechanism to consider persons for inclusion on Angola's National List. The criteria for designation are aligned with UNSCR 1373's designation criteria (Law 19/17, Articles 6, 8, and 17).

Criterion 6.2(c) – (Partly Met) The National Designation Committee is responsible for responding to third country designation requests, but there is no statutory timeframe to make a prompt determination, and the national designation list only needs to be published "within three days" of a designation. Presidential Decree 214/13 establishes that the National Designation Committee will analyse the information provided, but there is no legal provision establishing that a decision to designate or not is determined by based on reasonable grounds.

Criterion 6.2(d) – (Not Met) Presidential Decree 214/13 does not establish that the National Designation Committee will apply an evidentiary standard of proof of reasonable grounds and that designation decisions are not conditional upon the existence of a criminal proceeding.

Criterion 6.2(e) – (Not Met) Presidential Decree 214/13 does not provide responsibilities and procedures for Angola to request other countries to give effect to the actions initiated under its freezing mechanisms.

Criterion 6.3 – (Partly Met)

Criterion 6.3(a) – (Met)- Articles 15(4) and 16 of Presidential Decree 214/13 establish that competent authorities can submit persons or entities for designation by conferring them power to collect or solicit information to identify persons and entities that, based on reasonable grounds, or a reasonable basis to suspect or believe, meet the criteria for designation.
Criterion 6.3(b) – (Not Met)- Presidential Decree 214/13 does not provide for *ex part* action against persons or entities being considered for designation.

Criterion 6.4 – (Not Met)- All funds or economic resources of persons designated by the UN Security Council, including but not limited to UNSCR 1267, should be frozen immediately (Law 1/12, Article 17). Angola has established that UN designations do not need to be published in the Official Gazette and an excerpt can be published, however, there is no explicit provision establishing that UN designations come into force domestically without any action by Angolan authorities besides communication of said designations (Law 1/12, Articles 15, 17 & 19 (2)). Additionally, the Presidential Decree establishing Angola's National Designation Committee states that said Committee can decide "in a single act the implementation of all designations on a sanctions list of designated persons, groups or entities maintained by a Sanctions Committee or other organ of the United Nations." (Presidential Decree 214/13, Article 14, paragraph 2). This implies that absent this decision, the National Designation Committee must decide on the inclusion in Angola's national list of UN-designated persons and entities which creates confusion on when UN designations come into force domestically. Additionally, the National Designation Committee has up to three days to publish updates to the National List following a designation, which means designations may not always occur without delay (Presidential Decree 214/13, Article 19).

Criterion 6.5– (Partly met)

Criterion 6.5(a) – (Partly Met)- Law 1/12, Article 17(1) establishes the obligation to freeze "immediately and without notice" all funds or economic resources of persons and entities designated pursuant to UNSCR 1267, as well as any persons and entities designated by the National Designation Committee. Pursuant to Law 1/12, Article 4 this obligation applies to all natural persons in Angola as well all legal persons registered in Angola and operating in Angola. However, there is no definition of 'immediately' under the law.
Criterion 6.5(b)– (Partly Met) Law 1/12, Article 17 (1) extends the obligation to freeze to all funds or assets that are owned or possessed—whether wholly or jointly and directly or indirectly—by a designated person, and this is not limited to those that can be tied to a particular terrorist act, plot or threat. Pursuant to Article 17 (2) this includes funds or assets derived or generated from funds or economic resources owned by designated persons as well as funds or economic resources owned by a designated person. This obligation does not extend to funds controlled by a designated person, nor does it extend to funds or other assets of persons and entities acting on behalf of, or at the direction of, designated persons or entities.
Criterion 6.5(c) – (Partly Met)- Article 18 of Law no 1/12, establishes the prohibition to "make available funds or economic resources or other related services, directly or indirectly" to benefit persons, groups, and entities designated pursuant to UNSCR 1267 and those designated by Angola's National Designation Committee. This prohibition applies to all natural and legal persons in Angola (Law 1/12, Article 4). This prohibition is not explicitly extended to persons and entities acting on behalf of, or at the direction of, designated persons or entities.

Criterion 6.5(d) – (Partly Met)- Law 1/12, Article 19 (1) states the obligation to freeze must take place simultaneously with the publication of the National Designation Committee's decision to designate a person or entity. However, pursuant to Article 19 (2) it is not necessary for the National Designation Committee to publish UN designations in the Official Gazette, instead an extract containing names of subjects can be published. UIF, as Designation Committee Secretariat responsible for making communication and notification of designations and other acts, maintains an email distribution list sent to

all supervisory entities and some reporting entities which serves as a mechanism to publish an extract of persons or entities designated by the UNSC (Presidential Decree 214/13, Article 10 (f)). However, it is not clear if this communication mechanism brings UN designations into force domestically. UIF and BNA both maintain guidance on TFS obligations on their webpages, and UIF maintains the comprehensive UN sanctions list as well.

Criterion 6.5(e) – (Mostly Met)- Law 1/12, Article 29 (b-d) establishes the obligation for all natural and legal persons to inform UIF and their supervisory entity any assets frozen of designated persons, but this requirement does not extend to attempted transactions.

Criterion 6.5(f) – (Not Met)- Law 5/20, Article 88 (3) establishes that the seizure or freezing of assets does not affect the bona fide third parties, but this only applies before or during criminal proceedings

Criterion 6.6. (Not met)

Criterion 6.6. (a)-(e) (Not met) - Angola does not have specific and publicly known procedures to delist and unfreeze the funds or other assets of persons and entities which do not, or no longer, meet the criteria for designation for the purposes of UNSCRs 1267/1989 or 1988 and 1373. Presidential Decree 214/13 establishes some mechanisms for de-listing and unfreezing the funds/other assets of persons/entities which do not, or no longer, meet the designation criteria. It appears these criteria only apply to persons and entities placed on Angola's National List and it is not clear how they apply to persons designated pursuant to UNSCRs 1267/1988 and 1373 and if the criteria are in accordance with procedures adopted by said Committees. Moreover, the established de-listed mechanisms do not appear applicable to persons and entities designated pursuant to UNSCR 1373, unless said persons were designated upon nomination by Angola following addition to Angola's National List.

Criterion 6.6 (f) (Not Met)-Presidential Decree 214/13 Article 20 establishes the authority to unfreeze assets that have been wrongly frozen due to having similar names, however it is not clear what publicly known procedures exist to communicate the procedures for such unfreezing.

Criterion 6.6 (g) (Not Met)-Presidential Decree 214/13 does not establish communication mechanisms of unfreezing to the financial sector and DNFBPs.

Criterion 6.7-(Met)- In terms of Article 23 of Law No.1/2012, the competent authority may grant specific exemptions in order to ensure that the basic needs of a designated person, group or entity are met, such as basic and necessary expenses for the payment of certain types of commissions, expenses or charges for services, or for extraordinary expenses.

Weighting and Conclusion

Angola implements the TFS obligations to some extent. However, the lack of clarity on when UN designations come into force domestically is a major deficiency. As a result of this lack of clarity, the legislation in relation to freezing assets does not meet the 'without delay' requirements as set out in the FATF Standards. There is no adequate legal authority, procedures or mechanisms to implement the requirements under Criterion 6.1-3, 6.5-6.7. Angola has not identified a competent authority or a court with responsibility for proposing persons or entities to the relevant UNSC Committee for designation. There are no mechanisms or legal authorities to establish that decisions to designate will apply an evidentiary standard of proof of "reasonable grounds" or reasonable basis. Also, there is no adequate guidance on channelling delisting requests through the focal point or use of the standard form for delisting etc.

Angola is rated Partially Compliant with Recommendation 6.

Recommendation 7 – Targeted financial sanctions related to proliferation

These obligations were added during the revision of the FATF Recommendations in 2012 and were thus not considered in the framework of the evaluation of Malawi in 2008 under the First Round of MEs.

Criterion 7.1 – (Not Met)- Angola's obligation to implement PF-related TFS is established by both the AML Law 5/20 and Law 19/17, but contradictory articles in Laws and Presidential Decrees create confusion on when the obligation to implement TFS occurs.

Criterion 7.2 – (Partly Met)-

Criterion 7.2(a) – (Partly Met): Law 1/12, Article 17(1) establishes the obligation to freeze "immediately and without notice" all funds or economic resources of persons and entities designated pursuant to PF-related sanctions (Law 1/12, Article 84). Pursuant to Law 1/12, Article 4 this obligation applies to all natural persons in Angola as well all legal persons registered in Angola and operating in Angola. However, there is no definition of 'immediately' under the law.

Criterion 7.2(b) – (Partly Met)-Law 1/12, Article 17 (1) extends the obligation to freeze to all funds or assets that are owned or possessed—whether wholly or jointly and directly or indirectly, and this obligation is extended to persons and entities designated pursuant to PF-related sanctions (Law 1/12, Article 84). Pursuant to Article 17 (2) this includes funds or assets derived or generated from funds or economic resources owned by designated persons as well as funds or economic resources owned by a designated person, but this does not include funds or economic resources controlled by a designated person or the funds or other assets of persons and entities acting on behalf of, or at the direction of designated persons or entities.

Criterion 7.2(c) – (Partly Met)- Article 18 of Law no 1/12, establishes the prohibition to "make available funds or economic resources or other related services, directly or indirectly" to benefit persons, groups, and entities designated pursuant to PF-related sanctions. This prohibition is not explicitly extended to persons and entities acting on behalf of, or at the direction of, designated persons or entities.
Criterion 7.2(d) – (Partly Met)- UIF subscribes to UNSC sanctions updates and forwards these updates to a distribution list of supervisory entities and most reporting entities in its role as Secretariat for the National Designation Committee. This mechanism does not include guidance on the obligation to take action under freezing mechanisms. UIF maintains updates to the UNSC sanctions lists on its website, and guidance about TFS obligations but this guidance does not reference the obligation to report on any freezing actions taken. BNA has published two directives which inform FIs and NBFIs of their obligations, but this does not extend to DNFBPs.
Criterion 7.2(e) – (Mostly Met)- Law 1/12, Article 29 (b-d) establishes the obligation for all natural and legal persons to inform UIF and their supervisory entity any assets frozen (extended to PF-related sanctions by Law 1/12, Article 84), but this requirement does not extend to attempted transactions.
Criterion 7.2(f) – (Not Met)- Law 5/20, Article 88 (3) establishes that the seizure or freezing of assets does not affect the bona fide third parties, but this only applies before or during criminal proceedings.
Criterion 7.3 – (Mostly Met)- Law no 1/12 establishes the legal authority for supervisory entities to conduct the supervision and inspection necessary to fulfil the obligations derived from Law no 1/12 (Articles 32 and 33) which covers PF-related sanctions (Article 84). There is criminal liability for "legal persons and similar entities" for all crimes provided for in the AML Law, Law 1/12 (Articles 32 and 33), and Law no 19/17, which covers proliferation financing and establishes a range of administrative penalties in the event of violations. Specific measures by competent authorities to monitor and ensure compliance were not provided.

Criterion 7.4 – (Partly Met)-

Criterion 7.4 (a) – Presidential Decree 214/13 establishes some mechanisms for de-listing and unfreezing the funds/other assets of persons/entities which do not, or no longer, meet the designation criteria. It appears these criteria only apply to persons and entities placed on Angola's National List and it is not clear how they apply to persons designated pursuant to UNSCRs 1718 and 2231, and make no reference to the Focal Point established pursuant to UNSCR 1730.

Criterion 7.4 (b) Presidential Decree 214/13 Article 20 establishes the authority to unfreeze assets that have been wrongly frozen due to having similar names, however it is not clear what publicly known procedures exist to communicate the procedures for such unfreezing.

Criterion 7.4 (c) Presidential Decree 214/13 does not provide for authorization of access to funds or other assets when exemption conditions set out in UNSCRs 1718 and 2231.

Criterion 7.4 (d) Presidential Decree 214/13 does not establish communication mechanisms of unfreezing to the financial sector and DNFBPs.

Criterion 7.5 – (Mostly Met)

Criterion 7.5(a) – (Met)-
Article 22 of Law no 1/12 establishes the legal ability for a person or entity to permit the addition of interest or other earnings, and outstanding payments under contracts, agreements, or obligations established prior to the asset freeze to the frozen account. These criteria are applicable to credits held, indicating that said earnings continue to be subject to freezing provisions.

Criterion 7.5(b) – (Mostly Met)
(i) Article 23 of Law no 1/12 establishes the ability for the National Designation Committee to grant specific exemptions for purposes including meeting "necessary expenses for the payment of certain types of commissions, expenses or charges for services, or for extraordinary expenses. This appears to capture "making any payment due under a contract entered into prior to the listing." There are a range of criteria to verify the exemption is intended for legitimate purposes, but not all requirements in this criterion are specifically enumerated (Presidential Decree 214/13, Articles 26-27).
(ii) Exemption requirements stipulate a need to identify the persons or entities to whom the exemption is granted, but it does not require the recipient of the unfrozen funds be identified (Presidential Decree 214/13).
(iii) There are requirements for exemption requests to be submitted to the UNSC for review and approval (Presidential Decree 214/13, Article 30). The requirement for UNSC approval goes beyond the requirements of this criteria, but also meets the obligation for a notification to be sent 10 working days prior to an authorisation.

Weighting and Conclusion

Angola generally implements TFS obligations on PF. However, the lack of legal clarity on when UN designations come into force domestically is a major deficiency which results in the 'without delay' requirements as set out in the FATF Standards not being met. There is no adequate legal authority, procedures or mechanisms to implement the requirements under Criterion 7.1-5. Also, there is no adequate guidance on channelling delisting requests through the focal point or use of the standard form for delisting etc.

Angola is rated Partially Compliant with Recommendation 7.

Recommendation 8 – Non-profit organisations

In its 1st Round MER, Angola was rated non-compliant with these requirements (formerly SR VIII). The main technical deficiency was the NPO sector in Angola was not subject to the requirements of SR. VIII. Angola has not previously been assessed according to the most recent requirements of R.8, as the 1st round MER pre-dates the 2012 and 2016 adoption of changes to Recommendation 8 and its Interpretive Note.

Taking a risk based approach

Criterion 8.1 – (Not Met)

Criterion 8.1(a) – (Not Met)- The subset of NPOs which fall within Angola's definition of NPOs have not been identified pursuant to the legal mandate to do so (Law 5/20, Article 46, paragraphs 1 and 3 a). Angola's definition of NPOs aligns closely with the FATF definition (Law 5/20, Article 3, paragraph 26). Article 45 of the AML Law establishes the duties of NPOs, and Article 46 paragraph b) creates the requirement to assess which sub-set of NPOs is prone to TF abuse and supervise accordingly.
Angola has established the requirement for the supervisory entity to review the adequacy of legal and regulatory obligations applicable to NPOs (Law 5/20, Article 45 and 46 paragraph b). However, this review has not been conducted.
Criterion 8.1(b) – (Not Met)- Angola has not identified the nature of threats posed by terrorist entities to the NPOs which are at risk as well as how terrorist actors abuse those NPOs.

Criterion 8.1(c) – (Not Met)- Article 45 of the AML Law establishes the duties of NPOs, and Article 46 paragraph b) creates the requirement for the supervisory entity to review the adequacy of legal and regulatory. obligations applicable to NPOs and paragraph c) creates the requirement to identify best practices followed by NPOs. However, this review has not been conducted.

Criterion 8.1(d) – (Not Met)- Article 5, paragraph 2 creates the requirement for sectoral risk assessments to be updated annually, but no sectoral risk assessment has yet been conducted.

Sustained outreach concerning terrorist financing issues

Criterion 8.2 – (Partly Met)
Criterion 8.2(a) – (Mostly Met)- Angola has established requirements to promote accountability, and integrity in the administration and management of NPOs (Law 5/20, Article 45). There are specific requirements, applicable to NPOs, such as receiving project approval from relevant ministries, to execute projects under supervision of provincial authorities, the submission of annual reports and to open a local bank account for all fund projects will be deposited (Presidential Decree 84/02). However, apart from these legal provisions Angola does not have specific policies to promote transparency, integrity, and public confidence in the administration and management of NPOs, including for terrorist financing purposes. Presidential Decree 84/02 has additional provisions for the management of NGOs, but these provisions are for NGOs broadly and not specific to NPOs.
Criterion 8.2(b) – (Partly Met)- There is limited evidence of outreach and educational programs that have been undertaken by authorities "to raise and deepen awareness among NPOs as well as the donor community about the potential vulnerabilities of NPOs to terrorist financing abuse and terrorist financing risks, and the measures that NPOs can take to protect themselves against such abuse."
Criterion 8.2(c) – (Not Met)- The Ministry of Social Action, Family and Women's Promotion (MASFAMU) is required to identify the best practices followed by NPOs to address TF as well as ML and PF risks, (Law 5/20, Article 46 (3) c), but there is no evidence that this requirement has been implemented.
Criterion 8.2(d) – (Partly Met)- Presidential Decree 84/02, Article 21 requires NGOs to open a local bank account for the deposit of project funds, but there is no further evidence of policies and procedures which

encourage NPOs to conduct transactions via regulated financial channels, wherever feasible.

Targeted risk-based supervision of monitoring of NPOs

Criterion 8.3– (Not Met)-MASFAMU internal memorandum establish the intent to develop a risk-based supervision of NPOs, but no demonstrable steps have yet been taken.

Criterion 8.4 – (Not Met)

Criterion 8.4(a) – (Not Met)- MASFAMU does not yet have policies and procedures to monitor NPOs for compliance with R.8 obligations.

Criterion 8.4(b) – (Not Met)- AML Law 5/20, Article 73 Angola has established fines for all non-financial institutions defined in Law 5/20 (Law 5/20, Article 73 b). Law 5/20 defines NPOs, but there is no separate sanctions framework for NPOs.

Effective information gathering and investigations

Criterion 8.5 – (Partly Met)

Criterion 8.5(a) – (Not Met)- Angola does not have in place measures to ensure effective co-operation, co-ordination and information-sharing to the extent possible among all levels of appropriate authorities or organisations that hold relevant information on NPOs.

Criterion 8.5(b) – (Not Met)- MASFAMU does not have investigative expertise and capability to examine those NPOs suspected of either being exploited by, or actively supporting, terrorist activity or terrorist organisations.

Criterion 8.5(c) – (Met) NPOs are legally compelled to provide collaboration required of them by the UIF, MASFAMU, and law enforcement authorities (Law 5/20, Article 45 h). This includes providing information on the NPOs object and purpose of its activities, identities of beneficial owners, national and international transactions, and risk-based procedures to ensure activities carried and funds are used to fit the object and purpose of the organization. UIF

Criterion 8.5(d) – (Not Met)- Angola does not have appropriate mechanisms to ensure that information is promptly shared with competent authorities, in order to take preventive or investigative action when there is suspicion or reasonable grounds to suspect that a particular NPO is involved in terrorist financing abuse and/or is a front for fundraising by a terrorist organisation; is being exploited as a conduit for terrorist financing, including for the purpose of escaping asset freezing measures, or other forms of terrorist support; or is concealing or obscuring the clandestine diversion of funds intended for legitimate purposes, but redirected for the benefit of terrorists or terrorist organisations.

Effective Capacity to respond to international requests for information about an NPO of concern

Criterion 8.6 – (Not Met)-There are no procedures or points of contacts in place to respond to international requests for information regarding particular NPOs suspected of terrorist financing or involvement in other forms of terrorist support.

Weighting and Conclusion

Angola has established some legal provisions which meet some of R.8's criteria, such as identification of the type of NPOs which represent an increased risk and to review the adequacy of legal or regulatory obligations applicable to non-profit organizations, in view of the existing risks. However, authorities have not undertaken a comprehensive review of the NPO sector to appropriately understand TF risks and have not taken steps to promote targeted risk-based supervision or monitoring of NPOs. The NPO sector has not been engaged to raise awareness about potential vulnerabilities to TF abuse and risks. NPOs are legally obligated to cooperate with relevant authorities. The lack of an adequate assessment of risks and development of risk-based measures for supervision and monitoring of NPOs creates a fundamental deficiency which impacts all other criteria.

