

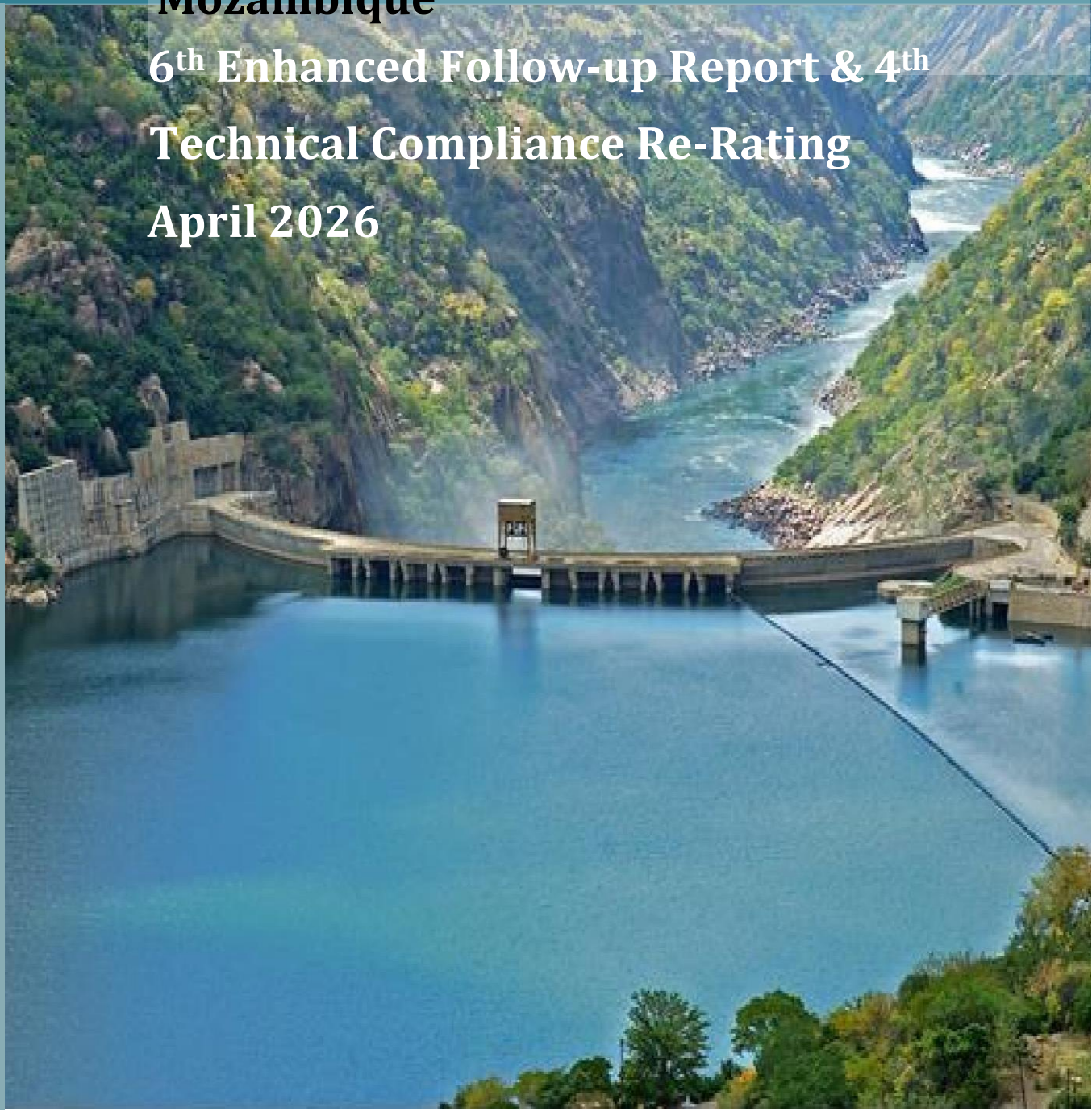


Anti-money laundering and counter-terrorist financing measures

Mozambique

6th Enhanced Follow-up Report & 4th Technical Compliance Re-Rating
April 2026

Follow-Up Report





The Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) was officially established in 1999 in Arusha, Tanzania through a Memorandum of Understanding (MOU). As at the date of this Report, ESAAMLG membership comprises of 22 countries and also includes a number of regional and international observers such as AfDB, COMESA, Commonwealth Secretariat, East African Community, Egmont Group of Financial Intelligence Units, FATF, GIZ, IMF, SADC, United Kingdom, United Nations, UNODC, United States of America, World Bank and World Customs Organization.