Angola is rated Non-Compliant with Recommendation 8.

Recommendation 9 – Financial institution secrecy laws

In its MER under the First Round of MEs, Angola was rated Largely Compliant with requirements of this Recommendation (formerly R 4). The main deficiency was that there were no requirements in the Law on the securities and Market Commission for the Securities and Market Commission to exchange information related to ML and FT. The new R. 9 has not modified the requirements under the former R.4 of the 2004 FATF Methodology and the detailed analysis set out in paragraphs 3.102-3.122 of the 2012 MER still apply.

Criterion 9.1 – (Mostly Met) -Article 19 requires FIs to cooperate and provide information to the UIF, the supervisory and oversight authorities and, when requested by, provide information on transactions carried out by customers, also present documents related to the said transactions. The FIs are required to have systems and instruments that allow them to respond promptly and fully requests for information submitted by the UIF and by other competent entities.

Information provided by FIs to UIF and competent authorities, for purposes of compliance with the AML laws does not constitute violation of any duty of secrecy imposed by the law, regulation, or contract, nor does it imply, to whoever provides them, disciplinary, civil, or criminal liability.

Article 50 of AML Law requires the competent authorities to provide any information, technical assistance, or any other type of cooperation that may be requested by domestic or foreign authorities and as required to fulfil the purposes of those authorities. The cooperation referred to includes exchange of information, investigations, inspections, inquiries, or other reasonable efforts on behalf of the domestic or foreign authorities, and the competent authorities shall provide all the information it is able to gather within the powers granted by the current legislation. The competent authorities may, on their own initiative, share with domestic or foreign authorities information related to money laundering and the financing of terrorism and proliferation. The competent authorities shall define internal procedures and means that are adequate, safe, efficient and effective to ensure the receipt, processing, disclosure and prioritizing of cooperation requests, as well as the timely provision of information to domestic and foreign authorities.

Article 33(5) requires the correspondent institutions to ensure that the information requested is provided to them (as it relates to recommendation 13).

There is no legal requirement for sharing of information between FIs, both domestically and internationally and between FIs which belong to the same group.

Weighting and Conclusion

There are no laws which inhibit implementation of AML/CFT measures. There is a legal basis for information exchange from FIs to authorities and between competent authorities. However, there are no provisions in relation to sharing of information between FIs, both domestically and internationally and between FIs which belong to the same group.

Angola is rated Largely-Compliant with Recommendation 9.

Recommendation 10 – Customer due diligence

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R. 5). The main technical deficiencies were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 10.1 – (Met) – Article 7 of the AML Law prohibits FIs from opening or maintenance of anonymous accounts or accounts under fictitious names.

When CDD is required

Criterion 10.2 – (Met)– Financial institutions are required to undertake CDD of the client and, if applicable of its legal representative and beneficial owners when –

(a) establishing business relationship (Article 11(1) (a)).

(b) carry out occasional transactions: with a value equal to or greater than USD 15 000.00, in national currency or in another currency, regardless of whether it is a single operation or a pact that is part of several operations apparently linked. Article 11(1) (b) (i)).

(c) when carrying out occasional electronic transfer of a value equal to or greater than USD 1 000.00 or the equivalent, in national currency or in another foreign currency. Article 11(1) (b) (ii)).

(d) there are suspicions of crimes of money laundering or terrorist financing and proliferation of mass destruction weapons. Article 11(1) (c).

(e) there are doubts as to the authenticity or conformity of previously acquired customer identification data. Article 11(1) (d).

Required CDD measures for all customers

Criterion 10.3 – (Met) – Art. 11(2)(a)(ii) and (iii) of AML Law, requires FIs to identify and verify the identity of clients, beneficial owners and persons who represent them. Article 7 of notice nº 14/20, of the BNA, establishes the customer due diligence identification and verification requirements for natural persons and legal persons (for FIs regulated by the National Bank of Angola being banks, MVTS, exchange bureau and MFIs). Article 8 of Regulation No. 5/2021 of 8 of November has detailed identification and verification information required for entities regulated by Capital Markets Commission. The same has also been provided for in the insurance sector under Article 17 (1) of the notice on the prevention and combat of ML/FT/P in the insurance sector.

Angolan legislation does not allow legal arrangements to be set up in Angola., however, foreign legal arrangements can operate in Angola by holding share in a legal entity Under such circumstances, FIs are required to identify and verify the trustees, settlors, and beneficiaries Article (11) (2) (a) (iv) of AML Law.

Criterion 10.4 – (Met) – Article 11 (2) (a) (i) and 4 of AML Law, requires FIs to identify and verify the identity of the clients, beneficial owners and the persons that represent them. Article 11 (4) of AML Law requires the entities subject to this law to also verify that the customers' representatives are legally entitled to act in their name or on their behalf. The identification of trusts constituted under foreign law, or other types of legal arrangements, shall include the identification and verification of the name of the trustees, settlors, and beneficiaries.

Criterion 10.5 – (Met) – Article 11(1) requires FIs to identify the client and, if applicable, their legal representatives and beneficial owner, whenever they establish business relationships or carry out occasional transactions. Article 11(2)(b) requires FIs to identify and verify beneficial owners using information from credible sources.

Criterion 10.6 – (Met) –Article 11(2) (c) and (d) of AML Law, requires FIs to obtain information on the purpose and intended nature of the business relationship.

Criterion 10.7 – (Mostly Met) – Article 11(2) (f) and (g) of AML Law, requires FIs to conduct ongoing due diligence on the business relationship. FIs are required to:

(a) maintain a continuous monitoring of the business relationship, to ensure that such operations are consistent with the knowledge that the FI has of the client, its business and its risk profile;

(b) Article 11 (2) (g) of AML Law, requires FIs to keep information obtained during the business relationship updated. However, there is no provision to undertake reviews of existing records, particularly for higher risk categories of customers.

Specific CDD measures for legal persons and legal arrangements

Criterion 10.8 – (Met) – Article 11(2)(d) of the AML Law requires FIs to, obtain information to understand the nature of the customer's business, its ownership and control structure, as well as the names of the members of its management bodies;

Criterion 10.9 – (Mostly Met) – Article 11 (2) (a) (ii) of AML Law requires FIs to identify and verify customers - in the case of clients who are legal persons, identification is made through the presentation of an original document or photocopy of the certificate of public deed of incorporation or equivalent document, business registration certificate, publication in the Official Gazette, permits, valid license issued by the entity competent authority and the tax identification number. Furthermore, Article 11 (2)(d) requires FIs obtain information on the names of the members of management of legal persons or legal arrangements. However, there is no requirement for FIs to identify and verify customers that are legal persons through the address of the registered office and, if different, a principal place of business.

Criterion 10.10 – (Met) – Article 11(1) of the AML Laws requires FIs to ascertain and verify the identity of their customers and beneficial owners. The definition of beneficial owner of legal entities is in line with c. 10.10 as Article 3(9) of the AML Laws defines beneficial owner as (a) the natural person(s) who:

(i) ultimately owns or controls a legal person, and/or the natural person on whose behalf a transaction is being conducted;

(ii) exercise ultimate effective control over a legal person or arrangement, in situations where ownership or control are exercised through a chain of ownership or by means of control other than direct control;

(iii) ultimately, directly, or indirectly, own or control a company's capital or the voting rights of a legal person, other than a company whose shares are traded on a regulated market, subject to reporting requirements consistent with international standards; and

(iv) exercise or have the right to exercise significant influence over the company or control it irrespectively of the level of ownership.

(b) For legal entities that manage or distribute funds, the natural person(s) who:

(i) benefit from their assets when the future beneficiaries have already been determined;

(ii) are deemed to be the class of persons in whose main interest the legal person is set up or operates, when the future beneficiaries have yet to be determined; and

iii) exercise control over the assets of the legal person.

Criterion 10.11 – (Mostly Met) –For identification of trusts constituted under foreign law or other types of legal arrangements, Article (11) (2) (a) (iv) of AML Law, requires FIs to identify and verify the name of the trustees, settlors, and beneficiaries. However, there is no requirement to verify the identity of any other natural person exercising ultimate effective control over the trust, including through a chain of control or ownership.

CDD for beneficiaries of life insurance policies

Criterion 10.12 – (Met) – Article 35 (1) (a) and (b) of AML Law, requires FIs to identify beneficiaries of life insurance and other insurance related to investment-

(a) identify insurance policy beneficiaries who are natural persons, legal persons, or entities without legal personality, by name.
(b) For beneficiaries that are designated by their characteristics, by class or by other means, obtain sufficient information to be able to know and establish the identity of the final beneficiaries at the time of the payout.
(c) The verification of the identity of the beneficiary shall occur at the time of the payout (Article 35(4).

Criterion 10.13 – (Met)- Article 14, paragraph 3, of the Notice on the prevention and combat of ML/FT/P in the insurance sector provides that, If the entities determine that a beneficiary, who is a legal person or an entity without legal personality, constitutes a higher risk, the enhanced due diligence measures shall include reasonable measures, to verify the identity of the beneficial owner, and of the beneficiary at the time of payment of insurance benefits".

Timing of verification

Criterion 10.14 – (Met) – Article 12 (1) requires FIs to verify the identity of customers and beneficial owners before establishing the business relationship or before carrying out any occasional transactions. However, Article 12(2) allows FIs to verify the identity of customers or beneficial owners after the start of the business relationship provided that:

(a) the FI must complete the identity verification procedures within the reasonable period determined; (Article 12(4)

(b) it is done so as not to interrupt the normal course of the business;

(c) the FI has taken adequate measures to manage the risk associated with the situation, namely by limiting the number, type or amount of operations that can be carried out.

Criterion 10.15 – (Met) – **Ar**ticle 12 (1) of the AML Law requires FIs to verify customer information before the business relationship is established or before any occasional transaction occurs. However, article 12(2) requires FIs to verify identity of customers after the business relationship has been established. The Article provides situations where verification may be delayed being: when it is essential to avoid interrupting the normal course of business; when there are no provisions otherwise under the legal or regulatory standards applicable to the activity of the entity subject to this law; when the situation in question poses a small risk of ML/TF/PF, assuming the entities subject to this law have explicitly identified such situation; and when the entity subject to this law has adopted adequate measures to manage the risk associated with the situation, namely by limiting the number, type or amount of transactions that may be performed.

Existing Customers

Criterion 10.16 – (Met)-Article 11(5) of the AML Laws stipulates that the duty of identification is also applicable to existing customers, and verification of the identity of said customers will be subject to regulations issued by the supervisors.

Risk-Based Approach

Criterion 10.17– (Met) – Article 14 (3) and (4) requires FIs to perform enhanced due diligence where the ML/TF risks are higher.

Criterion 10.18 – (Met) – Article (13) requires FIs to simplify the measures adopted under the duty of identification and diligence when they identify a demonstrably reduced risk of ML/FT/P in business relationships, occasional transactions or operations carried out, taking into account, namely, the origin or destination of the funds, as well as the factors referred to in paragraph 2 of Article 12 of this Law. The law requires simplified due diligence to be conducted following an adequate risk assessment by the FI or by the respective supervisory and oversight authorities and to be proportional to the identified reduced risk factors. In addition, the law outlines circumstances under which simplified due diligence can never take place which include situations when there are suspicions of ML/TF/P, when enhanced identification or due diligence measures are to be adopted; and whenever the supervisory authority determines situations under which simplified due diligence cannot be taken. Furthermore, the law outlines simplified due diligence measures that FIs can use.

Failure to satisfactorily complete CDD

Criterion 10.19 – (Met) – Article 15(1) of AML Law requires FIs to refuse to open an account; refuse to start the business relationship; refuse to carry out the transaction; and to terminate the business relationship where an FI is unable to comply with relevant CDD measures. The FIs are required to consider making a suspicious transaction report in relation to the customer where it is unable to identify a customer and suspect that the situation might be related to ML/TF/P crime.

CDD and tipping-off

Criterion 10.20 – (Met) – Article 18(4) requires FIs not to pursue the CDD process in cases where FIs form a suspicion of ML/TF/P and reasonably believe that performing the CDD process will tip-off the customer. FIs are required to communicate in writing to the UIF, the basis of their suspicion and confirm the suspension of the operation. Article 15(2) requires FIs to consider making a suspicious transaction report in relation to the customer where it is unable to identify a customer and suspect that the situation might be related to ML/TF crime.

Weighting and Conclusion

The AML/CFT Law complies with requirements of Recommendation 10 to a large extent, with only minor deficiencies noted at c10.7 regarding, lack of provision to undertake reviews of existing records, particularly for higher risk categories of customers, lack of requirement for FIs to identify and verify customers that are legal persons through the address of the registered office and, if different, a principal place of business (c10.9) and lack of requirement to verify the identity of any other natural person exercising ultimate effective control over the trust, including through a chain of control or ownership (c10.11).

Angola is rated Largely Compliant with Recommendation 10.

Recommendation 11 – Record-keeping

In its MER under the First Round of MEs, Angola was rated Largely Compliant with requirements of this Recommendation (formerly R. 10). The main technical deficiency was that there were no requirements for FIs to keep records beyond the statutory period upon request by a competent authority.

Criterion 11.1– (Met) **–** Article 16 (1) (b) of the law requires FIs to maintain all necessary records on transactions, both domestic and international, for at least 10 years following completion of the transaction or at the end of the business relationship.

Criterion 11.2 – (Met) **–** The law outlines the documents to be maintained being: copies of documents or other technological supports proving compliance with the duty of identification and due diligence, classification of customers; transaction registration, including all original and beneficiary information of the transaction, to allow the reconstitution of each transaction, in order to provide, if necessary, evidence in the context of a criminal proceeding; copy of all commercial correspondence exchanged with the client; copy of reports made by FIs to the UIF and other competent authorities; records of the results of internal analyses, as well as a record of the grounds for the decision of the subject entities not to report these outcomes to the UIF or other competent authorities.

Criterion 11.3 – (Met)– Article 16(1) (c) requires FIs to keep transaction register, including all original and beneficiary information of the transaction, to allow the reconstitution of each transaction, in order to provide, if necessary, evidence in the context of the criminal proceeding.

Criterion 11.4 – (Met) **–** Article 16(2) and (4) require FIs to properly store the information in electronic format or by other means that allow their easy location and immediate access to them by the UIF or other competent authorities and to make information available to the UIF and other competent authorities.

Weighting and Conclusion

Angola meets all the requirements of Recommendation 11.

Angola is rated Complaint with Recommendation 11.

Recommendation 12 – Politically exposed persons

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R 6). The main technical deficiencies were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology. In 2012, the FATF introduced new requirements for domestic PEPs and persons having prominent functions in international organisations.

Criterion 12.1 – (Met) **–** Article 14 (5) (a) to (d) of AML Law requires FIs to put in place adequate risk-based procedures to determine whether the client, or if applicable, representative, or beneficial owner can be considered a politically exposed person. The law further requires FIs to obtain authorization from the competent management body of the subject entity before establishing business relationships with such customers and as well as to streamline and continue the relationships, in the event that the acquisition of the status of "Politically Exposed Person" is subsequent to the establishment of the business relationship and establish from the client the origin and destination of the funds involved in the business relationship or the occasional transaction. The FIs are also required to carry out continuous follow-up of the business relationship.

Criterion 12.2 – (Met) **–** Article 14 (5) (a) of AML requires FIs to put in place adequate risk-based procedures to determine whether the client, or if applicable, representative, or beneficial owner can be considered a politically exposed person. There is no distinction in Angolan legislation between domestic and foreign PEPs, therefore, the same requirements, required for foreigners, as mentioned in the above, apply to domestic PEPs.

Criterion 12.3 – (Met) **–** The regime described in c.12,1 and 12,2 applies to family members and close association of PEPs (Article 3 (31) (b) (I to iv).

Criterion 12.4 – (Met) **–** Article 36 of AML requires FIs to take adequate measures to determine whether the beneficiaries or, when applicable, the effective beneficiaries of the policy are politically exposed persons. The law further requires this to be done at time of payment of the execution of the policy. If beneficiary of a life insurance policy is a PEP, FIs are required to inform the institution's management body, before the payout, carry out enhanced due diligence measure. The law requires FIs to submit a suspicious transaction report to the UIF before the execution of the insurance policy.

Weighting and Conclusion

Angola meets all the requirements of Recommendation 12.

Angola is rated Compliant with Recommendation 12.

Recommendation 13 – Correspondent banking

In its MER under the First Round of MEs, Angola was rated Compliant with requirements of this Recommendation (formerly R 7). The new FATF Recommendation has added a requirement to prohibit relationships with shell banks.

Criterion 13.1 – (Mostly Met) **– (a)** Article 33 (2) (a) and (c) of the AML Law requires FIs to collect sufficient information about the responding institution, to fully understand the nature of business of these institutions. The FIs are required to ensure the suitability, adequacy, and effectiveness of these institutions, taking into account the information available in the public domain, their reputation and their quality of supervision, including whether they have already been subject to an investigation or regulatory action on ML/TF/P.

(b) Article 33 (2) (b) requires FIs to assess the respondent banks' internal control procedures, in preventing ML/TF/P.

(c) FIs are required to obtain approval from senior management before establishing new correspondent relationships (Article 33 (3).

There is no requirement in law that requires FIs to understand the respective AML/CFT responsibilities of each institution.

Criterion 13.2 – (Met) **–** Article 33 (4), requires correspondent banking relationships involving payable-through accounts, to confirm that the respondent institutions with direct access to the payable-through accounts fulfil the customer due diligence duty. Article 33(5) requires FIs that provide payable-through accounts to be provide relevant CDD information upon request to the correspondent bank.

Criterion 13.3 – (Met) **–** Article 6 of AML Laws prohibits the establishment of shell banks in Angolan territory. Furthermore, correspondent institutions are prohibited from establishing correspondence relationships with shell banks and correspondent institutions should avoid establishing correspondence relationships with other respondent institutions that, admittedly, allow their accounts to be used by shell banks.

Weighting and Conclusion

The legal and regulatory framework in Angola has requirements in place to deal with cross-border correspondent relationships and other measures, to a large extent, only minor deficiency noted regarding lack of requirements for FIs to understand the respective AML/CFT responsibilities of each institution.

Angola is rated Largely Complaint with Recommendation 13.

Recommendation 14 – Money or value transfer services

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly SR VI). The main technical deficiency was that the BNA had not issued any regulation requiring the maintenance of a list of agents and the obligation to communicate it to the BNA. The other shortcomings were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology. The FATF introduced new requirements concerning the identification of providers of money or value transfer services who are not authorised or registered, and the application of sanctions for failure to comply with these obligations and additional obligations for MVTS providers which use agents.

Criterion 14.1– (Met)- Payment service providers are considered financial institutions and as such are subject to authorization and supervision by the Central Bank (Article 3 (1) and Article 102 of Law no. 14/21 RGIF.
Criterion 14.2 – (Met)– BNA identifies unlicensed operators through consumer complaints received via the consumer complaints department, tipping off, media reports and triggered inspections. Subsequent to identification of unlicensed institutions, the BNA alerts the public of the unlicensed institutions and applies the measures such as locate the illegal institutions mostly with the assistance of law enforcement, and if the unlicensed institutions cannot be located, the cases are referred to the law enforcement for further investigation. During the assessment period, the BNA proactively identified illegal operators and referred the matters to PGR, which resulted in conviction of offenders and confiscation of assets.
Furthermore, Law of RGIF provides a range of proportionate and dissuasive sanctions to entities that provide financial activities without prior authorization from the Central Bank which includes administrative and criminal infraction.

Criterion 14.3 – (Met)– Article 2 (1) (a) and 3 (4) (a) AML Law lists financial institutions as subject entities and the BNA as a supervisory and inspection authority for financial institutions, respectively. Consequently, payment service providers are monitored for compliance with the AML Law by the central bank.
Criterion 14.4 – (Met) –The hiring of a payment agent by a payment service provider is subject to special registration with the BNA (Article 17 Law 40/20 (Payment System Law); Article 27 Notice no. 07/17).

Criterion 14.5 – (Met)– Payment service providers are required to include agents in their AML/CFT programs (Article 32 (3) of AML Laws).
Angola has adequate requirements for dealing with regulation and supervision of MVTS and has proportionate and dissuasive sanctions for dealing with any person who carries out MVTS without a licence or approval from the Central Bank which includes administrative and criminal infraction.

Weighting and Conclusion

Angola meets all the requirements of Recommendation 14.

Angola is rated Compliant with Recommendation 14.

Recommendation 15 – New technologies

In its 1st Round MER, Angola was rated Largely Compliant with these requirements (formerly R.8). The main technical deficiency was that FIs were not implementing relevant policies to manage the risk of none face-to-face transactions. The new R.15 focuses on assessing risks related to the use of new technologies, in general, and imposes a comprehensive set of requirements in relation to virtual asset service providers (VASPs).

New technologies

Criterion 15.1– (Partly Met) – FIs are required to identify and assess ML/TF/PF risks that may arise due to, supply of products or operations likely to favor anonymity; the development of new products, services, distribution mechanisms, payment methods and new commercial practices, the use of new technologies or in the development phase, both for new products and for existing products (Article 10, AML Law). However, the country and the FIs (with the exception of large banks) have not demonstrated that they identify and assess the ML/TF risks associated with development of new products and new business practices including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products (see IO.4).

Criterion 15.2 – (Met) – The Law requires FIs to conduct their risk assessments prior to the launch or use of such products, practices and technologies and to take appropriate measures to manage and mitigate the ML/TF/P risks.

Virtual assts and virtual asset service providers

Criterion 15.3 – (a - c) – (Not Met)–There is no provision that requires competent authorities to identify and assess ML/TF/P risk emerging from virtual asset activities and the activities or operations of virtual asset service providers (VASP). The Authority has not provided ML/TF/PF risk assessment report for virtual assets. The Authority has also not elaborated how AML/CFT risk-based approach is applied to VASP

Criterion 15.4 (a) – (Not Met) – There is no provision that deals with registration of virtual asset service providers when the VASP is a legal person in the jurisdiction where it is created or when the VASP is a natural person, in the jurisdiction where its place of business is located.

Criterion 15.4 (b) – (Not Met) – There is no provisions that requires competent authorities to take steps to prevent criminals or their associates from holding, or being the beneficial owner of, a significant or controlling interest, or holding a management function in a VASP.

Criterion 15.5 – (Not Met) – There is no provision that requires competent authorities to identify natural or legal persons that carry out VASP activities without the requisite license or registration. Furthermore, there are no sanctions for non-compliance.

Criterion 15.6 (a-b) – (Not Met)– there is no designated licensing or registration authority for VASPs.

Criterion 15.7 – (Not Met)– VASPs are not regulated in Angola.

Criterion 15.8– (Not Met)– VASPs are not regulated, therefore, there are no sanctions for VASPs that fail to comply with the requirements of the AML Law.

Criterion 15.9 (a - b) – (Not Met) **–** VASPs are not regulated, therefore, there is no provision that requires VASPs to comply with requirements set out in recommendation 10 to 21

Criterion 15.9 (b) – (Not Met)– VASPs are not regulated, therefore, there is no provision that requires VASPs to includes electronic transfers in the message or in the payment form that accompanies the transfer duly verified information.

Criterion 15.10 – (Not Met)– VASPs are not regulated, therefore, there is no provision that requires VASPs to comply with requirements for implementing UNSC listings and removal, there is no provision for guidance to a VASP that may be holding frozen assets.

Criterion 15.11– (Not Met)– There is no provision that requires competent authorities to provide international cooperation in relation to money laundering, predicate offences and terrorist financing relating to virtual assets. In addition, there is no requirement for supervisors of VASPs to exchange information with their foreign counterparts.

Weighting and Conclusion

The AML Law requires FIs to conduct risk assessments prior to the launch or use of such products, practices and technologies and to take appropriate measures to manage and mitigate the ML/TF/P risks. However, the country and the FIs (with the exception of large banks) have not demonstrated that they identify and assess the ML/TF risks associated with development of new products and new business practices including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products. Furthermore, there is no legal and institutional framework relating to VAs and activities of VASPs. The country has also not identified and assessed the money laundering and terrorist financing risks emerging from virtual asset activities and the activities or operations of VASPs. All requirements of criterion 15.3 to 15.11 are all not met.

Angola is rated Partially Compliant with Recommendation 15.

Recommendation 16 – Wire transfers

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly SR VII). The main technical deficiency was that even though FIs in Angola were using SWIFT for international transfers, they were not required under Law 12/10 to apply SR VII obligations. The FATF requirements in this area have since been expanded to include requirements relating to beneficiary information, identification of parties to transfers and the obligations incumbent on the financial institutions involved, including intermediary financial institutions.

Ordering financial institutions

Criterion 16.1(a-b) – (Met) **–** Article 30 (1 - 3) of AML Law requires financial institutions whose activity includes electronic transfers to include in the message or in the payment form that accompanies the transfer duly verified information for payers and beneficiaries. The information required is in line with requirement of criterion.

Criterion 16.2 – (Not Met) **–** Where several individual cross-border wire transfers from a single originator are bundled in a batch file for transmission to beneficiaries, there is no requirement for FIs to ensure accurate originator information (including account number or unique transaction number) and full beneficiary information, that is traceable within the beneficiary country.

Criterion 16.3 – (Non Applicable) – There are no thresholds requirements for purposes of criterion 16.1.
Criterion 16.4 – (Non Applicable) – There are no thresholds requirements for the purposes of this criterion.
Criterion 16.5 – (Met) – Article 30 (1) of the AML Law, requires FIs whose activities include electronic transfers to include duly verified information in the message or payment form accompanying the transfer. the information is required for both the payer and the beneficiary.
Criterion 16.6 – (Met) – For domestic electronic transfers, information about the beneficiary may be dispensed if granted that it is possible to retrace and reach the payer from his single transaction number or account number. And on the other hand, if the FI is in position to submit to the FI of the beneficiary of the transaction or to the competent authorities, in 3 working days, all information to the payer and beneficiary as required (Article 30 (4) and (5) of the AML Law).
Criterion 16.7 – (Met) – The ordering FIs are required to collect and maintain all information obtained about the originator and the beneficiary for a period of 10 (ten) years, from the moment the transaction is carried out or after the end of the business relationship.
Criterion 16. 8 – (Met) – The ordering FIs are not allowed to execute a wire transfer if compliance with criterion 16.1 -16.7 is not ensured **(**Article 30 (7) of the AML Law)

Intermediary financial institutions
Criterion 16.9 – (Not Met) – There is no requirement for FIs to retain originator and beneficiary information that accompanies a wire transfer.
Criterion 16.10 – (Met) – If there are technical difficulties that prevent the complete information of the originator and beneficiary from being transmitted, the intermediary FI must keep all information for a period of at least 10 years (Article 30 (9).
Criterion 16.11 – (Met) – Article 30 (10) of the AML Law requires intermediary FIs to take appropriate measures, consistent with direct through processing, to confirm the completeness and accuracy of the of the information on the beneficiary and originator.
Criterion 16.12 – (Partly Met)– Intermediary financial institutions should be required to have risk-based policies and procedures to determine when and whether transactions should be rejected due to lack of information about the originator or beneficiary (Article 30(11) of AML Law). The use of the word "should be" is not appropriate as it is not mandatory.

Beneficiary Financial Institutions

Criterion 16.13 – (Partly Met) – Beneficiary FIs should be required to take adequate measures to identify cross-border wire transfers areas that lack the necessary information about the payer or beneficiary. which may include post-event monitoring or real-time monitoring where feasible, to identify cross-border wire transfers that lack required originator information or required beneficiary information (Article 31 (1) AML law). The use of the word "should be" is not appropriate as it does not mandate FIs to undertake the obligation.
Criterion 16.14 – (Met) – For cross-border electronic transfers in an amount equal to or greater than the equivalent of USD 1000, the beneficiary FIs are required to verify the identity of the beneficiary, if it has not been previously verified, and keep the information for a period of at least 10 years (Article 31 (2) AML Law).
Criterion 16.15 – (Met) – Beneficiary financial institutions are required to have risk-based policies and procedures in place to determine when and whether transactions should be rejected due to lack of information referring to the originator or beneficiary (Article 31 (3) AML Law).

Money and value transfer services

Criterion 16.16 –(Met)– Article 30 (1) of AML Law requires FIs whose activities include electronic transfers to include duly verified information in the message or payment form accompanying the transfer. **Criterion 16.17 – (Met) –** Payment service provider that controls either the order or receipt of an electronic transfer is obliged to take into account all the information from both the ordering and beneficiary sides in order to determine whether an STR has to be filed; and file an STR in any country affected by the suspicious wire transfer, and make relevant transaction information available to the Financial Intelligence Unit.

Implementation of Targeted Financial Sanctions

Criterion 16.18 – (Not Met) – There is no provision creating an obligation for FIs when processing wire transfers to take freezing action and comply with prohibitions from conducting transactions with UNSCR designations.

Weighting and Conclusion

Angola AML Law has requirements for dealing with wire transfers. Lack of guidance to FIs on implementation of targeted financial sanctions related to designations made subject to UNSCR 1267 and 1373 and lack of mechanisms for communicating UNSC listings and removal, to FIs is the main shortcoming of the sub criterion of R16. Deficiencies noted at criterion 16.2 (lack of legal provisions for cross border wire transfers in batched files to contain required originator and beneficiary information), 16.9, (lack of requirements for intermediary FIs) and 16.12 and 16.13 (use of the word should be in the law are also major short comings.

Angola is rated Partially Compliant with Recommendation 16.

Recommendation 17 – Reliance on third parties

In its MER under the First Round of MEs, Angola was rated Non Applicable with requirements of this Recommendation (formerly R 9) as there were no third parties and introduced business operating in Angola. The FATF's new requirements emphasise on the country risk of the third party required to perform due diligence on the customer.

Criterion 17.1 – (Met) – Article 26 (1) of the AML Law allows FIs to delegate to a third party, under the terms to be regulated by the respective competent authorities, the duties of identification and diligence in respect to clients. The Law requires FI that use third parties to comply with CDD measures to maintain the responsibility for strict compliance with the obligation of identification and due diligence.

Criterion 17.1(a) – (Met) – Article 26 (4) and (3) (a) of AML Law requires FIs that rely on third party for CDD to ensure that such third parties are able to gather all information and comply with all identification, due diligence and document keeping procedures that the FIs must comply with.

Criterion 17.1(b) – (Met) – Article 26 (3) (b) of AML Law requires FIs that rely on third parties for CDD to ensure that such third parties can, when requested, immediately transmit a copy of the identification and verification of identity data and other relevant documentation about the client, its representative or beneficial owners who were subject to the identification and due diligence process.

Criterion 17.1(c) – (Met) – Article 26 (2) requires that FIs which delegate such functions to third parties to make sure that such third parties are regulated, supervised and/or inspected in terms of compliance with customer due diligence measures and certify that they maintain their official records in accordance with

the Law.

Criterion 17.2 – (Met) – Article 26 (4) of AML Law requires FIs that rely on third party to take into account the country risk classification when choosing such third parties.

Criterion 17.3 (a - c) – (Not Met) – There are no requirements for FIs that rely on a third party that is part of the same financial group.

Weighting and Conclusion

Criterion 17.1 and 17.2 are met. Angola lacks requirements for FIs that rely on a third party of the same group to consider that requirements of criteria 17.1 and 17.2 are met is a minor shortcoming.
Angola is rated Largely Compliant with Recommendation 17.

Recommendation 18 – Internal controls and foreign branches and subsidiaries

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R 15). The main technical deficiencies were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology. The new Recommendation introduces some new requirements on implementing AML/CFT programmes for financial groups.

Criterion 18.1 – (Met)

Criterion 18.1(a) **–**Article 22 (1) (a) of AML Law requires FIs to implement programs to prevent ML/FT/PF appropriate to the sector of the activity, which include compliance control system, including the appointment of senior manager.

Criterion 18.1(b)– Article 22 (1) (b) requires FIs to have screening procedures that ensures strict criteria are applied in hiring employees.

Criterion 18.1(c)– Article 23, AML Law, requires FIs to periodically and adequately provide training to their employees and management with a view to achieving full compliance with the obligations laid down in the law regarding prevention of ML/FT/P.

Criterion 18.1(d) **–**Article 22 (1) (c), AML Law requires FIs to have an independent internal control structure to test the system for preventing and combating ML/TF/P.

Criterion 18.2- (Mostly Met)

Criterion 18.2(a)– Article 29 (1), AML Law, requires FIs to, in relation to their branches or subsidiaries in which they have a dominion relationship established in third countries, to apply obligations equivalent to those provided for in the AML Law.

Criterion 18.2(b)– Article 22 (3) (b) of the AML Law requires FIs as part of a group relationship, to have measures relating to the provision of information to the audit and compliance functions, at group level, on clients, accounts, and branch and subsidiaries operations. However, the Law does not require FIs to provide information and analysis of transactions or activities which appear unusual.

Criterion 18.2(c)– Article 22(3) (d) of AML Law establishes the duty of confidentiality and proper use of information shared by FIs within the scope of ML/FT/P prevention and fight. However, there are no

requirements to ensure safeguarding the information shared to prevent tipping-off.

Criterion 18.3- (Met) **–** Article 29 (1) and (3), AML Law requires FIs to, in relation to their branches or subsidiaries in which they have a dominion relationship established in third countries, apply obligations equivalent to those provided for in the Angola AML Law. The law further requires that whenever the requirements regarding the prevention of ML/TF/P existing in a third country are more stringent than those provided for in the Angolan AML Law, such requirements may apply to branches and subsidiaries of Angolan financial institutions established in the third country. In addition, if the legislation of the third country does not allow the application of the measures provided for in the AML Law, FIs must inform the respective supervisory and oversight authorities of this fact and take additional measures to prevent the risk of ML/TF/PF.

Weighting and Conclusion

The AML law does not have requirements for FIs to provide information and analysis of transactions or activities which appear unusual and no requirements to ensure safeguarding of information to prevent tipping off, however, important elements of recommendation 18 are in place which are: appointment of compliance officers, ongoing employee training, an independent internal audit to test the system

Angola is rated Largely Compliant with Recommendation 18.

Recommendation 19 – Higher-risk countries

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R21). The main technical deficiencies were that: supervisory authorities had not yet implemented any measures to transmit information to FIs with regard to the deficiencies in the AML/CFT systems of other countries and there was no authority to impose counter measures. R.19 strengthens the requirements to be met by countries and FIs in respect of higher-risk countries.

Criterion 19.1 –(Met) **–**FIs are required to apply enhanced monitoring measures to customers, proportionate to the risks to business relationships and transactions with natural and legal persons, originating in jurisdictions which do not apply international requirements for the prevention of ML/TF/P, or else apply such measures insufficiently, as determined by the Financial Action Task Force (Article 28 (1) of AML Law).

Criterion 19.2 –(Met) **–** Article 28(1) (a) and (b) of the AML Laws requires FIs to apply enhanced monitoring measures to customers, in proportion to the risks, business relationships and transactions with natural and legal persons, originating in jurisdictions which have weak measures for preventing and combating ML/TF/P, as determined by the Financial Action Task and by a local competent authority.

Criterion 19.3 – (Met) **–**UIF regularly publishes on its website jurisdictions identified as high risk following FATF plenary meetings. In addition, the list of high risk jurisdictions are shared with the regulators who ultimately share with their supervised entities for implementation.

Weighting and Conclusion

There are requirements for FIs to apply enhanced due diligence, proportionate to the risks, to business relationships and transactions with natural and legal persons from countries called for by the FATF. In addition, Angola has a mechanism in place to advise financial institutions of concerns about weaknesses in the AML/CFT systems of other countries.

Angola is rated Compliant with Recommendation 19.

Recommendation 20 – Reporting of suspicious transaction

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R13) and Largely Compliant with the former SRIV. The main technical deficiencies were that: not all predicate offences under Recommendation 1 were covered in the Angolan Criminal Code. The other deficiencies related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 20.1- (Partly Met) -FIs must, on their own initiative, immediately report to the Financial Intelligence Unit, whenever they know or have sufficient reasons to suspect that an operation likely to be associated with the crime has taken place, is in progress or has been attempted. The transaction may involve a single transaction or be an integral part of several apparently linked transaction (Article 17 (1) and (2), AML Laws). The Law has not stated the period within which a suspicious transaction must be reported.

Criterion 20.2- (Met)- The law requires FIs to report attempted transactions that may be associated with the commission of ML/TF/P or any other crime and the Law has not prescribed any thresholds.

Weighting and Conclusion

AML Laws in Angola requires FIs, on their own initiative, to file STRs to the UIF on transactions and suspicious transactions regardless of the amount. The scope of reporting covers all FIs. However, the major deficiency noted is that the law does not prescribe the period within which a suspicious transaction must be reported, which creates major deficiency.

Angola is rated Partially Compliant with Recommendation 20.

Recommendation 21 – Tipping-off and confidentiality

In its MER under the First Round of MEs, Angola was rated Compliant with requirements of this Recommendation (formerly R14). The new R. 21 has not modified FATF requirements.

Criterion 21.1- (Mostly Met) - Information provided in compliance with the obligations provided for in the AML Law, by FIs, employees and partners, to the competent authorities, does not constitute breach of any obligation of secrecy imposed by legislative, regulatory or contractual means, nor do they imply disciplinary, civil or criminal liability for those providing them (Article 21, AML Law). However, the law does not mention the need to report in good faith. and the protection is not available in all instances.

Criterion 21.2-(Met)-FIs and the members of the respective governing bodies or, who exercise management, executive or leadership functions therein, their employees, agents and other persons who provide them permanent, temporary or occasional services, may not reveal to the customer or third parties that they have forwarded the legally required reports or that an investigation is in progress (Article 20, AML Law).

Weighting and Conclusion

FIs and staff are protected by law from criminal and civil liability on disclosure of information. The Law also prohibits staff of FIs from disclosing that a suspicious transaction has been reported to UIF. However, the law does not provide that such information should be disclosed in good faith. The shortcoming is considered minor.

Angola is rated Largely Compliant with Recommendation 21.

Recommendation 22 – DNFBPs: Customer due diligence

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly R12). The main technical deficiencies were that the weaknesses identified in Recommendations 5, 6, and 8-11 were also applicable to DNFBPs covered by Law 34/11. The other deficiencies related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 22.1 – (Mostly Met) – The AML law lists DNFBPS as reporting entities and that they should comply with CDD requirements as described under recommendation 10. Therefore, the short comings noted at recommendation 10 in particular, deficiencies noted at c10.7 regarding, lack of provision to undertake reviews of existing records, particularly for higher risk categories of customers, lack of requirement for FIs to identify and verify customers that are legal persons through the address of the registered office and, if different, a principal place of business (c10.9) and lack of requirement to verify the identity of any other natural person exercising ultimate effective control over the trust, including through a chain of control or ownership (c10.11) also apply to DNFPs.

Criterion 22.1(a) – **(**Article 2 (1) (b) (iv) list gambling, social games, online remote games or similar of these as subject entities, therefore, the customer due diligence measures set out in the AML Law are applicable to casinos. Furthermore, Article 39 of AML Law requires entities that carry out gambling activities, social games, online remote games or similar to any of these, to comply with the duty to identify the regular attendees and verify their identity at the entrance to the game room, or at the time they purchase or exchange game tokens or conventional symbols usable to play, in an amount equal to or greater than the equivalent in national currency, USD 2,500.