ESAAMLG's members and observers are committed to the effective implementation and enforcement of internationally accepted standards against money laundering and the financing of terrorism and proliferation, in particular the FATF Recommendations.

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This report was approved by the ESAAMLG Task Force of Senior Officials at the March meeting in Arusha, United Republic of Tanzania 2026.

Citing reference:

ESAAMLG (2026), *Anti-money laundering and counter-terrorist financing measures - Mozambique, 6th Enhanced Follow-up Report & 4th Technical Compliance Re-Rating*, ESAAMLG, Dar es Salaam
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MOZAMBIQUE: 6TH ENHANCED FOLLOW-UP REPORT & 4TH TECHNICAL COMPLIANCE RE-RATING

I. INTRODUCTION

1. The Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) evaluated the Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF) regime of the Republic of Mozambique under its 2nd Round of Mutual Evaluations (MEs) between November and December 2019. The Mutual Evaluation Report (MER) was later adopted by the ESAAMLG Council of Ministers in June 2021. According to the MER, 30 out of the 40 FATF Recommendations were rated Non-Compliant (NC) or Partially Compliant (PC) for Technical Compliance. This draft Follow-up Report (FUR) analyses Mozambique’s progress in addressing the technical compliance deficiencies identified in its MER. Re-ratings have been made where sufficient progress has been demonstrated.
2. In view of the above ratings, Mozambique was placed under enhanced follow-up in terms of Paragraph 105 of Procedures for the ESAAMLG 2nd Round of AML/CFT Mutual Evaluations and Follow-up Process
3. Overall, the expectation is that countries will have addressed most, if not all, Technical Compliance deficiencies by the end of the third year from the adoption of their MER. This report does not consider the progress that Mozambique has made to improve its effectiveness. This draft Follow-up Report (FUR) analyses Mozambique’s progress in addressing the Technical Compliance deficiencies identified in its MER relating to 4 Recommendations. Re-ratings have been made where sufficient progress has been made.
4. The assessment of Mozambique’s request for TC re-ratings and the preparation of this report was undertaken by the following experts (supported by the ESAAMLG Secretariat: Mofokeng Ramakhala, Kgomotsego, Mooketsi, Edgar Mutebi and Tirivafi Nhundu): Ms. Zenobia Barry (Namibia-Chair); Mr. Vilho Nkandi (Namibia); Mrs. Susan Mangori (Botswana); Mrs. Motsisi Mongati (Botswana); Ms. Refilwe Nasha (Botswana); Ms. Kapaletswe Chikhwa Somolekae (Botswana); Mr. Patrick Okettayot (Uganda); Mr. Erivelto Teixeira Moreira Bastos (Angola); Ms. Minervina ingles Lopes (Angola) and Ms. Haja Lalao Razanamanana (Madagascar).
5. Section III of this report highlights the progress made by Mozambique and the analysis undertaken by the Reviewers. Section IV sets out the conclusion and a table showing which Recommendations have been recommended for re-rating.

II. KEY FINDINGS OF THE MUTUAL EVALUATION REPORT

6. The 2021 MER gave Mozambique the following technical compliance ratings:

Table 1. Technical compliance ratings, June 2021

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
PC	PC	PC	PC	PC	NC	NC	NC	C	PC

R 11	R 12	R 13	R 14	R 15	R 16	R 17	R 18	R 19	R 20
LC	LC	LC	NC	NC	PC	C	LC	NC	PC
R 21	R 22	R 23	R 24	R 25	R 26	R 27	R 28	R 29	R 30
C	PC	PC	NC	NC	NC	PC	PC	LC	PC
R 31	R 32	R 33	R 34	R 35	R 36	R 37	R 38	R 39	R 40
PC	PC	PC	PC	PC	PC	PC	PC	LC	LC

7. In light of these results, Mozambique was placed in the enhanced follow-up process and will continue to inform the ESAAMLG of the progress made in improving and implementing its AML/CFT measures.