Criterion 22.1(b) – Article 2 (1) (b) (v) list real estate brokerage and the purchase and resale of real estate, real estate agents, real estate developers, as well as building entities that carry out direct sale of real estate as subject entities, therefore, the customer due diligence measures set out in the AML Law are applicable to these entities. In addition, Article 42 (3) of AML Law, requires real estate agents to comply with the identification, diligence and communication measures provided for in the AML Law, whenever they carry out transactions for their clients relating to the purchase and sale of real estate. Article 42 (4) requires the provision of customer identification information to apply to buyers and sellers of real estate.

Criterion 22.1(c) – Article 2 (1) (b) (viii) list entities trading in precious metals and stones as subject, therefore, the customer due diligence measures set out in the AML Law are applicable to these entities. Article 43 of AML Law requires dealer of precious metals and stones to comply with the identification and due diligence measures provided for in the AML Law, whenever they carry out cash transactions of an amount equal to or greater than USD 10,000.00.

Criterion 22.1(d) – Article 2 (1) (b) (i) list accountants, accounting experts, auditors, lawyers and other independent legal professions, partners of law firms and professional hired by law firms, when acting on behalf of the client, as subject entities. Consequently, the customer due diligence measures set out in the AML Law are applicable to these entities, when they carry out transactions for client concerning the following services: buying and selling of real estate; managing of client money, securities or other assets; management of bank, savings or securities accounts; organization of contributions for the creation, operation or management of companies; creating, operating or management of legal persons or arrangements, and buying and selling of business entities.

Criterion 22.1(e) – Article 2 (1) (b) (iii) list service providers to trusts and corporations as subject entities. Consequently, the customer due diligence measures set out in the AML Law are applicable to these

entities when they provide any of the following services to third parties: acts as agents in the incorporation of legal persons; acts or exercise the necessary measures for third party to act as a director or secretary of a company, associate of a partnership or holder of similar position in relation to other legal persons; provide a registered office, business address, premises or administrative or postal address to a company or any other legal person or entity without legal personality; act or exercise the necessary measures for a third party to act as administrator of an explicit trust fund or perform equivalent functions for other types of entities without legal personality; intervene or take the necessary steps for a third party to act as a shareholder on behalf of another person.

Criterion 22.2 – (Met) **–** as indicated above, the AML Law includes DNFBPs as subject entities and, therefore, such are required to comply with the AML Laws as it relates to record keeping.

Criterion 22.3 – (Met) **–** as indicated above, the AML Law includes DNFBPs as subject entities and, therefore, such are required to comply with the AML Laws as it relates to PEPs requirements.

Criterion 22.4 – (Partly Met) **– A**s indicated above, the AML Law includes DNFBPs as subject entities and, therefore, such are required to comply with the AML Laws as it relates to new technologies requirements. However, the country and the DNFBPs have not demonstrated that they identify and assess the ML/TF risks associated with development of new products and new business practices including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products (see IO.4).
Criterion 22.5 – (Non Applicable) – DNFBPs in Angola are not permitted to rely on third parties or introduced businesses to perform CDD measures on their behalf or to introduce business to them.

Weighting and Conclusion

All DNFBPs are included under the AML Law and DNFBPs must comply with the requirements regarding CDD, record keeping, PEPs and new technologies. The respective shortcomings under recommendation 15 relating to lack of identification of ML/TF risks associated with development of new products and new business practices including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products risks are regarded as major.

Angola is rated Partially Compliant with Recommendation 22.

Recommendation 23 – DNFBPs: Other measures

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly R16). The main technical deficiencies were that: the weaknesses identified in Recommendations 13-15 and 21 were also applicable to the DNFBPs covered by Law 34/11. The other deficiencies related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 23.1- (Partly Met)- as indicated above, the AML Law includes DNFBPs as subject entities and, therefore, such are required to comply with the AML Laws as it relates to duty to report suspicious transactions. The entities subject to this law shall, on their own initiative, immediately inform the UIF, wherever they become aware of, suspect, or have sufficient reason to suspect that a transaction took place, is taking place or has been attempted, which is likely to be associated with the commission of the crime of money laundering and the financing of terrorism and proliferation, or any other crime (Article 17). Consequently, short comings identified at criterion 20.1 as it relates to the law not stating the period within which a suspicious transaction must be reported also apply to DNFBPs.

Criterion 23.2- (Mostly Met) -as indicated above, the AML Law includes DNFBPs as subject entities and, therefore, such are required to comply with the AML Laws as it relates to internal controls and foreign branches. The AML law does not have requirements for entities to provide information and analysis of transactions or activities which appear unusual and no requirements to ensure safeguarding of information to prevent tipping off, however, important elements of recommendation 18 are in place which are: appointment of compliance officers, ongoing employee training, an independent internal audit to test the system

Criterion 23.3-(Met)- As indicated above, the AML Law includes DNFBPs as subject entities and, therefore, such are required to comply with the AML Laws as it relates to higher risk countries.

Criterion 23.4-(Mostly Met)- As indicated above, the AML Law includes DNFBPs as subject entities and, therefore, such are required to comply with the AML Laws as it relates tipping-off and confidentiality requirements. However, the deficiency noted at recommendation 21 relating to lack of requirement for protecting FIs which disclose the information in good faith also apply at criterion 23.4.

Weighting and Conclusion

The obligation to file STRs and provisions relating to tipping off and legal immunity, requirements for dealing with higher risk countries and internal controls also applies to DNFBPs. Minor deficiencies were noted in relation to lack of requirement for protecting FIs which disclose the information in good faith, while major shortcomings relate to lack of requirements for specifying timelines for reporting suspicious transactions.

Angola is rated Partially Compliant with Recommendation 23.

Recommendation 24 – Transparency and beneficial ownership of legal persons

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly R. 33). The main technical deficiencies were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology. The new FATF Recommendation and the accompanying Interpretive Note, contains more detailed requirements particularly with respect to the information to be collected about beneficial owners and risk assessment on the different types of legal persons.

Criterion 24.1 (Partly Met)– Angola has mechanisms that identify and describe the different types, forms and basic features of legal persons created in the country. The one-stop shop under the Ministry of Justice register the following legal persons, companies, associations, cooperatives, organised unions and foundations. The requirements for creation of a legal person do not stipulate whether the legal person is mandated to collect beneficial ownership information. However, the basic information of the legal person is collected when registering the legal person. The information and process of how to create a legal person is briefly set out on https://gue.gov.ao/portal/ but only covers three types of legal persons: a sole trader, a commercial company and a cooperative, and does not provide full information on the creation process of each type.

Criterion 24.2 (Not met)- Angola has not conducted a Risk Assessment to determine the ML/TF risk associated with all types of legal persons created in the country in line with this criterion.

Criterion 24.3 (Not met)- Code of Commercial Registry does not stipulate if company registry is mandated to record the basic information of the company which includes company name, proof of incorporation, legal form and status, the address of the registered office, basic regulating powers, and a

list of directors. However, the OSS online system reflects the basic information of companies created since 2019. Therefore, the basic information of companies is publicly available to a limited extent.

Criterion 24.4 (Not met)- The AML Act and Code of Commercial Registry does not prescribe the type of information companies should maintain as set out in criterion 24.3, and if such companies must maintain shareholders and members register including nature of the voting rights. Further, the AML Act does not stipulate if such information should be maintained within the country at a location notified to the company registry.

Criterion 24.5 (Not met)-Angola does not have mechanisms to ensure that some of the information referred to in criteria 24.3 and 24.4 is accurate and up to date.

Criterion 24.6 (Met)-– Article 11 (2) (b) of AML law provides that, beneficial owners must be identified and verified based on information from a credible source. Therefore, the Competent Authorities access BO information obtained by financial institutions and DNFBPs when conducting Customer Due Diligence.

Criterion 24.7 (Mostly met)—Under Art. 11(2)(g) of AML Law, FIs are required to Article 11 (2) (g) of AML Law, requires FIs to keep information obtained during the business relationship updated but not necessarily accurate.

Criterion 24.8 (Not met)- There are no legal provisions requiring that one or more natural persons authorised by the company and resident in Angola be accountable to Competent Authorities, for providing basic and beneficial ownership information, or providing any further assistance. Further, DNFBPs are also not authorised by companies, and are not accountable to competent authorities for providing basic and available BO information, and providing further assistance where needed. Lastly there are provisions prescribing other comparable measures that can be used to ensure co-operation with Competent Authorities.

Criterion 24.9 (Partly met)-Article 16(1) of the AML Law, stipulates that, entities must retain records for a period of 10 (ten) years, after the end of the business relationship. However, the Act does not proceed to prescribe for companies or any person (liquidator, administrators, or other persons involved in the dissolution of the company) and competent authorities to keep basic and beneficial ownership information after the company or legal person is dissolved.

Criterion 24.10 (partly Met)-Article 48(a) (access to information about unincorporated entities[40]) of AML Act empower competent authorities, in particular law enforcement authorities to obtain timely access to basic and beneficial ownership information held by the relevant parties.

Criterion 24.11 (Partly met)-Angola permits issuance of bearer shares in terms of Article 3(2) of AML law and Law no.1/04. Law no. 1/04. Article 56 92) provides that bearer shares can be converted into nominative shares at the discretion of the Issuer. However, the Act does not prescribe if the conversion is mandatory, and the holder should notify the company during the conversion process**.** The Act does not stipulate if share warrants can be converted into registered shares or comply with other requirements as set out in this criterion. Therefore, no adequate mechanisms are in place to ensure that bearer shares are not abused for ML/TF.

[40] Unincorporated entities are not defined by the AML Act.

Criterion 24.12 (Not met)-Angola allows the concept of nominee shareholders and nominee directors. However, do not have the mechanism to prevent the misuse of such concepts in companies.

Criterion 24.13 (Not met)-Articles 74 of AML Law provide for a range of proportionate and dissuasive administrative and sanctions for persons and legal persons that fail to comply with the requirements of the Act. However, the sanctions are not specific to criterions under Recommendation 24.

Criterion 24.14 (Not met)-Article 50 of AML Law provides that competent authorities should provide information, technical assistance and any form of cooperation that may be needed by foreign authorities. Article 50 (2) of AML Law permits exchange information and carrying out of investigations on behalf of foreign authorities. Nevertheless, the provisions of Article 50 do not refer to basic and beneficial ownership information.

Criterion 24.15 (Not met)-Angola does not have a mechanism to monitor the quality of assistance received from other countries in response to requests for basic and beneficial ownership information.

Weighting and Conclusion
Angola does not meet most of the criteria under this Recommendation. The ML/TF risks associated with the different types of legal persons created in Angola have not been fully assessed and identified. FIs and DNFBPs are required to obtain BO when entering into a business relationship with a legal person and such information can be accessed by Competent Authorities, although there is no requirement to keep it accurate. The registry office collects, maintain and provides access to basic information of legal persons. The current legal framework that regulates the issuance and transfer of bearer shares, has limitations as a result bearer shares might be at high risk of being misused for money laundering or terrorist financing. Nominee shareholders and directors are allowed to exist in Angola without proper mechanisms to ensure that they are not abused for ML/TF.
Angola is rated Non-Complaint with Recommendation 24.

Recommendation 25 – Transparency and beneficial ownership of legal arrangements

In the first round of Mutual Evaluation Report (MER) Angola was Rated Non-Complaint with regard to Recommendation 34 (now Recommendation 25). The deficiencies identified were that Angolan competent authorities did not have the capacity to access in a timely fashion adequate, accurate and current information on the beneficial ownership and control of legal arrangements.

Criterion 25.1 (Not Applicable)- (a)-(b) Angola does not recognise the legal concept of trusts.

(c) (Not met) - In terms of Article 2 (b) (ii) of Law 05_20 Law on Combating Money Laundering and The Financing of Terrorism And Proliferation (AML Act), the Act is applicable to trust and company service providers who operate in Angola. However, there is no obligation for professional trustees to maintain the information of trust/s for at least five years after the trust cease to exist.
Criterion 25.2 (Not met)-There is no requirement for Trust and Company Service Providers to keep the information accurate, up to date and to be updated timely.
Criterion 25.3 – Not applicable
Criterion 25.4- Not applicable
Criterion 25.5 (met)-Article 48 of AML Act empower competent authorities, in particular law enforcement authorities to obtain timely access information held by financial institutions and non-financial institution (DNFBPs) on beneficial ownership information, the residence of the fund manager and any assets held or managed by a financial or non-financial institution.
Criterion 25.6 (a) (not applicable)
Criterion 25.6 (b) (Not applicable)
Criterion 25.6 (c) (Not applicable

Criterion 25.7 (Not met)- Articles 72(Z) (bb) of AML does not create an obligation for failure to perform duties under the Act on professional trustees and company service providers.
Criterion 25.8 (Not met)- There is no legal obligation for professional trustees to maintain the information collected, as a result Article 73 of AML Law which provides for a blanket of fines is not applicable to trustees for failure to provide Competent Authorities timely access to information on Trusts.

Weighting and Conclusion
Angola does not recognise the legal concept of trusts, hence there is no specific legislation that regulates trusts or similar entities. Nevertheless, Article 3 (30) defines legal arrangements as express trusts or other similar arrangements established in Angola or elsewhere, which are under the jurisdiction of the Angolan law or other law. However, there is no mechanism to regulate such legal arrangements. As a result there are no requirements for legal arrangements, including trustees to collect and hold adequate, accurate, and current information on the identity of the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. Article 54 of AML Law require that entities keep records for the period of 10 years but there is no obligation for Trustees to keep such records after the trustee ceases to work with the trust. On sanctions, the AML Law provides a blanket of fines. However, the sanctions are not applicable to Professional Trustees as there is no legal obligation to maintain information of trusts.

Angola is rated Non- Compliant with Recommendation 25.

Recommendation 26 – Regulation and supervision of financial institutions

In its 1st Round MER, Angola was rated Partially Compliant with these requirements (formerly R23). The main technical deficiency was that BNA were not requiring the application of fit and proper criteria to managing directors of FIs. ISS and CMC do not require the application of fit and proper criteria to ascertain the expertise and suitability of the members of the board, auditing body and managing Directors. The new FATF Recommendation strengthens the principle of supervision and controls using a risk-based approach.

Criterion 26.1 – (Met)- In terms of Article 3(4)(a) of the AML Law 5/20, the BNA is designated as the supervisor for the banks and NBFIs, notably; Money Exchanges, MVTs, Payment Service Providers, and Microcredit institutions. The Angolan Agency for Insurance Regulation is designated as the supervisor for the insurance and social welfare institutions, while the Capital Market Commission (CMC) is designated as the supervisor of Securities Brokerage Firms, Brokerage Agents, Market Infrastructures, Management Company for Collective Investment Schemes, Investment Companies, Collective Investment Schemes, Expert Property Appraisers of Collective Investment Organizations, Issuers, Certifying Body for Expert Property Appraisers and External Audit; Pension Funds and their Management Companies.

Market Entry

Criterion 26.2 – (Met)- Core Principles financial institutions in Angola are required to be licensed and authorized. In terms of the Law on the General Regime of Financial Institutions (RGIF), all financial institutions are subject to licensing/authorization by designated supervisory bodies as follow; the BNA is responsible for licensing/authorizing banks, and non-banking financial institutions linked to financial brokerage, currency and credit such as Foreign Exchange bureau, MVTS including Payment Service Providers, microfinance institutions [Article 50 (1) of RGIF]. The ARSEG is responsible for licensing/authorizing non-banking financial institutions carrying out insurance and social welfare activities such as insurance and reinsurance companies, Pension Funds and their Management Companies

[Article 102 (1) and (2) and article 3, n.º 1 of the Law n.º 01/00, of February 3rd. - *General Law of Insurance Activity]*, The CMC is responsible for licensing/authorizing the non-banking financial institutions in the capital market such as Securities Brokers, investment companies [Article 102 (1) and (2) and article 24 of the Law º 22/15, 31 August]
Shell banks are prohibited in Angola [Arts. 6 (1) and 72(a) of the AML Law No. 05/2020 prohibits the establishment of shell banks].

Criterion 26.3 – (Met)-The BNA is mandated in terms of Articles 59 (1) and 61 (1) of the RGIF, to establish the fitness and propriety of the members of the management and governing bodies of banking financial institutions at market entry as well as post market entry. Under article 51 (1)(b) of the RGIF the banking financial institution authorization process involves identification of shareholders, direct and indirect, natural or legal persons, who hold qualifying shares and the amounts of such shares, including the identity of the last beneficial owner or beneficial owners, in accordance with the definition provided in paragraph 9 of article 3 of the AML/CFT Law, or, if there are no qualifying shares, the identification of all the shareholders. The authorization process shall also contain the document proving suitability of the founding shareholders, including ultimate beneficial owners, in what is likely to, directly or indirectly, employ significant influence on the institution's activity, as provided on article 51 (1)(h) of the RGIF. Under the suitability assessment the BNA must take into account civil, administrative or criminal proceedings, as well as any other circumstances that, in view of the specific case, may have a significant impact on the financial strength of the person concerned, as provided in paragraph h), n-.º 3, article 62 of the RGIF.
Supervisors, notably; BNA, ARSEG and CMC have sound market entry requirements in place to prevent criminals or their associates from holding (or being the beneficial owner of) a significant or controlling interest or holding a management function in a financial institution.

Risk-based approach to supervision and monitoring

Criterion 26.4(a) – (Met)- Article 25 of the AML Law confers the mandate on the designated supervisors of FIs to supervise core principles FIs in line with the core principles, including application of consolidated group supervision. Additionally, article 213 (1) and (2), of the RGIF, also provides for consolidated group supervision, taking into account domestic and foreign branches.

Criterion 26.4(b) – (Met)- Article 58 of the AML Law No. 05/20 provides for supervision of FIs and DNFBPs using a risk-based approach. The FIs and DNFBPs as listed under Article 2 (1) (b) of the AML Law include MVTS and Foreign Exchange Bureaus, amongst others.

Criterion 26.5(a) – (Met)-In terms of Article 58 (1)(a) of the AML Law No. 05/20, supervisory authorities are mandated to supervise and oversee compliance with the national measures for combating money laundering, terrorist financing and proliferation financing, taking into account the money laundering, terrorist financing, and proliferation financing risks identified. Supervisors have begun to apply a risk-based approach to ensure that the frequency and intensity of supervision is informed by risk profiles of financial institutions or groups' risk profiles.

Criterion 26.5(b) – (Met)-In terms of Article 58 (1)(a) of the AML Law No.05/20, supervisory authorities are mandated to supervise and oversee compliance with the national measures for combating money laundering, terrorist financing and proliferation financing, taking into account the money laundering, terrorist Financing and proliferation financing risks identified at national level. However, Supervisors have begun to apply a risk-based approach to ensure that the frequency and intensity of supervision is informed by risk profiles of financial institutions or groups' risk profiles.

Criterion 26.5(c) – (*Met)*- In terms of Article 58 (1)(a) of the AML Law No. 05/20, supervisory authorities are mandated to supervise and oversee compliance with the national measures for combating ML/TF/PF, taking into account the Chracteristics of financial institutions or groups, particularly the diversity and number of financial institutions and the degree of discretion granted to them.

Criterion 26.6 – (Met)- In terms of Article 58 (2) of the AML Law N o.05/20, supervisors should regularly review the assessment of the risk profile of money laundering, terrorism financing and proliferation of weapons of mass destruction of a financial institution or a financial group, including the risks of default and whenever there are important events or developments in the management and operations of the institution or that financial group.

Weighting and Conclusion

Angola designated the BNA, ARSEG and CMC as supervisors of financial institutions. The supervisors have market entry requirements in place and have the powers to supervise financial institutions, taking into account the risk profiles of institutions including financial groups' risk profiles, as well as demand production of information required to monitor compliance with the national measures on combating money-laundering, terrorist financing and proliferation financing.

Angola is rated Compliant with requirements of Recommendation 26.

Recommendation 27 – Powers of supervisors

In its 1st Round MER, Angola was rated Partially Compliant with these requirements (formerly R29). The main technical deficiencies were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 27.1 – (Met)-Article 57(2) of the AML Law No. 05/2020 confers AML/CFT supervisory powers on BNA, ARSEG and CMC to supervise financial institutions for compliance with AML/CFT requirements.

Criterion 27.2 – (Met)-Article 57 (1) of the AML Law supervisors are mandated to conduct inspections on financial institutions without prior notice and demand information required to monitor compliance with Anti-Money Laundering, Countering Terrorist and Proliferation Financing.

Criterion 27.3 – (Met) -Supervisors have the powers to compel production of any information relevant to monitoring compliance in terms of Article 57(1)(b) of the AML Law.

Criterion 27.4 – (Met)-In terms of Article 57 (2)(d) read Articles 73 and 74 of the AML Law, supervisors have the powers to institute the necessary procedures to apply disciplinary, financial, and other legal sanctions to the offenses committed.

Weighting and Conclusion

supervisors have the powers to inspect financial institutions without prior notice and demand production of information required to monitor compliance with the national Anti-Money Laundering, Countering Terrorist and Proliferation Financing measures, as well as apply sanctions where non-compliance is detected.

Angola is rated Compliant with Recommendation 27.

Recommendation 28 – Regulation and supervision of DNFBPs

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly R24). The main technical deficiencies were that no implementation of AML/CFT requirements across all DNFBPs. The new FATF Recommendation strengthens the principle of supervision and controls using a risk-based approach.

Casinos

Criterion 28.1 – (Met)

Criterion 28.1(a) Under article 13 (1), of the Law n.º 5/16, 17 May – Gaming Activity Law, the opening of casinos and their operation requires authorization from the Gaming Supervision Body, under the terms to be regulated by the holder of executive power.

Criterion 28.1(b) Within the gaming legislation the Presidential Decrees n.º 131/20 of 11th May and 141/17 of 23rd June , Presidential decree n.º 139/17 of the 22nd June define the conditions for entities to candidate for the licensing and exploitation of casinos and gaming rooms, games of chance and social games. On the requirements for a person or entity to be considered suitable is not having been convicted for any money laundering predicate offense. The ISJ also conducts fit and proper analysis such as background screening for past criminal conduct of beneficial owners (of at least five per cent voting shares), the proposed directors and senior management of a casino. Persons with criminal record for fraudulent crimes and those that have been civilly and criminally declared responsible, through court sentences for management malpractices as directors, administrators or managers of a legal collective person, are prevented from conducting the business of a casino.
Criterion 28.1(c) – Under Art 2(1)(b)(iv) of the AML Law No 05/2020, casinos are designated as reporting entities to be supervised for compliance with AML/CFT requirements. The Gaming Supervision Institute is mandated to supervise for AML/CFT (Art. 3(4)(b)(i) of the same law.

DNFBPs other than casinos

Criterion 28.2 – (Met)- Lawyers, accountants, dealers in precious metals and stones, real estate agents, trust and company service providers, management companies, car dealers, are all subject to AML supervision (Art 2(1)(b) of AML Law No. 14/2013). Article 3(1)(b) (ii-ix) of the same designates AML/CFT supervisory authorities for the DNFBPs. The Bar Association of Angola is the AML/CFT supervisory authority for lawyers. The Entity responsible for supervising and inspecting trade activities – ANIESA (Autoridade Nacional de Inspecção Económica e Segurança Alimentar – is the supervisory authority for dealers in precious stones and metals. Association of Accountants and Accounting Experts of Angola (OCPCA) is the supervisory authority for accountants and auditors. The National Housing Institute (INH) is the Supervisory Authority for real estate agents in Angola. While the state body responsible for supervising automobile trade is the supervisory authority for vehicle dealers. The UIF supervises DNFBPs that do not have designated supervisory authorities.

Criterion 28.3 – (Met)- Articles 2 and 3 (4)(b) as read with Art.57 of AML Law N.º 05/2020 require other categories of DNFBPs to be subjected to systems for monitoring compliance with AML/CFT requirements.

Criterion 28.4 – (Met)- The designated supervisory authorities (article 3(4) of AML Law No. 5/2020) have the necessary powers to perform their functions, as provided in Art. 57 of AML Law No. 5/2020.

Criterion 28.4 (a) – (Met)- Article 57(2) of the AML Law No. 05/2020 provides AML/CFT supervisory powers to the different DNFBP supervisory authorities for compliance with AML/CFT requirements.

Criterion 28.4 (b) – (Mostly Met)- Lawyers, accountants, real estate agents, dealers in precious metals and stones regulators have legal requirements for applicants, which include screening them for criminal

records, and fit and propriety tests, though BO requirements are not being pursued.

Criterion 28.4 (c) – (Met)- The supervisory authorities have powers to institute the necessary procedures to apply disciplinary, financial and other legal sanctions to the offenses committed in terms of Articles 72 and 73 of the AML Law.

Criterion 28.5 (a) – (Met)- The supervisory authorities for DNFBPs should supervise and monitor compliance with AML/CFT obligations by the respective entities in terms of Article 52 of the AML Law.

Criterion 28.5 (b) – (Met) – Article 58 of the AML Law requires DNFBP supervisors to apply their supervisory actions in a sensitive manner having regard prevailing risk situations including entity risk profiles.

Weighting and Conclusion

Except for casinos, there is no specific requirement for regulators of the other DNFBPs to establish BO when conducting fit and proper tests..

Angola is rated Largely Compliant with Recommendation 28.

Recommendation 29 - Financial intelligence units

In its 1st MER, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R26). The main technical deficiencies were that: UIF was not yet fully operational or adequately staffed and organized to be able to fulfil its functions; Guidance to supervisory authorities was not adopted; timely access by the UIF to financial and law enforcement information was not granted as it had not concluded MoUs with the relevant authorities; the assessment team is not satisfied on UIF's operational independence; UIF had not completed the process of implementing a secure IT system capable of ensuring an adequate level of security and confidentiality of the information it receives. The other issues were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 29.2(a) – (Met)-The UIF is the central agency for the receipt of suspicious operation reports by subject entities, supervisory and inspection authorities (See Art. 6 a), c) read with Art 15 of Presidential Decree no. 2/2018 of 11 January). Subject entities are defined under Articles 2, 3 and 12, read with Art 17 (immediate reporting) of Presidential Decree no. 5/20 of 27 January.

Criterion 29.1 – (Met)-Angola has an administrative financial intelligence unit (UIF) known as "Unidade de Informação Financeira" –UIF- established since April 2011 by Presidential Decree nº 35/11, of 15th February 2011. The UIF is currently regulated by Presidential Decree nº 02/18 of 11 January, providing for the in Organic Statute of the Financial Intelligence Unit and Supervision Committee. UIF is a public, autonomous, and independent national central unit (as provided for in in Article 4 of Law no 2/18 of 11 January, and defined in Article 3 paragraph 42 of Law no 5/20 of 27 January); derives its purpose (Article 1 paragraph 1, Art 6, and 15 of Presidential Decree nº 02/18 of 11 January as amended by Presidential Decree nº 02/18 as well as Presidential Decree nº 125/21 of 14 May, read with Article 3 of Law no 5/20 of 27 January).

Criterion 29.2(a) – (Met)-The UIF is the central agency for the receipt of suspicious operation reports by subject entities, supervisory and inspection authorities (See Art. 6 a), c) read with Art 15 of Presidential Decree no. 2/2018 of 11 January) -See also Art 61 (1) of Law 2/20. Subject entities are defined under Articles 2, 3 and 12, read with Art 17 (immediate reporting) of Presidential Decree no. 5/20 of 27 January.

Criterion 29.2(b) –(Met)-The UIF (Art 15 (2) a) Department of Analysis and Typology: - Law 2/18) is responsible, apart from receiving suspicious operation reports (DOS), also receives Identification of' Designated Persons Report (DIPD), Cash Transactions Report (DCT), Cross-border Movements Report (DMT - X-Border), Spontaneous Notices (CE) and other notices that are legally incumbent upon it. Article 17 paragraph 1 and 3 (a-f) Obligation to report Law no 5/20 of 27 January: - subject entities must make to UIF immediate reports (suspicious transactions/activities) relating to predicate offences, ML/TF/PF as well as certain cash threshold transactions; also read with Article 31 cross-border-wire transfers, Article 32- Payment service providers-electronic/wire transfers of Law no 5/20 of 27 January.

Criterion 29.3(a) – (Met)-The UIF is legally empowered to require additional data and information from the subject entities as provided for under Article 6 c) d) and Article 15 paragraph 2 b) of Presidential Decree 2/18 of 11 January). The UIF also requests information from different institutions to supplement their analysis, including information from subject entities who possess relevant information even through they have not filed a particular suspicious operation report.

Criterion 29.3(b) – (Met)-The UIF has the legal power to request from the subject entities, as well from any other entities, under the terms of the law, elements, or information that it deems relevant for the exercise of the functions conferred on it (Law no 5/20 of 27 January Article 61 paragraph 2). Read with Art 9 (1)-(3) (obligation to cooperate and provide information.

Criterion 29.4 (a)– (Met)-The UIF, through its Department of Analysis, and Typologies, is responsible for receiving; collecting and processing communications, undertakes operational analysis as per (Article 15 paragraph 1 and 3 of Presidential Decree 2/18 of 11 January).

Criterion 29.4 (b)– (Mostly Met)-The UIF through its Department of Analysis, and Typologies is responsible to compile statistics, as well as studying and identifying trends relating to money laundering and terrorism financing. financing. However, the authorities have not demonstrated the fact that whether they have conducted strategic analysis as the UIF Typology provided more statistical data as opposed to trend analysis.

Criterion 29.5 – (Met)-In terms of Presidential Decree 2/18 of 11 January Article 6 paragraph 1 f and Law no 5/20 of 27 January Article 50 paragraphs 1-3) the UIF has the power to disseminate information, as well as the results of analysis, upon request or spontaneously to competent authorities.

Criterion 29.6 (a) – (Met)-The UIF is information is protected as they put in place an information policy governing the security and confidentiality of information, including procedures for handling, storage, dissemination, and protection of, and access to, information.

Criterion 29.6 (d) (Met)-All UIF staff members are subject to security vetting and obtain the necessary clearance levels. They also have the necessary understanding of their responsibilities in handling and disseminating sensitive and confidential information.

Criterion 29.6 (c) (Met)-The UIF manage control of access to its offices, facilities, information technology systems and information. Only authorized staff has access to certain areas of work and biometrics and scanners are used to facilitate control and access.

Criterion 29.7(a) – (Met)-UIF is a public, autonomous, and independent national central unit (as provided for in in Article 4 of Law no 2/18 of 11 January, and defined in Article 3 paragraph 42 of Law no 5/20 of 27 January); derives its purpose (Article 1 paragraph 1 of Presidential Decree nº 02/18 of 11 January as amended by Presidential Decree nº 02/18 as well as Presidential Decree nº 125/21 of 14 May, read with

Article 3 of Law no 5/20 of 27 January), its powers and competencies (UIF-competencies Article 6, Appointment-Director General Article 8 read with those relating to UIF organizational structure-competencies (Articles 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, and 23 ; its supervisory and inspection and competent authority mandates (as defined under Articles 3 paragraph 4. b) ix., and paragraph 5 of Law no 5/20 of 27 January). Article 62 of Law 5/20 reinforces the UIF operational autonomy to exercise its functions freely without interference. Its operational independent and autonomously decide on analysis, requests, and disseminations.

Criterion 29.7(b) – (Met)-Article 25 paragraphs 1 and 2 of Presidential Decree 2/18 of 11 January deals with Cooperation and exchange of information that may be established between the UIF and national institutions, to ensure implementation of the duties provided for in this Statute, among others, through the signing of protocols, The terms and conditions underlying cooperation and information exchange may be formalized through cooperation and information exchange protocols. Article 26 of Presidential Decree 2/18 of 11 January empowers the UIF to cooperate with other Financial Intelligence Units in the field of preventing and combating money laundering, financing of terrorism and proliferation of mass destruction weapons. The Director General UIF has the power to sign memorandums of understandings with national and international partners. See Art 62 (4) of law 5/2020.

Criterion 29.7(c) – (Met)-UIF has operational independence and autonomy and undertakes its functions freely and with the safeguard of any political administrative or private sector influence interference (Law no 5/20 of 27 January Article 62). The UIF is a separate entity and located in its own building, and at the time of onsite plans were in the pipeline to shift the UIF to a bigger facility.

Criterion 29.7(d) – (Met)-In terms of Article 4, paragraph 2 of the Presidential Decree nº02/18, the UIF must be secured and allocated with the resources necessary for the full performance of its functions. The Financial Intelligence Unit undertakes its functions freely and with the safeguard of any political administrative or private sector influence interference, which could compromise its operational independence and autonomy; decides, in particular, autonomously on: the analysis, request, and dissemination of relevant information; and the signing of cooperation agreements and the exchange of information with other competent national authorities or with similar foreign units (Law no 5/20 of 27 January Article 62). Art 27 of Law 2/18 makes provision for the UIF Director General to compile its budget and submit it to the BNA Governor for consideration and for approval by the Board of Directors. Art 28 makes provision for the approval for UIF unforeseen expenses.

Criterion 29.8– (Met)-UIF is a member of the Egmont Group since June 3, 2014.

Weighting and Conclusion

Angola meets most of the requirements under this Recommendation. The authorities have not demonstrated the fact that whether they have conducted strategic analysis as the UIF Typologies provided more are statistical data as opposed to trend analysis.

Angola is rated Largely Compliant with Recommendation 29.

Recommendation 30 –Responsibilities of law enforcement and investigative authorities

In its MER under the First Round of MEs, Angola was rated Largely Compliant with requirements of this Recommendation (formerly R27). The main technical deficiencies were related to effectiveness issues

which are not assessed as part of technical compliance under the 2013 Methodology. The FATF standards in this area have been strengthened considerably by including, among other things, requirements for parallel financial investigations and role of anti-corruption enforcement authorities.

Criterion 30.1– (Met) Pursuant to Articles 67 and 68(2) of Law 22/12, the National Directorate of Investigations and Prosecutions (DNIAP) has the mandate to investigate a wide range of predicate offences, including financial and economic crimes that are of a complex nature. The Directorate's mandate also extends to money laundering and terrorist financing offences**.** In terms of ML, DNIAP only investigates if it involves PEPs. Additionally, Articles 70 and 71 of Law 22/12 establish and empower the National Directorate for Preventing and Combating Corruption (DNPCC) as a department that investigates corruption-related offences. DNPCC also investigates ML offences if they do not involve PEPs.

Criterion 30.2– (Met) Art 3 (21) of Law 05/20 clarifies that investigation in the context of this law means criminal and financial investigations. Article 3 (6) defines law enforcement authorities as those whose functions include the investigation of money laundering and its predicate offences, as well as terrorist financing and proliferation of weapons of mass destruction, and asset tracing, identification and confiscation. Notably, pursuant to Articles 67 and 68(2) of Law 22/12, the National Directorate of Investigations and Prosecutions has the mandate to investigate a wide range of predicate offences, including financial and economic crimes. The Directorate's mandate also extends to money laundering and terrorist financing offences, which entails that they have the general mandate to conduct parallel financial investigations as well as financial investigations. to conduct parallel financial investigations. The other agencies, such as SIC and DNPCC refer matters that fall outside their competence to DNIAP that has ML/TF investigative powers for further action. (Art. 69 and 71 of Law 22/12). Further, SENRA has the general powers to conduct financial investigations *i.e* trace proceeds of crime with a view to confiscation.

Criterion 30.3– (Met) Angola has designated the National Asset Recovery Service under Article 12 and 13(1) of Law 15/18 as the National Asset Recovery Service empowered to identify, trace and seize assets related to crimes, that are located either in the country or abroad. Further, Article 88(1) of Law No.5/20 gives power to competent judicial authorities, namely the Attorney General and the criminal police bodies to carry out provisional measures such as the seizure and the freezing of assets or funds, in order to prevent the transaction, transfer or disposal, before or during the criminal proceeding aimed at the crime of money laundering and terrorist financing. Article 1(1) of Law 179/17 empowers the SIC to conduct searches and seizures which may be ordered by criminal police authorities such as a) Director General; (b) Deputy General Directors; (c) Directors of the Central Executive Bodies; (d) Provincial Directors; and e) Municipal Heads. The same search and seizure power is given to the criminal police bodies under Article 3 of the Presidential decree No.2/14.

Criterion 30.4– (Not Met)- Other competent authorities which are not law enforcement authorities do not have similar powers.

Criterion 30.5– (Met)-Angola has designated the DNPCC within the Attorney General's Office as the special directorate for the investigation of corruption, pursuant to Art.72 (e) of Law No.22/12. Art. 72(f) of Law No.22/12 e empowers the Directorate would have to cooperate with DNIAP Action by furnishing it with information that has been collected for possible criminal acts. These agencies has, through the Prosecutor General's inherent powers, the power to search and seize property pursuant to Art.22(i) and Art 36(m) of Law 22/12.

Weighting and Conclusion

Angola meets some of the criteria for this Recommendation. It has designated agencies for the investigation of money laundering and terrorist financing, while it has others to investigate predicate offences. Angola has a special anti-corruption department within PGR, which has general powers to search and seize property. Further, Angola has also designated an agency that has the mandate to expeditiously identify, trace, and initiate freezing and seizing of property. However, Angola has not extended the powers under Recommendation 30 to other competent authorities which are not law enforcement authorities *per se*, but which have the responsibility for pursuing financial investigations of predicate offences.

Angola is Largely Compliant with Recommendation 30.

Recommendation 31 - Powers of law enforcement and investigative authorities

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R 28). The main deficiency was that there were no specific procedures for the application of seizing and freezing of assets. The other identified shortcomings were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology. This Recommendation was expanded and now requires countries to have, among other provisions, mechanisms for determining in a timely manner whether natural or legal persons hold or manage accounts.

Criterion 31.1– (Met) Competent authorities in Angola are able to obtain information relevant to investigations, prosecutions and related powers. In particular, competent authorities have powers to use compulsory measures as follows:

(a) Through search and seizure warrants, competent authorities are able to obtain records held by financial institutions, DNFBPs and other natural and legal persons. Searches apply to both persons and premises under Art.2 of Law No.2/14. Similar powers exist under Art.213 of the Code of Criminal Procedure.

(b) Further, the investigative bodies have general powers to record or obtain witness statements.

(c) In addition, the authorities have the power to seize and obtain evidence on terrorism related offences such as TF, pursuant to Art.36 of Law No. 19/17. The authorities obtain such evidence through processes such as a) Voice and image recording; b) breach of banking secrecy; c) Controlled and supervised deliveries; d) Control of bank accounts; e) Interception of telephone and telematic communications; f) Covert actions; and g) other means of criminal investigation provided for by law. Wire-tapping which comprises listening and recording of conversations or electronic communications is permissible under Art.241 of the New Code of Criminal Procedure, Law 39/2020.

(d) Furthermore, the authorities are empowered to seize and obtain information in accordance with Art. 3(1) of the Presidential Decree No. 189/17, of 18 August, through search and seizure processes.

Criterion 31.2– (Partly Met) Pursuant to Art.36 of Law No. 19/17 of 25 August, on the Prevention and Fight against Terrorism, the competent authorities have the power to use a wide range of investigative techniques. These techniques include; a) Voice and image recording, which is also generally captured in Articles 2 and 6 of Law 10/20.; (b) breach of banking secrecy; c) Controlled and supervised deliveries; d) Control of bank accounts; e) Interception of telephone and telematic communications; f) Covert actions; and g) other means of criminal investigation provided for by law. Additionally, a video surveillance is possible under Art.5(c) and (d) of Law No. 2/20, of January 22, on Video Surveillance. Further, the Criminal Police and other authorities are empowered to conduct undercover operations pursuant to Articles 2 and 6 of Law 10/20 of January. This power applies across all offences. However, it is not clear whether these powers would apply to ML offences too.