III. UPDATE ON THE KEY FINDINGS OF THE MUTUAL EVALUATION REPORT

8. Considering the overall progress made by Mozambique to address specific deficiencies since the adoption of its MER, its Technical Compliance with the FATF Recommendations was reviewed and revised in September 2024 following its request for re-rating. The compliance ratings as of September 2024 are shown in Table 2.1:

Table 2. Technical Compliance Re-rating, September 2024

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

9. Subsequent to the adoption of the June 2021 MER, Mozambique continuously addressed the technical deficiencies identified in the MER and through submitting multiple Follow Up Reports (FURs). The last FUR was published in April 2025 on the ESAAMLG website with upgraded ratings as shown in Table 3:

Table 3: Technical compliance following revision of ratings, April 2025

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
LC	C	C	C	C	C	C	PC	C	LC

R 11	R 12	R 13	R 14	R 15	R 16	R 17	R 18	R 19	R 20
LC	LC	LC	LC	PC	LC	C	LC	LC	C
R 21	R 22	R 23	R 24	R 25	R 26	R 27	R 28	R 29	R 30
C	LC	C	PC	LC	C	C	PC	LC	C
R 31	R 32	R 33	R 34	R 35	R 36	R 37	R 38	R 39	R 40
PC	PC	PC	PC	PC	PC	PC	PC	LC	LC

IV. OVERVIEW OF PROGRESS IN TECHNICAL COMPLIANCE

3.1 Progress to address Technical Compliance deficiencies identified in the MER.

10. This section of the report summarises further progress made by Mozambique to improve its technical compliance by addressing the TC deficiencies identified in its MER.
11. ESAAMLG welcomes the steps that Mozambique has taken to improve its technical compliance with Recommendations 19, 32, 37 and 38. Following this progress, Mozambique has been re-rated Largely Compliant with R.19, 32 and 37, re-rated to Compliant Recommendations 38.

3.1.1 Recommendation 19 –High Risk Countries

	Year	Rating
MER	2021	NC
FUR 1	2023	PC
FUR 2	2024	PC
FUR 3	2025	↑LC

12. During the MER of June 2021, Rec 19 was initially rated Non-Compliant (NC). The main deficiencies were the absence of specific legal requirements mandating the application of Enhanced Due Diligence (EDD) proportionate to risks arising from business relationships and transactions with persons from FATF high-risk countries. Additionally, no adequate measures existed to advise Financial Institutions (FIs) on weaknesses in the AML/CFT systems of other countries.