Criterion 31.3– (Mostly Met) Art.19(1), (2) and (3) of Law No.5/20 obliges reporting institutions to cooperate with UIF and other competent authorities by providing information that relates to business relationships and transactions with their customers. This provides a mechanism for identifying in a timely manner, whether a natural or legal person of interest holds or controls accounts. This would be information that the reporting institution would have collected under customer due diligence protocols as mandated by Art.11 of Law No.5/20. However, the law does not indicate the parameter for determining "timely manner" for the provision of such information. This law 05/20, and Law 15/18 (Loss of Assets) on asset do not require prior notification of the asset identification and location processes to the property holder. Art.20 of Law 05/20 prohibits reporting institutions from disclosing to their clients or any third parties that they have transmitted any information to the competent authorities, or that investigations are underway.

Criterion 31.4– (Met) Pursuant to Art.61(d) of the Law No.5/20, competent authorities carrying out investigations are able to ask for any relevant information held by the UIF, and the UIF is obligated to cooperate by providing such information.

Weighting and Conclusion

Angola meets most of the criteria on this Recommendation. However, the Recommendation suffers some deficiencies. There is no demonstration that the whole range of techniques apply to ML. Additionally, even though reporting institutions are obliged to cooperate and provide information to the UIF and other LEAS, the law does not require them to provide such information in a timely manner.

Angola is Largely Compliant with Recommendation 31.

Recommendation 32 – Cash Couriers

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly SR IX). The main technical deficiencies were that: The declaration system on cross border transport of foreign currency did not include bearer negotiable instruments; and upon discovery of a false declaration of currency or a failure to declare, the authority can request and obtain further information from the carrier on the origin of the funds, but only if the carrier is a resident in Angola and not on their intended use. The other identified shortcomings were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 32.1– (Met) **–**Angola implements a declaration system for incoming and outgoing cross-border transportation of currency and BNIs by passengers and travellers pursuant to Articles 3 and 4 of Notice 6/2022 issued by the BNA. This is implemented through a declaration form which requires travellers to declare items including currency and BNIs. . The requirement does not apply to transportation through mail because Angola does not allow the courier of currency or BNIs through mail.

Criterion 32.2– (Met) **–** Article 4 of the Regulations N° 002/FIC/2021 of 26/08/2021 Angola requires passengers and travellers to provide or fill in writing a Customs Declaration Form declaring goods, means and articles carried by them at the time of their trip. These items include monetary value above USD 10,000 or the equivalent in other currencies.

Criterion 32.3– (Non-Applicable) **–** Angola uses written declaration system for all travellers**.**

Criterion 32.4– (Mostly Met) **–**Upon discovery of a false declaration or failure to declare currency, designated competent authorities administer an Occurrence Form issued through a Memorandum dated 27-03-2018 to request and obtain further information from the carrier with regard to the origin of the currency and its intended use. The authorities can also ask about the destination of the traveller, proof of

purchase of currency at a commercial bank, or details of the person they purchased it from, in case of a black-market currency exchange. However, this Occurrence Form does not apply to BNIs too as it only refers to currency and unlike Notice 6/22, the Occurrence Form does not indicate that currency also refers to BNIs.

***Criterion 32.5– (Mostly Met)* –** Angola subjects passengers or travellers who make a false declaration to different sanctions. Art.464 of the Penal Code sets the punishment range between 2 and 8 years imprisonment. However, if the falsely declared amount does not exceed twice the legally imposed limit, then the offender would be liable to 1 year imprisonment or a fine of 120 days. For outbound transportation of currency, one is liable to imprisonment of up to 1 year, or a fine of up to 120 days, pursuant to Art.465 of the Penal Code. In addition to these punishments, the falsely declared currency is also liable to both seizure and forfeiture. The forfeiture makes the overall sanctions proportionate and dissuasive. However, these Penal Code provisions do not indicate that the term currency also refers to BNI.

***Criterion 32.6– (Met)* –** Article 53(1) of Law 5/20 mandates the AGT to immediately inform the UIF information on suspicious cross-border movement of currency and BNIs. AGT transmits such information to UIF through physical letters and emails dispatched within 24 hours of an incident, according to Article 9 of the Regulations N° 002/FIC/2021 of 26/08/2021.

***Criterion 32.7– (Met)* –** Angola has issued a Presidential Degree 234/20 that seeks to ensure that there is coordination and cooperation between and among (sic) the competent bodies acting at the borders (Art. 1 of Presidential Decree 234/20). Art.2 of this Decree also establishes the legal framework for the implementation and regulation of the Coordinated Border Management Committee that comprises AGT, Immigration Services, PGR and Ministry of Transport, among others.

***Criterion 32.8– (Partly Met)* –** Angolan competent authorities are able to stop or restrain currency whether there is suspicion that an offence has been committed. This is pursuant to Art 5 of BNA Notice No. 6/22. However, the Notice does not state that the authorities may so stop or restrain the currency in order to ascertain whether ML/TF evidence may be found.

***Criterion 32.9– (Met)* –** Art.53(3) of Law 5/20 requires the AGT to retain for a period of ten years information collected in relation to false or undeclared cross border movements. The information includes the amount of currency or BNIs declared, disclosed or otherwise detected, and the identification data of the bearer(s). This information should be available to competent authorities whenever requested.

Criterion 32.10– (Met) – Art.5 of Executive Decree No.209 of 19 requires the proper use of information collected through the declaration system. The Customs Declaration Form must only be used for the purposes for which it was created, and that is must not be given a different purpose. This requirement does not restrict either: (i) trade payments between countries for goods and services; or (ii) the freedom of capital movements, in any way. (Art.7(1) of Executive Decree No.209 of 19.

***Criterion 32.11– (Mostly Met)* –** Articles 464 of the Penal Code stipulates a punishment of between 2 and 8 years imprisonment for Fraudulent Outward Transportation of Currency through physical or bank transfers. Art.465 of the Penal Code provides for the punishment of up to 1 year, or a fine of up to 120 days, for the offence of Illicit Inward Transportation of Currency. Further, the provisions also stipulate for the seizure and confiscation of the value of the currency, which is consistent with Recommendation 4. Furthermore, the two provisions stipulate a stiffer sentence for the outward movement of currency and a less sentence for the inward movement. Notably, the provisions relate to currency only and not BNIs. Therefore, there are no dissuasive sanctions for persons who fail to declare currency or BNIs, and those that carry or engage in cross-border transportation of currency or BNIs in relation to ML, TF or predicate

offences.

Weighting and Conclusion

Angola meets most of the requirements of this Recommendation. There is a declaration system in place that captures both currency and BNIs. The forfeiture of the falsely declared amount constitutes a dissuasive sanction, since the imprisonment and fines applicable are relatively lenient.

Angola is rated Largely Compliant with Recommendation 32.

Recommendation 33 – Statistics

Criterion 33.1 (Partly Met)- Pursuant to Article 6(1)(b) of the Organic statute of UIF No. 2/2018, the UIF has powers to compile statistical information in relation to its functions under the Statute and AML Law. Angola maintains reasonable statistics on STRs received and financial intelligence disseminated competent authorities since the inception of the UIF. The information enabled the assessors to determine the nature and extent reports filed by the reporting entities and the results of analysis disseminated. The BNA, ARSEG and the CMC keeps comprehensive statistics on the number of prudential and AML/CFT inspections conducted, the violation identified and sanctions issued which enabled the assessors to determine the extent to which supervision and monitoring is being carried out in Angola. The Authorities maintain statistics relating to the process of crimes and freezing, seizing and confiscation of criminal property related to ML and predicated crimes. Further, the Authorities keep statistics relating to ML investigations and prosecutions which enabled the assessors to determine the extent to which ML cases are identified and pursued. There has been no TF cases pursued and therefore there can be no statistics in this regard. Statistics from the SIC, AGT and office of the AG were however not consistent and no accurate statistics available in relation to ML investigations, prosecutions and convictions. Angola through the MOF and AGO provided and requested some MLA and dealt with extradition cases. There is, however, inadequate statistical information kept in respect of international cooperation. The difficulty of obtaining comprehensive statistics has negatively impacted on the ability of the assessors to determine the level of effectiveness in respect of IO.2. For instance, the information provided was insufficient to determine the nature of crimes as well as how many requests were made to or received from foreign competent authorities.

Weighting and Conclusion

Angola maintains statistics on STRs. However, there were discrepancies in statistics between the UIF and LEAs in relation to intelligence reports. In addition, the information on MLAs and extradition provided does not indicate the nature of the crimes and as to which foreign authorities were the MLAs provided to or requested from.

Angola is rated Partially Compliant with R. 33.

Recommendation 34 – Guidance and feedback

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly R. 25). The main technical deficiencies were that: the UIF and the supervisory authorities had not issued guidelines for reporting STRs and provided feedback to the reporting entities to assist them in applying the AML/CFT framework. The other identified shortcoming was related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 34.1 – (Met) Article 65 of the AML Law requires the Financial Intelligence Unit to provide timely feedback to the competent authorities on the referral and outcome of suspicious transactions reports of ML/TF/P, forwarded by them. In addition, Article 57(2) (e) of the AML Law requires supervisors to establish guidelines and provide answers to help subject entities to enforce the AML Law and in particular in the detection and reporting of suspicious transactions. The UIF issued the majority of guidelines to all financial institutions. Supervisors, notably; the BNA, CMC and ARSEG also issued guidelines and directives to institutions under their purview to aid the application of national measures on combating money-laundering, terrorist financing and proliferation financing. Both UIF and supervisors are providing feedback on inspections conducted as well as hold industry engagement to promote the understanding of ML/TF risks as well as the national measures on combating money-laundering, terrorist financing and proliferation financing.

Weighting and Conclusion

Both UIF and supervisors are mandated to give guidance to financial institutions in order to promote the understanding of the ML/TF risks and the national measures on combating money-laundering, terrorist financing, and proliferation financing, and such guidance has been provided.

Angola is rated Compliant with Recommendation 34.

Recommendation 35 – Sanctions

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R17). The main technical deficiency was that there was no enforcement of the sanction regime in Law 12/10 and therefore no effectiveness.

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R17). The main technical deficiency was that there was no enforcement of the sanction regime in Law 12/10 and therefore no effectiveness.

Criterion 35.1 – (Mostly Met)- Angola's AML Law establishes a range of unlawful transgressions punishable by both fines and other administrative measures. The defined transgressions apply against FIs and non-FIs, this definition covers entities considered DNFBPs by FATF, for failure to comply with AML/CFT obligations relating to R.6 and R8 to 23 (Law 5/20, Article 72). There are separate sanctions ranges for FIs and DNFBPs (Law 5/20, Article 73). The fines are applicable to both natural and legal persons. For FIs, if the agent is a legal person, the range of fines is approximately USD85,000-8,500,00. While for FIs, if the agent is a natural person, the range of fines is approximately USD10,000-2,000,000. Meanwhile, for non-FIs, the range of fines if the agent is a legal person is approximately USD4,000-2,000,000, and if the agent is a natural person the range is approximately USD2,000-850,000. Additional sanctions range from a warning to a definitive ban on the exercise of the profession to which the transgression occurred or from corporate positions and supervisory functions in FIs and non-FIs. Legal persons face an additional potential penalty of the loss of illicit profits and goods obtained from criminal activity (Law 5/20, Article 86, paragraphs 1 & 17).

However, these additional penalties are not applicable to natural persons, so the sanctions provided for natural persons may not always be proportionate and dissuasive given established maximum fine amounts for natural persons which limit the ability to ensure that "the fine must, whenever possible, exceed the economic benefit…withdrawn from the commission of the offense" (Law 5/20, Article 75, paragraph 4).

Criterion 35.2 – (Partly Met)- "persons occupying a position of leadership are subsidiarily responsible for the payment of fines and indemnities for which the legal person or equivalent is convicted" (Law 5/20, Article 86, paragraph 11). For natural persons acting as directors or senior management of FIs, the penalties range from approximately USD 90,000 to USD2,000,000. For natural persons acting as directors or senior management of non-FIs, the penalties range from approximately USD2,000 to USD900,000.

Additional sanctions range from a warning to a definitive ban on the exercise of the profession to which the transgression occurred or from corporate positions and supervisory functions in FIs and non-FIs. These sanctions do not appear proportionate and dissuasive in all circumstances given the maximum range of the monetary penalties.

Weighting and Conclusion

Angola has a range of sanctions applicable to deal with natural and legal persons that fail to comply with the AML/CFT requirements of Recommendations 6, and 8 to 23. However, the maximum limits on monetary penalties do not appear proportionate and dissuasive in all cases as only legal persons face an additional penalty of the loss of illicit profits and goods obtained through criminal activity.

Angola is rated Partially Compliant with Recommendation 35.

Recommendation 36 – International instruments

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R35 and SR I). The main technical deficiencies were that: the Angolan legislation has not yet implemented measures to fully give effect to all the terms of the UN Vienna and Palermo Conventions; although Angola has approved the Law of Designation, implementing regulations have to be issued for the regular application of the restrictive measures provided for the UNSCRs 1267 and 1373; and the weaknesses identified in Special Recommendations II and III are also applicable here. The deficiency concerning implementation of targeted financial sanctions is no longer assessed under this Recommendation but is now covered in R. 6.

Criterion 36.1 – (Met)- Angola is a party to all conventions required in Recommendation 36, namely: Vienna Convention, Merida Convention, Palermo convention and Suppression of the Terrorism Financing Convention.
Criterion 36.2 – (Partly Met)-While it is noted that Angolan Legal Framework establishes a range of laws and mechanisms to implement the provisions of the treaties, the country did not provide specific clarifications on how the treaties were implemented.

Weighting and Conclusion

Angola is a party to conventions as required under this Recommendation. However, the country has not demonstrated how the provisions of respective Conventions are fully implement ed.

Angola is rated Partially Compliant with Recommendation 36.

Recommendation 37 - Mutual legal assistance

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly R36 and SRV). The main technical deficiencies were that: the provisions related to the application of mutual legal assistance contained in Law 34/11 can only be used in conjunction with bilateral or multilateral agreements; the only form of MLA contained in Law 34/11 is for the exchange of information; a request for mutual legal assistance can be refused on the sole grounds that the offence is also considered to involve fiscal matters; no provision foresees measures to determine the best venue for the prosecution of defendants in the interests of justice in cases that are subject to prosecution in more than one country; there were no specific provisions in the Angolan legislation which regulate the application of MLA and extradition in FT offenses; and there were no provisions which regulate the application of extradition in TF offenses. The other identified shortcomings were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

Criterion 37.1 – (Mostly Met) Art.1 of Law 13/15 provides Angola's basis for international judicial cooperation with foreign jurisdictions on all unlawful acts whose processes allow for judicial recourse. Notably, Art.1(2) of Law 13/15 states that Angola will cooperate with foreign judiciary entities on the basis of Treaties and Conventions that bind Angola. Art.3 of the AML Law has indicated that judicial bodies in Angola comprise the Attorney General's office and criminal police bodies. However, the Angolan authorities did not indicate the average time for handling MLA requests.

Criterion 37.2 – (Mostly Met) Art.22 of Law 13/15 gives power to the President of Angola to designate a Central Authority for the receipt and processing of requests for cooperation. In terms of Art.1 of the Presidential Decree n.º221/17, the Attorney General's office is designated as the central office for international judicial cooperation in criminal matters.The Authorities indicate that requests for cooperation are received by the Office of International Exchange and Cooperation of the Attorney General's Office (GICI) and then sent to the National Investigation and Prosecution Directorate of the Attorney General's Office (NPDAGO) for execution. The Presidential Decree n.º 221/17, also designates the Ministry of Justice and Human Rights has the Central Authority in all other jurisdictional matters.
When requests are received by the diplomatic channels, they endorsed to the competent central authority to be duly processed. Article 180 of Law n.º 13/15 Art.180 of Law 13/15 obligates the central authority to maintain a case management system that contains statistical information in relation to the number and nature of requests received and sent, as well as the timeliness of the execution of the requests. That means that both designated authorities have the implement such a system. The procedures for the timely execution of mutual legal assistance requests are described in the law for both authorities and for each typology. The authorities have a case management system to register and monitor the progress of each request. However, this system case mechanism does not prioritize requests.

Criterion 37.3 – (Partly Met) Art.7 of Law 13/15 stipulates grounds for refusal of international cooperation. The grounds provided in this provision do not constitute unreasonable and unduly restrictive conditions. However, Art.11 of Law 13/15 suggests that a request may be denied if the offence in question is a minor offence attracting a maximum sentence of only 3 years. This sounds restrictive since the same 3-year sentence threshold may constitute a misdemeanor yet a high-risk unlawful act in the requesting country, which needs to be dealt with through cooperation.
Criterion 37.4 – (Not Met) There is no law that stipulates that mutual legal assistance shall be refused on account of a case being a fiscal matter. Such a condition is not included in Law 13/15. Further, there is no condition listed in Law 13/15 that cooperation may be refused on account of secrecy or confidentiality requirements of financial institutions and DNFBPs. However, these two conditions are not stated expressly anywhere in Angolan Law. Further, there is no law that states that cooperation will override secrecy and confidentiality requirements of financial and DNFBPs except where the relevant information that is sought is held in circumstances where legal professional privilege or legal professional secrecy applies.
Criterion 37.5 – (Met) Confidentiality of requests and the information submitted is guaranteed under Art.147 of Law 13/15. Where it is impossible to execute the request without maintaining the confidentiality, the Angolan authorities will communicate with the requesting state about the implication, and the requesting state can resubmit the request.
Criterion 37.6 –(Met) Art.6 of Law 13/15 makes an exception to the dual criminality rule in situations where the information is being sought for non-coercive actions.
Criterion 37.7– (Partly Met) Art.6 of Law 13/15 stipulates dual criminality as a basis for cooperation. Notably, there is no requirement under Art.125 of Law 13/15 that the conduct which forms basis for the request should bear the same name or fall within the same category of offences in both Angola and the requesting country. The only requirement is that the conduct must be punishable under both the requesting and requested state Angola may refuse granting cooperation on the basis that the offence does not meet

the maximum threshold of 2 or three years which is considered of law importance under article 11 of law 13/15**.**

Criterion 37.8–(Met) Art.141 of the Law 13/15 stipulates that investigative techniques and powers applicable to domestic investigations as permitted by Angolan laws in terms of Recommendation 31 are also applicable to foreign requests. This includes obtaining evidence and conducting searches, scans, seizures, expert examinations and analysis under Article 141(2); controlled delivery under Art.160; covert actions undertaken by foreign authorities in Angola under Art.161 and interception of telecommunication under Art.162.

Weighting and Conclusion

Angola meets most of the criteria under this Recommendation. However, Angola has not demonstrated the time within which it processes foreign requests. Furthermore, there is a gap in the law in terms of indicating whether there is a mechanism for the prioritisation of requests and case management. Further, the law does not stipulate expressly that cooperation would not be refused on the grounds that an offence relates to a fiscal matter; and that provision of assistance will breach bank secrecy and confidentiality requirements. Angola may also not grant the request on the basis that the offence does not meet the threshold of a maximum prison term of 3 years which is considered of low importance in terms of Article 11 of Law 13/15.

Angola is rated Partially Compliant with Recommendation 37.

Recommendation 38 – Mutual legal assistance: freezing and confiscation

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly R. 38). The main technical deficiencies were that: the property of corresponding value is not considered for purposes of confiscation; there were no arrangements for coordinating seizure and confiscation actions with other countries; and there was no provision for the sharing of confiscated assets with other countries.

Criterion 38.1– (Partly Met)- Angolan authorities are empowered by Art.141(1) and Art.159 of Law No.13/18 to act on requests from foreign countries to identify, freeze, seize, or confiscate: (a) laundered property from, (b) proceeds from, (c) instrumentalities used in, or (d) instrumentalities intended for use in, money laundering, predicate offences, or terrorist financing; or (e) property of corresponding value. Angola obtains provisional measures without notice, which facilitates expeditious action in obtaining provisional orders. However, Angola has not demonstrated that it can expeditiously respond to requests from foreign countries.

Criterion 38.2– (Partly Met)- Pursuant to Art.120 of the Criminal Code, Angola has the authority to provide assistance to requests for co-operation made on the basis of non-conviction-based confiscation proceedings and related provisional measures, at a minimum, in circumstances when a perpetrator is unavailable by reason of death, flight, absence, or the perpetrator is unknown. However, non-conviction-based confiscation applies to instrumentalities or dangerous products from a crime. The mechanism does not apply to proceeds of crime. Therefore, Angola cannot offer assistance in this context in relation to proceeds of crime.

Criterion 38.3– (Met)- Angola has: (a) arrangements for co-ordinating seizure and confiscation actions with other countries; and (b) mechanisms for managing, and when necessary, disposing of, property frozen, seized or confiscated**.** (Art.159 of Law 13/18)

Criterion 38.4– (Met)- Angola has a legal basis to enter into bilateral or multilateral agreements that allow that confiscated goods, capital or property are shared with other States Article 106 (5) of Law 13/15).

Weighting and Conclusion

Angola has a mechanism for ensuring expeditious response to requests from foreign countries to identify, freeze, seize, or confiscate in line with requirements of criterion 38.1. Angola has a legal basis for entering into bilateral or multilateral agreements that allow the sharing of confiscated goods, capital or property with other jurisdictions. Angola has arrangements for co-ordinating seizure and confiscation actions with other countries and mechanisms for managing, and when necessary, disposing of, property frozen, seized or confiscated. However, Angolan authorities have the power to provide assistance to requests for co-operation made in the context of non-conviction-based confiscation proceedings in relation to instrumentalities of crime only. This mechanism excludes proceeds of crime. Therefore, Angola cannot provide assistance in relation to non-conviction-based confiscation of proceeds of crimes.

Angola is rated Largely-Compliant with Recommendation 38.

Recommendation 39 – Extradition

In its MER under the First Round of MEs, Angola was rated Non-Compliant with requirements of this Recommendation (formerly R. 39 and SRV). The main technical deficiencies were that there were no specific laws providing for extradition related to ML and FT offenses in Angola; the relevant authorities needed to follow the rules provided in the agreements signed by Angola, which limits the range of assistance; there was no provision for specific co-operation mechanisms on extradition; there were no provisions related to the obligation of cooperation between countries in relation to procedural and evidentiary aspects in order to ensure the efficiency of the prosecution in the case of refusal of extradition of nationals; and there were no provisions that explain how extradition requests and proceedings relating to ML shall be handled without undue delay.

Criterion 39.1– (Mostly Met)-The extradition of foreign citizens is regulated in Law 13/2015 and is applicable as follows in these instances:

(a) ML and TF are extraditable offences, but may be extraditable where the surrender of the person requested is only admissible in the case of a crime, even if attempted, punishable by Angolan law and by the law of the requesting State with a penalty or measure with deprivation of liberty of a maximum duration of no less than three years. (Art. 32(2) of Law 13/2015).

(b) The extradition process in regulated by Article 24 complemented by Articles 32 to 62 of Law 13/2015. However, there is no case management system, nor mechanisms that enable Angola to prioritise execution of extradition requests.

(c) Angola does not place the execution of extradition requests under unreasonable or unduly restrictive conditions. The grounds for refusal of extradition are provided under Arts 7, 8 and 33 of Law No.13/2015, as example: i) the procedure does not satisfy or does not respect the requirements of international treaties applicable in the Republic of Angola; ii) there are well-founded reasons to believe that cooperation is requested in order to pursue or punish a person on account of their nationality, ancestry, race, sex, language, religion, political or ideological beliefs, education, economic status, social status or inclusion in a particular social group; iii) regards an act punishable by the death penalty or whenever it is admitted, with good reason, that torture, inhumane treatment or any other that may result in irreversible damage to the person's integrity may occur; iv) regards an offense that corresponds to a prison penalty or a security measure that is perpetual or of indefinite duration.

Criterion 39.2– (Mostly Met)- The country implements extradition measures as follows:

(a) Angola does not extradite its own nationals (art 33(1)(b) of Law 13/2015.

(b) where Angola does not extradite solely on the grounds of nationality, criminal proceedings are instituted for the facts on which the request is based, being requested its instance criminal proceedings are instituted for the facts on which the request is based or being requested (art 33(2) of Law 13/2015. Since criminal proceeding are not instituted at the request of the country seeking extradition there is no

guarantee that the case can be submitted without undue delay to its competent authorities for the purpose of prosecution of the offences set forth in the request.

Criterion 39.3– (Mostly Met)- Dual criminality is required for extradition where both Angola and a requesting country criminalise the conduct underlying the offence. However, the deficiency identified in criterion 39.1(a) is also applicable here.

Criterion 39.4– (Not Met)- There is no specific procedure for simplified extradition, nor a mechanism in which a person can be extradited using simplified extradition procedures, provided that (s)he relinquishes formal extradition proceedings freely and voluntarily, or extradition of persons only based in a warrant of arrest or judgement, or even a mechanism that allows direct transmission of requests for provisional arrests between appropriate authorities.

Weighting and Conclusion

ML and TF are extraditable offences and Angola does not place the execution of extradition requests under unreasonable or unduly restrictive conditions. Angola does not extradite its own national but at its own volition institute criminal proceedings based on the request from of a requesting country but there is doubt that this may not be done without undue delay. Angola can however, extradite an offender where a crime attracts a penalty or measure with deprivation of liberty of a maximum duration of no less than three years**.**

***Angola is rated Largely Compliant with Recommendation 39*.**

Recommendation 40 – Other forms of international cooperation

In its MER under the First Round of MEs, Angola was rated Partially Compliant with requirements of this Recommendation (formerly R. 40). The main technical deficiencies were that: except for the MoUs signed with Namibian and South African UIFs, UIF had not signed MoUs with counterparts in other neighbouring countries and any other countries providing for the exchange of information with foreign counterparts; there were no laws, MoUs with neighbouring countries or other type of agreements in force in Angola which provided that the country should ensure that all their competent authorities were authorized to conduct inquires on behalf of foreign counterparts; and there are insufficient provisions related to safeguards in the use of exchanges of information. The other identified shortcomings were related to effectiveness issues which are not assessed as part of technical compliance under the 2013 Methodology.

General Principles

Criterion 40.1 – (Met) Competent authorities such as the UIF, Attorney General's office (PGR), Tax Administration (AGT), Criminal Investigations Service (SIC) are obligated under Art.50(1)(2)(3) and (4) of Law No.5/20 to cooperate with foreign counterparts in relation to the investigation and inquiries on money laundering, terrorist financing and all other predicate offences. The cooperation can encompass a wide range of elements and can be done both spontaneously and upon request. The competent authorities are obligated to develop internal processes that will ensure efficient and timely processing and execution of requests for cooperation.

Criterion 40.2 (a-e) – (Met)

40.2(a) Art 50 of the Law 05/20 forms the legal basis for cooperation.

40.2(b)-(d) Further, Art.50(4) of Law 5/20 mandates the competent authorities to develop internal

processes to ensure effective and efficient receipt, execution, dissemination and prioritisation of requests for cooperation. The internal processes must also ensure timely return of information to the requesting foreign authorities. The internal procedures must also touch on the safety of the information received or handled in the execution of the request.

Criterion 40.3 – (Met) Generally, according to Art.50 f Law 5/20, Angolan competent authorities are not obligated to cooperate only on the basis of bilateral cooperation agreements with foreign counterparts. This provision constitutes sufficient legal basis for such cooperation. The SIC is also authorized under Art.7(2) of Law 179/17 to cooperate with foreign counterparts on the basis of this Law. The authority to cooperate does not bar the competent authorities to entered into cooperation agreements with their counterparts. Further, thee UIF too does not need a bilateral agreement in order to cooperate with its foreign counterparts and is given power to so cooperate under Art 61(1)(e) of Law 05/20. However, the assessment team did not establish whether the agreements were negotiated and signed in a timely manner. Nevertheless, the authorities demonstrated that they had negotiated and signed some agreements between the year 2017 and 2021. In this period, the Attorney - General's Office signed bilateral Memoranda of Understanding (MOUs) with Switzerland, Portugal, Cuba, Egypt, Turkey, Brazil, China, Mozambique, Rwanda and Zambia; b) Reciprocal cooperation agreements with the Community of Portuguese-language Countries (CPLP), Portuguese-speaking African Countries (PALOPS) and the Southern African Development. Further, Angola, through the Attorney General's Office signed multilateral MoUs with the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA) and the Africa Prosecutors Association (APA).

Criterion 40.4 – (Not met)-There is no mechanism for the provision of feedback to foreign counterparts on the usefulness of information provided though a request for cooperation.

Criterion 40.5 – (Met)-Angola does not prohibit or place unreasonably restrictive conditions for the provision of assistance on grounds such as:
a) A request for cooperation cannot be refused on the grounds that it relates to tax matters.
b) Professional secrecy or confidentiality
c) The fact that an investigation is in progress is not sufficient grounds for refusing cooperation in the context of police or customs cooperation or cooperation between UIFs, except in cases where the provision of information could be detrimental to the conduct of criminal investigations or could jeopardise personal safety.
d) The nature of the counterpart authority is not sufficient grounds for refusing international cooperation between the requesting authority and its foreign counterpart.

Criterion 40.6 – (Not met)-Although Angola prohibits through Art. 146 of the Law 13/15 the use of information outside the purpose that requested it was for in the case of MLA and extradition, there is no such provision in relation to other forms of cooperation except in the case of the UIF as per Article 31 *et al* of Presidential Decree No.2/2018.

Criterion 40.7 – (Mostly Met)-There is no clear mechanism or law for competent authorities to ensure safety of information within the context of other forms of cooperation. Art.50(4) gives power to competent authorities to establish internal procedures that will ensure, among others, safety of information that is shared with counterparts. Further, the competent authorities are placed under the duty to keep confidential the information that they handle, which would extend to international cooperation. The AGT officers are under such obligation under Art.86 of Law 21/14 (General Tax Code); Public Prosecutors in all PGR departments pursuant to Art.128 of Law 22/12. Angola needs to have a clear provision that places the competent authorities under the duty to keep confidential, all information that they share with foreign counterparts.

Criterion 40.8 – (Met)-Pursuant to Art. 50(2) of the AML/CFT Law No. 05/20, competent authorities are able to conduct enquiries on behalf of their foreign counterparts and can share information obtained by them under the domestic laws.

Exchange of Information between UIFs

Criterion 40.9-(Met)-The legal provisions in section 50 (1) and (2) of Law no 5/20 of 27 January (AML Law) afford an adequate legal basis for the UIF in providing co-operation on money laundering, associated predicate offences and terrorist financing. Similarly, Article 61(e) of Law no 5/20 of 27 January the UIF is responsible for cooperation at the international level, with similar bodies under the terms provided for in this law and in the applicable international cooperation instruments. Article 6 j) of Law 2/218 UIF to cooperate, within the scope of its, responsibilities, with the competent national entities and with other financial intelligence units or similar bodies. Law 1/12 of January 12 Article stipulates those competent national authorities cooperate with the competent foreign authorities for the purposes of investigations or procedures concerning crimes related to computer systems or data, as well as for the purpose of collecting evidence, in electronic form, of a crime, in accordance with the rules on the transfer of personal data provided for in Law number 22/11.

Criterion 40.10-(Met)- The law neither bars nor makes provision for UIF to provide feedback to foreign counterparts on the use of information and the outcomes achieved. The provision for this could be made in a MoU. Being an EGMONT member providing that feedback is done at a regular basis.

Criterion 40.11 –
Criterion 40.11(a-b) – (Met)-The legal provisions in section 50 (1) and (2) of Law no 5/20 of 27 January (AML Law) afford an adequate legal basis for the UIF in providing co-operation on money laundering, associated predicate offences and terrorist financing.
Article 50 (1) and (2) of Law no 5/20 of 27 January stipulates that Competent authorities including the UIF must provide domestic and international authorities with all the information they may obtain under the powers conferred on them by current legislation. The UIF being a member of EGMONT Group of UIFs entails that it must have the ability to exchange information without undue restrictions.

Exchange of Information between Financial Supervisors

Criterion 40.12– (Met)-Article 50 (1) of AML Law requires competent authorities, which includes supervisory authorities, to provide any information, technical assistance or other form of cooperation that may be requested by national or foreign authorities and which proves necessary for realization of the purposes pursued by these authorities. The country has mechanisms in place to enable supervisors to share supervisory information related to and relevant for AML/CFT purposes, with other foreign financial supervisors. Article 50(2) states that cooperation include exchange of information, carrying out investigations, inspections, inquiries or other permissible steps on behalf of national or foreign authorities, and the competent authorities must provide them with all the information they may obtain under the powers conferred on them.

Criterion 40.13– (Met)-Under Article 50(3) competent authorities may, on their own initiative, disseminate to national or foreign authorities information related to ML/TF/P. However, Article 501(3) does not explicitly mandate supervisors to exchange information held by financial institutions. Article 50(4) requires competent authorities to define adequate, safe, efficient and effective means and procedures that guarantee the reception, execution, dissemination and prioritization of requests for cooperation, as well as ensuring a timely return of information to the national and foreign authority. Article 50(3)

competent authorities may, on their own initiative, disseminate to national or foreign authorities information related to ML/TF/P. BNA has signed several cooperation and information exchange agreements with different central banks (eg Portugal, Brazil, Cape Verde, Macau, SARB). The Authority is requested to provided copies of the agreements with different central banks and the RGIF Law.

BNA can exchange domestically available information with foreign counterparts on a reciprocal basis and in the context of co-operation agreements that the bank has entered into, regarding information necessary for the supervision of credit institutions and finance companies with head offices in Angola and equivalent institutions with head offices in those other states. ARSEG, through its membership to Committee of Insurance, Securities and Non-Bank Financial Supervisors (CISNA), Lusophone Insurance Supervisors Association (ASEL), International Organisation of Pensions Supervisors (IOPS) and International Association of Insurance Supervisors (IAIS), can exchange information on supervision of the sector. The same happens to CMC as a IOSCO and CISNA member.

Criterion 40.14 (Met)- Financial supervisors can exchange information relevant for AML/CFT purposes, in particular, with other supervisors that have a shared responsibility for FIs operating in the same group: **(a)– (Met)-** CMC As an ordinary member of IOSCO and signatory of the IOSCO MoU, can exchange information relevant to its supervision with all member jurisdictions of that multilateral cooperation platform, in addition to establishing with other counterparts, bilateral cooperation agreements. Furthermore, the CMC, under the IOSCO MoU, can share and request information from IOSCO members, whether ordinary or godchildren, in a universe of close to 200 countries. ARSEG, through its membership to Committee of Insurance, Securities and Non-Bank Financial Supervisors (CISNA), Lusophone Insurance Supervisors Association (ASEL), International Organisation of Pensions Supervisors (IOPS) and International Association of Insurance Supervisors (IAIS), can exchange information on supervision of the sector. BNA has signed several cooperation and information exchange agreements with different central banks (eg Portugal, Brazil, Cape Verde, Macau, SARB). The Authority is requested to provided copies of the agreements with different central banks and the RGIF Law. BNA can exchange domestically available information with foreign counterparts on a reciprocal basis and in the context of co-operation agreements that the bank has entered into, regarding information necessary for the supervision of credit institutions and finance companies with head offices in Angola and equivalent institutions with head offices in those other states**.**

(b)– (*Met*) -–BNA, ARSEG and CMC can exchange information with other institutions that supervise banking and the insurance and securities markets, both in the country and abroad. Shared information may include FI's business activities, fitness and propriety of managers and the board of directors, BO information.

(c)– (*Met*)-Article 57 (2) (f), AML Law, requires supervisory authorities to cooperate and share information with other competent authorities relating to the prevention of ML/TF/PF. Under Article 50(3) competent authorities may, on their own initiative, disseminate to national or foreign authorities' information related to ML/TF/P. However, the Article does not explicitly require supervisors to exchange AML/CFT information, such as internal AML/CFT procedures and policies of financial institutions, customer due diligence information, customer files, samples of accounts and transaction information**.**

Criterion 40.15– (Not met)-Article 50 (2), AML Laws, requires supervisory authorities to carry on investigations, inspections, inquiries or other permissible steps on behalf of national or foreign authorities. However, there is no provision that authorises or facilitates the ability of foreign counterparts to conduct inquiries themselves in Angola, in order to facilitate effective group supervision.

Criterion 40.16– (Partly met)-There is no provision that requires supervisors to ensure that they have sought authority from the requested financial supervisor before any dissemination of information exchanged, or use of that information for supervisory and non-supervisory purposes. Article 50(4) requires competent authorities to define adequate, safe, efficient and effective means and procedures that guarantee the reception, execution, dissemination and prioritization of requests for cooperation, as well as ensuring a timely return of information to the national and foreign authority.

Exchange of Information between law enforcement authorities

Criterion 40.17– (Mostly Met) Art.51(1-3) of Law 05/20 indicate that competent authorities are able to share domestically found information with their foreign counterparts in relation to money laundering, predicate offences, terrorist financing and the identification and tracing of tainted property. The same power is provided under Art.141(1) of Law 13/15. However, the authorities have not provided evidence yet on the informal channels through which such information is exchanged. Nevertheless, Art. 30(1) of Law No.13/15 mandates the competent authorities to offer assistance to foreign authorities through Interpol and other such central bodies for international police cooperation to execute requests that need urgent attention (without delay). Under Art.30(3) of the same law 13/15, the national authorities are empowered to execute the requests from their foreign counterpart without transmitting them to the central authority, unless if the request came from a different foreign competent authority. This suggests Angola's ability to use such channels, but the authorities have not demonstrated which central international policing bodies they are part of to facilitate such exchanges, apart from mentioning the Interpol in this law.

Criterion 40.18– (Partly Met) Art.51 of Law 05/20 and Art 30(1) of Law 13/15 grant the general power for exchange of information with counterparts and use of general investigative powers. The investigative powers are sufficiently broad, as discussed under Recommendation 31. These include video surveillance pursuant to article 5(1)(c) and (d) of the Law 2/20 of 22nd January; and undercover operations under Law 10/20. Further, Angola has signed multiple bilateral and multilateral agreements through which such information is exchanged within the applicable restrictions on the use of the information.

Criterion 40.19 – ***(Met)*** Law enforcement agencies in Angola rely on legal powers and other mechanisms, such as bilateral and multilateral arrangements to enter into and participate in joint investigative teams with foreign counterparts in relation to ML, TF and associated predicate offenses. Within SARPCCO's investigation cooperation arrangements, there are Simultaneous Joint Operations in which members can send their police officers to foreign countries or carry out simultaneous investigation at home on the same matter and provide the information collected to a foreign counterpart.

Exchange of Information between non-counterparts

Criterion 40.20 – (Not met) – There is no legal or regulatory basis which gives authority to the competent authorities to exchange information indirectly with non-foreign counterparts.

Weighting and Conclusion

Competent authorities apply the requirements of other forms of cooperation through laws and other arrangements at a bilateral and multilateral level to provide assistance to foreign counterparts. While Angola meets or mostly meets some of the criteria under R.40, there are still moderate deficiencies on the overall compliance with the requirements. These include lack of feedback on usefulness of information by competent authorities, generalised timelines to respond to a request and absence of authority to competent authorities to exchange information indirectly with foreign non-counterparts.
Angola is rated Partially Compliant with the requirements of Recommendation 40.