13. Following initial legislative changes, the rating for R.19 was upgraded to PC in the June 2023 Enhanced Follow-up Report. Subsequent legislative reforms addressed further technical shortcomings, leading to the country requesting an upgrade to LC.
14. **Sub-criterion 19.1 is Mostly Met.** The MER had established that there was no specific reference to applying EDD, proportionate to the risks, to business relationships and transactions with natural and legal persons (including financial institutions) from countries for which this was called for by the FATF. To address the deficiency Mozambique indicates that FIs are required to apply enhanced monitoring and control measures special attention to business relationships and transactions with individuals, legal entities or centres of collective interest without legal personality, from high-risk third countries or to other countries that do not apply or poorly apply the relevant international standards for the prevention and combating of money laundering, terrorist financing and the proliferation of weapons of mass destruction, as determined by the FATF [article 39 (1) (b), Law No. 14/2023]. . It is the Reviewer’s submission therefore, that the scope on enhanced monitoring, rather than enhanced due diligence, is considered a narrower application of the requirement in c.19.1 and therefore the requirement is not fully met. In other words, while the EDD will involve identifying and verifying as well as assessing the risk of the customers or transactions, enhance monitoring will only be applying a fraction of EDD, which is the last stage that would be dealing with ongoing review of customers or transactions. As such, Mozambique has not put a full spectrum of EDD in its law as required in c.19.1. **Therefore, c.19.1 is re-rated to Mostly Met.**
15. **Sub-criterion 19.2 is Met.** The MER established that Mozambique had not demonstrated that it could apply countermeasures proportionate to the risk when called upon to do so by the FATF and independently of any call by the FATF to do so. Mozambique is able to apply countermeasures in line with the requirements of 19.2 [Article 21 (1), (2) and (3) (Countermeasures) of the Law no. 14/2023, August 28 AML/CTF/CPF Law. **c.19.2 is considered Met.**
16. **Sub-criterion 19.3 is Met.** The MER established that Mozambique did not have measures in place to advise FIs on weaknesses in the AML/CFT systems of other countries. Subsequently, to the MER, Mozambique introduced Art. 46 (1)(c) of Law No. 14/2023 which lays the legal basis that enables the country to put measures in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other jurisdictions. **c.19.3 is therefore re-rated to Met.**

Weightage and conclusion

17. Mozambique has amended its legal framework to address deficiencies in R19. However, some deficiencies were noted in relation to c.19.1 such that instead of applying enhanced due diligence the country applies enhanced monitoring which is considered narrower application of the requirement in c.19.1. However, it could not be established with certainty how frequent the reporting entities check the websites nor whether they receive

alerts when the information is published on the FIU or supervisory websites as part of measures in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries. These are considered minor shortcomings. **Recommendation 19 is re-rated Largely Compliant.**

3.1.2 Recommendation 32 –Cash Couriers

	Year	Rating
MER	2021	PC
FUR 1	2023	PC
FUR 2	2024	PC
FUR 3	2025	LC ↑

18. In the Second MER as adopted in June 2021, Mozambique was rated PC with regard to Rec 32 (Cash Couriers). This followed an initial NC rating under the former Special Recommendation IX (SR IX) in its First Round MER, primarily due to the absence of the required legal framework and effective implementation measures.

Following this 2021 MER, Mozambique introduced new legal provisions, such as Article 45 of Law 14/2023, which addressed deficiencies by requiring declarations for cross-border movements of currency and bearer negotiable instruments (BNIs), including those moved through mail or cargo.

19. **Sub-criterion 32.1 is Met.** The MER established that there was no provision requiring declarations for cross border movement through mail of currency and BNIs. To address the deficiency Mozambique amended Law 14/2013 and introduced a new article 45 of law 14/2023. The new legal provision covers the requirement of c.32.1, including the requirement to move currency or BNI through mail or cargo. [Art. 45(1) and (2)]. **Hence, 32.1 is considered Met.**

20. **Sub-criterion 32.2 (a/b/c) is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.32.2 (a/b/c) remains Met.**

21. **Sub-criterion 32.3 is N/A. The criterion is not applicable to Mozambique.**

22. **Sub-criterion 32.4 is Met.** Mozambique has the tax authority as the competent authority that deals with cash couriers in its borders. The tax authority is now empowered under the new provisions of Law No. 14/2023, Article 45 (4), to determine the origin, destination, and intended use of the currency or bearer negotiable instruments. It is therefore the Reviewer’s position that the Tax Authority is given the responsibility to ascertain information from the carrier with regard to the origin of the currency or BNIs, and their intended use, **hence, c.32.4 is considered Met.**