Annex Table 1. Compliance with FATF Recommendations

Recommendations	Rating	Factor(s) underlying the rating
1. Assessing risks & applying a risk-based approach	LC	• No risk-based approach for efficient allocation of resources is in place to mitigate the identified risks. • No AML/CFT activities informed by the identified higher ML/TF risks are in place, and FIs and DNFBPs are not required to incorporate the risks identified into institutional ML/TF risk assessments. • Risk-based supervision in place less developed.
2. National cooperation and coordination	PC	• There are no national AML/CFT policies in place yet. • There are no cooperation mechanisms to ensure the compatibility of AML/CFT requirements with Data Protection and Privacy rules and other similar provisions. • There are no mechanisms to facilitate coordination to combat the financing of proliferation of weapons of mass destruction
3. Money laundering offences	PC	• The following offences do not meet the minimum threshold of 6(six) months imprisonment, that is to say their minimum threshold start from 0 up two years, for instance, and as such do not qualify to be predicate offence of money laundering, to wit; illicit trafficking in stolen and other goods, active and passive corruption, counterfeiting currency, counterfeiting and piracy of products, smuggling, Tax crime, and insider trading and market manipulation and the financing of foreign terrorist fighters are not criminalised. • Law 5/20 applies different types of assets to different elements of the offence. • The law does not allow the inference of knowledge or intent from objective circumstances.
4. Confiscation and provisional measures	LC	• No law that covers the confiscation of instrumentalities of terrorism and TF offences. • Angolan law does not stipulate any measures for the LEAs to prevent or void actions that prejudice the country's ability to freeze or seize property that may be subject to confiscation
5. Terrorist financing offence	PC	• No provision for intent to be inferred from objective circumstances • Lack of possibility for parallel criminal and civil or administrative proceedings and limits on the extraterritoriality of the TF offense • The financing of traveling of individual terrorists is not a predicate offense for ML.
6. Targeted financial sanctions related to terrorism & TF	PC	• There is a lack of clarity on when UN designations come into force domestically is a major deficiency. As a result of this lack of clarity, the legislation in relation to freezing assets does not meet the 'without delay' requirements as set out in the FATF Standards. • There is no adequate legal authority, procedures or mechanisms to implement the requirements under Criterion 6.1-3, 6.5-6.7. • Angola does not have adequate guidance on channelling delisting requests through the focal point or use of the standard form for delisting etc.
7. Targeted financial sanctions related to proliferation	PC	• Angola's PF-related TFS regime is established by the same laws and regulations as its TF-related TFS regime, therefore the lack of legal clarity on when UN designations come into force domestically is cascading to Recommendation 7.

Recommendations	Rating	Factor(s) underlying the rating
		• Similarly, there is no adequate legal authority, procedures or mechanisms to implement the requirements under Criterion 7.1-5, nor adequate guidance on channelling delisting requests through the focal point or use of the standard form for delisting etc.
8. Non-profit organisations	NC	• Angola has established the legal obligation to identify the type of NPOs which represent an increased risk and to review the adequacy of legal or regulatory obligations applicable to non-profit organizations, in view of the existing risks, but this review has not yet taken place. • In addition to the lack of comprehensive review of the NPO sector to appropriately understand TF risks, authorities and have also not taken steps to promote targeted risk-based supervision or monitoring of NPOs. • The NPO sector has not been engaged to raise awareness about potential vulnerabilities to TF abuse and risks.
9. Financial institution secrecy laws	LC	• No information sharing requirements between FIs (both domestically and internationally and between FIs which belong to the same group)
10. Customer due diligence	LC	• No provision to undertake reviews of existing records, particularly for higher risk categories of customers • No requirement for FIs to identify and verify customers that are legal persons through the address of the registered office and, if different, a principal place of business • No requirement to verify the identity of any other natural person exercising ultimate effective control over the trust, including through a chain of control or ownership
11. Record keeping	C	The criteria are fully met
12. Politically exposed persons	C	The criteria are fully met
13. Correspondent banking	LC	• No requirement for FIs to understand the respective AML/CFT responsibilities of each institution
14. Money or value transfer services	C	The criteria are fully met
15. New technologies	PC	• The country and the FIs have not demonstrated that they identify and assess the ML/TF risks associated with development of new products and new business practices including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products • The country has not identified and assessed the money laundering and terrorist financing risks emerging from virtual asset activities and the activities or operations of VASPs. Equally, the country has not applied a risk-based approach to ensure that measures to prevent or mitigate money laundering and terrorist financing are commensurate with the risks identified. • VASPs not subject to licensing or registration, nor supervised • All requirements of criterion 15.3 to 15.11 are all not met.
16. Wire transfers	PC	• Where several individual cross-border wire transfers from a single originator are bundled in a batch file for transmission to beneficiaries, there is no requirement for FIs to ensure accurate originator information (including account number or unique transaction number) and full beneficiary information, that is traceable within the beneficiary country • No requirement for FIs to retain originator and beneficiary information that accompanies a wire transfer • No provision creating an obligation for FIs when processing wire transfers to take freezing action and comply with prohibitions from conducting transactions with UNSCR designations.

Recommendations	Rating	Factor(s) underlying the rating
17. Reliance on third parties	LC	• No requirements for FIs that rely on a third party of the same group to consider that requirements of criteria 17.1 and 17.2
18. Internal controls and foreign branches and subsidiaries	LC	• No requirements for FIs to provide information and analysis of transactions or activities which appear unusual and no requirements to ensure safeguarding of information to prevent tipping off,
19. Higher-risk countries	C	The criteria are fully met
20. Reporting of suspicious transaction	PC	• The law does not prescribe the period within which a suspicious transaction must be reported.
21. Tipping-off and confidentiality	LC	• The law does not adequately provide for protection against information disclosed in good faith.
22. DNFBPs: Customer due diligence	PC	• No provision to undertake reviews of existing records, particularly for higher risk categories of customers, lack of requirement to identify and verify customers that are legal persons through the address of the registered office and, if different, a principal place of business, and lack of requirement to verify the identity of any other natural person exercising ultimate effective control over the trust, including through a chain of control or ownership. • Lack of identification and assessment of ML/TF risks associated with the development of new products and new business practices including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products.
23. DNFBPs: Other measures	PC	• No requirement for protecting entities which disclose the information in good faith. • No requirements for specifying timelines for reporting suspicious transactions.
24. Transparency and beneficial ownership of legal persons	NC	• The information of creation of legal persons in publicly available to a negligible extend. • Angola has not conducted ML/TF risk assessment associated to the types of legal persons created in the country. • There is no standardised mechanism in place to collect and maintain BO information. • Basic information collected by OSS and reporting entities is not accurate and up to date. • There are no mechanisms to prevent misuse of bearer shares for ML. • Legal persons, authorities and natural persons are not required to maintain the information and records for a period of least five years after the date of dissolution of the company.
25. Transparency and beneficial ownership of legal arrangements	NC	• Creation of trusts and other forms of legal arrangements is not permitted in Angola. • There are no measures in place to regulate trusts form part of company structures.
26. Regulation and supervision of financial institutions	C	The criteria are fully met
27. Powers of supervisors	C	The criteria are fully met
28. Regulation and supervision of DNFBPs	LC	• No fit and proper requirements performed on lawyers, accountants and real estate agents to establish BO.
29. Financial intelligence units	LC	• No strategic analysis conducted.
30. Responsibilities of law enforcement	LC	• Other than the National Directorate of Investigations and Prosecutions the other investigative bodies do not appear to have the power to pursue parallel financial investigations, nor is

Recommendations	Rating	Factor(s) underlying the rating
and investigative authorities		there a mechanism for the referral of such cases to another empowered investigative agency. • Angola has not extended the powers under Recommendation 30 to other competent authorities which are not law enforcement authorities per se, but which have the responsibility for pursuing financial investigations of predicate offences.
31. Powers of law enforcement and investigative authorities	LC	• Law No.5/20 obliges reporting institutions to cooperate with the UIF and other competent authorities by providing information that relates to their business relationships and transactions with their customers, but whether the identification can be done in a timely manner is not stipulated in the law or otherwise.
32. Cash couriers	LC	• The punishment for false declarations does not apply to travellers in possession of BNIs. • Authorities are not empowered to restrain currency for a reasonable time so as to ascertain if there is evidence of ML/TF.
33. Statistics	PC	• No adequate statistics kept necessary to review and assess the effectiveness of the AML/CFT system.
34. Guidance and feedback	C	The criteria are fully met
35. Sanctions	PC	• Angola has a range of sanctions applicable to deal with natural and legal persons that fail to comply with the AML/CFT requirements of Recommendations 6, and 8 to 23. • However, the maximum limits on monetary penalties do not appear proportionate and dissuasive in all cases as only legal persons face an additional penalty of the loss of illicit profits and goods obtained through criminal activity.
36. International instruments	PC	• While Angola is a party to Vienna, Palermo and Merinda conventions it has not demonstrated how the provisions of respective Conventions are fully implemented.
37. Mutual legal assistance	PC	• Angola has not demonstrated the time within which it processes foreign requests. • There is a gap in the law in terms of indicating whether there is a mechanism for the prioritisation of requests and case management. • The MLA law does not expressly state that cooperation would not be refused on the grounds that an offence relates to a fiscal matter; and that provision of assistance will breach bank secrecy and confidentiality requirements. • Angola may not grant the request on the basis that the offence does not meet the threshold of a maximum prison term of 3 years which is considered of low importance in terms of Article 11 of Law 13/15.
38. Mutual legal assistance: freezing and confiscation	LC	• Non-conviction-based confiscation applies to instrumentalities or dangerous products from a crime. The mechanism does not apply to proceeds of crime. Therefore, Angola cannot offer assistance in this context in relation to proceeds of crime.
39. Extradition	LC	• There is no case management system, nor mechanisms that enable Angola to prioritise execution of extradition requests. • Angola cannot extradite a defendant where the sentence will be less than three years of imprisonment even if both countries criminalise the conduct underlying the offence. • There is no specific procedure for simplified extradition, nor a mechanism in which a person can be extradited using simplified extradition procedures.
40. Other forms of international cooperation	PC	• Lack of feedback on usefulness of information by competent authorities. • Generalised timelines to respond to a request. • Absence of authority to competent authorities to exchange information indirectly with foreign non-counterparts.

Glossary of Acronyms

AGO	**Attorney General's Office**
AGT	**General Tax Administration**
AML/CFT	**Anti-Money Laundering/Combating the Financing Terrorism**
ANIESA	**National Authority for Economic Inspection and Food Safety**
ANP	**Angola National Police**
ARINSA	**Asset Recovery Inter-Agency Network of Southern Africa**
ARSEG	**Angolan Insurance Regulation and Supervision Agency**
Art	**Article**
BNA	**National Bank of Angola**
BNI	**Bearer Negotiable Instrument**
BO	**Beneficial Ownership**
CBR	**Correspondent Bank Relationship**
CBR	**Correspondent Banking Relationship**
CCP	**Container Control Programme**
CDD	**Customer Due Diligence**
CID	**Criminal Investigation Directorate**
CIRC	**Credit Risk Information Centre**
CISNA	**Committee of Insurance, Securities and Non-Bank Financial Supervisors**
CMC	**Capital Markets Commission**
CPLP Fora	**AGO Offices of the Portuguese Speaking Countries**
CSPs	**Company Service Providers**
CTR	**Cash Transaction Report**
DCCO	**Directorate of Combating of Organized Crime**
DDC	**Directorate of Community Development**
DG	**Director General**
DNAS	**National Directorate for Social Action**
DNFBPs	**Designated Non-Financial Business and Professions**
DNIAP	**National Directorate of Investigation and Criminal Action**
DNPCC	**National Directorate for Preventing and Combating Corruption**
DSB	**Banking Supervision Department**
DSN	**Non-Banking Supervision Department**
EDD	**Enhanced Due Diligence**
EFTR	**Electronic Funds Transfer Report**

ESAAMLG	**Eastern and Southern Africa Anti-Money Laundering Group**
FATF	**Financial Action Task Force**
FIs	**Financial Institutions**
GAC	**Credit Monitoring Office**
GDP	**Gross Domestic Product**
GIN	**Gross National Income**
IAIS	**International Association of Insurance Supervisors**
ICRG	**International Cooperation Review Group**
IFTR	**International Funds Transfer Report**
INH	**National Housing Institute**
IO	**Immediate Outcome**
IOPS	**International Organisation of Pension Supervisors**
ISJ	**Gaming Supervision Institute**
ISSM	**Insurance Supervision Institute of Mozambique**
KYC	**Know Your Customer**
LE	**Law Enforcement**
LEAs	**Law Enforcement Agencies**
MASFAMU	**Ministry of Social Action, Family and Women's Promotion**
MDART	**Multi-Disciplinary Asset Recovery Team**
MER	**Mutual Evaluation Report**
MFI	**Micro-Finance Institution**
MINDCOM	**Ministry of Industry and Commerce**
MIREX	**Ministry of External Relations**
ML	**Money Laundering**
ML/TF	**Money Laundering/Terrorist Financing**
MLA	**Mutual Legal Assistance**
MLRO	**Money Laundering Report Officer**
MVTS	**Money and Value Transfer Service**
NBFIs	**Non Bank Financial Institutions**
NOAT	**National Observatory Against Terrorism**
NPOs	**Non-Profit Organisations**
NRA	**National Risk Assessment**
NTF	**National Task Force**
OCPCA	**Organisation of Chartered Accountant Experts of Angola**
ODD	**Ongoing Due Diligence**
OPEC	**Organization of the Petroleum Exporting Countries**

OSS	**One Stop Shop**
PEPs	**Politically Exposed Persons**
PF	**Proliferation Financing**
PFA	**Fiscal Customs Police**
PGR	**Prosecutor General**
RBA	**Risk Based Approach**
RGIF	**Law on the General Regime of Financial Institutions 14/2021**
SADC	**Southern African Development Community**
SARs	**Suspicious Activity Report**
SCVM	**Security Brokers**
SDD	**Simplified Due Diligence**
SENRA	**National Asset Recovery Service**
SGOIC	**Investment and Management Companies**
SI	**Investment Scheme**
SIC	**Criminal Investigation Service**
SIE	**External Intelligence Service**
SILIF	**Integrated Licensing System of Financial Institutions**
SINSE	**Intelligence and State Security Service**
SME	**Migration and Foreigners Service**
SNA	**National Customs Services**
SOPs	**Standard Operating Procedures**
SRA	**Sectoral Risk Assessment**
SRB	**Self-Regulatory Body**
STRs	**Suspicious Transaction Reports**
TCSPs	**Trust and Company Service Providers**
TFS	**Targeted Financial Sanctions**
UIF	**Financial Information Unit (FIU Angola)**
UN	**United Nations**
UNSC	**United Nations Security Council**
UNSCR	**United Nations Security Council Resolution**
VA	**Virtual Assets**
VASPs	**Virtual Asset Service Providers**
VSOAM	**Voluntary Asset Recovery Mechanism**

Criminalization of Categories of Crimes Designated by FATF

No.	DESIGNATED CATEGORIES OF OFFENCES	APPLICABLE STATUTORY PROVISIONS	Applicable penalty	
			Fine US$	Imprisonment
1	Participation in an organized criminal group	Art. 296 of the Angolan Penal Code		From 1 to 8 years
2	Terrorism, including terrorist Financing	Terrorism Art. 297 of the Angolan Penal Code and Article 23 of Law No. 19/17 of August 25. Financing of Terrorism Art. 26 of Law 19/17 of 25 August-Law on prevention and combating terrorism		- Terrorism, 5 to 15 years old. -Terrorist financing, from 5 to 15 years.
3	Trafficking in persons and Migrants smuggling	Trafficking in Persons Art. 178 of the Angolan Penal Code Migrants smuggling Art. 281 of the Angolan Penal Code	- U$ 4784,53	Trafficking in persons, from 4 to 10 years. Migrants smuggling, up to 3 years.
4	Sexual exploitation including Sexual exploitation of children	- Pimping Art. 189 of the Angolan Penal Code - Pimping of minors Art. 195 Angolan Penal Code		-imprisonment, from 1 to 8 years. -imprisonment for minors, from 3 to 12 years.
5	Illicit trafficking in narcotics drugs and psychotropic substances	Trafficking and other illicit activities, Art. 4, of Law No. 3/99 of August 6, on trafficking and consumption of narcotics, psychotropic substances and precursors.		- from 8 to 12 years
6	Illicit arms trafficking	Illicit trafficking of weapons Art. 279 of the Angolan Penal Code		from 1 to 8 years
7	Illicit trafficking in stolen and other goods	Not criminalised since only possession of stolen goods is covered under Article 435 of the Penal Code.		
8	Corruption[41] and bribery	Active corruption art. 358 Angolan Penal Code Passive Corruption art. 359 Angolan penal code	- U$ 4784,53 U$ 4784,53	Active corruption, up to 2 years Passive Corruption, up to 2 years

[41] However, the maximum punishment for illegal charging of contributions including taxes by a tax officer is two years as per Article 365 of the Penal Code and the minimum punishment may be lesser than six months like three (3) months as per Article 44(1) of the Penal Code. Such type of crime with a corruption element may not therefore be considered as a predicate offence for ML.

9	Fraud	Fraud at the 455, 464 and 472 of the Angolan Penal Code.	U$ 3189,63	Fraud in obtaining subsidy, from 1 to 5 years; -Fraud in the transport of currency abroad, from 2 to 8 years; -Fraud in electronic payments, up to 2 years
10	Counterfeiting Currency	Counterfeiting of currency art. 256 Angolan Penal Code; Counterfeiting of Currency art. 257 Angolan Penal Code.	U$ 4784,53	Counterfeiting from 2 to 12 years; Forgery from 2 to 9 years
11	Counterfeiting and piracy of products	Fraud on goods Art. 448 criminal code	U$ 3189,63	Up to 2 years[42]
12	Environmental crime	-Aggression to the Environment art. 282 Penal Code -Pollution art. 283 Penal Code	- U$ 3189,63 - U$ 4784,53.	- Aggression to the Environment, from 1 to 5 years; - Pollution, up to 3 years
13	Murder, grievous bodily injury	Homicide art. 147 of the Code of Penal Angola -Serious bodily offense Art. 160 Penal Code		-Homicide, 14 to 20 years -Serious bodily injury - from 2 to 10 years
14	Kidnapping, illegal restraint and hostage-taking	Abduction art. 175 of the Penal Code Hostage-Taking Art. 176 of the Penal Code Kidnapping art.º 174 of the Penal Code.	From U$ 792,42 to - U$ 4784,53	Abduction from 1 to 5 years Hostage-taking, 2 to 8; Kidnapping from 6 months to 3 years.
15	Theft or Robbery	Theft art. 392 of the Penal Code Robbery 401 of the Penal Code	U$ 4784,53	Theft from 2 to 8 years Robbery from 3 to 10 years
16	Smuggling	Smuggling art. 184 of the Angolan General Tax Code	Fine of 1 up to 3 times the value of the smuggled good	Smuggling from 3 months to 2 years[43]

[42] The minimum threshold should be six months as per Article 82(4) of the AML Law No.5/2020.
[43] The minimum threshold should be six months as per Article 82(4) of the AML Law No.5/2020.

17	Tax Crimes	Criminalised but the punishments under the General Tax Code are set in a form of fines which makes difficult for the tax crimes to be considered as predicate offenses for ML given the threshold for determining a predicate offense is only set in a form of minimum imprisonment of six months under Art.82 of the AML Law No. 5/2021.		
18	Extortion	Extortion art. 425 Penal Code		-Extortion 2 to 12 years
19	Forgery	Falsification of documents Art. 251 Angolan Penal Code	U$ 3189,63	Up to 2 years[44]
20	Piracy	Diversion or capture of transport artº 302º of the Angolan Penal Code		From 2 to 15 years
21	Insider trading and market manipulation	Not criminalised		

[44] The minimum threshold should be six months as per Article 82(4) of the AML Law No.5/2020.