23. **Sub-criterion 32.5 is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.32.5 remains Met.**
24. **Sub-criterion 32.6 is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.32.6 remains Met.**
25. **Sub-criterion 32.7 is Met.** The coordination and cooperation of the MRA, Postal Authority and Immigration with GIFiM was found to be limited in the previous 2021 MER. This has been improved, whereby the documentation collected by the Tax Authority regarding cross-border physical movements of foreign currency or bearer negotiable instruments or their registration must be kept for a period of 10 years and be made available to the judicial authorities, the Bank of Mozambique, the National Criminal Investigation Service - SERNIC and GIFiM, whenever necessary. This has been provided under number 7 of article 45 of Law 14/2023 of August 28th. The cooperation provided for in paragraph 7 of this article includes the exchange of information, the carrying out of investigations, inspections, inquiries, or other admissible steps on behalf of the national or foreign authorities, and the competent authorities must provide them with all the information they can obtain under the powers conferred by the applicable legislation. **The criterion is therefore re-rated as Met.**
26. **Sub-criterion 32.8 is Met.** The criterion was previously rated 'partly met' because competent authorities were not empowered to stop or restrain currency for a reasonable period in order to ascertain whether evidence of ML/TF may be found in cases where there is suspicion of ML/TF or predicate offences or a false declaration. The new provisions under Article 45 No.6) Law No. 14/2023 addresses c.32.8 requirements. **The criterion is therefore re-rated as Met.**
27. **Sub-criterion 32.9 is Met.** Mozambique's declaration system allows for international cooperation by ensuring information obtained and retained where there is (a) a declaration of cross-border transportation of cash, BNI's or both exceeding the threshold (under Article 45 No.1 of Law 14/2023 or Article 104 No.(1)-(2) of the Foreign Exchange Notice No. 3/GBM/2024; or (b) a report of a false disclosure established after a search, seizure and forfeiture (under the provisions of Article No.6(a) of Law 14/2023, and (c) where an authorized officer seizes cash, BNI's or both on suspicion of ML/TF (under the provisions of Article 45 No.6(b) of Law 14/2023, respectively); such information and documentation is retained for a period of 10 years, and is made available to the judicial authorities, the Bank of Mozambique, the National Service of Criminal Investigation – SERNIC and to GIFiM whenever requested including with foreign authorities (under the provisions of Article 45 No.8 of Law 14/2023). **Hence, c.32.9 is re-rated Met.**
28. **Sub-criterion 32.10 is Not Met.** The submission here does not address the requirements of this criterion 32.10. The authorities are to provide the safeguards in place to ensure proper use of information collected through the declaration system. The requirement is not about retaining the information collected and using it for international cooperation

purposes. The submission is totally misaligned with the requirements under c.32.10. **Hence, c.32.10 remains Not Met.**

29. **Sub-criterion 32.11 is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.32.11 remains Met.**

Weightage and conclusion.

30. Mozambique has made notable progress by introducing new legal provisions, strengthening authority coordination, and addressing most technical criteria, but minor structural gaps remain. The continued non-compliance with the critical safeguards in c.32.10 to ensure proper use of information collected through the declaration/disclosure systems slightly undermines the system’s effectiveness. **Recommendation 32 is rated Largely Compliant.**

3.1.3 Recommendation 37.1 –Mutual Legal Assistance

	Year	Rating
MER	2021	PC
FUR 1	2023	PC
FUR 2	2024	PC
FUR 3	2025	↑LC

31. During the 2021 MER, Rec 37.1 was rated PC. The deficiencies noted at that time were that the legal framework was insufficient to render or request Mutual Legal Assistance (MLA) for associated predicate offences that were not yet criminalised in Mozambique, such as migrant smuggling, illicit trafficking in stolen goods, insider trading, and market manipulation. In addition, Mozambique did not have a formal designated Central Authority for handling MLA requests and lacked established requirements for the timely prioritisation and execution of requests, including a case management system to monitor progress (**c.37.2 was rated Not Met**).
32. Now, subsequent legislative reforms, including the introduction of Law No. 14/2023, addressed the scope of predicate offences and criminalised areas like migrant smuggling, allowing for MLA in respect of these crimes (c.37.1 was re-rated Met). Furthermore, the Attorney General's Office was formally designated as the Central Authority (c.37.2 was re-rated Partially Met). As a result of this significant progress, Recommendation 37 is now re-rated as LC as shown in the subsequent paragraphs. The remaining minor shortcoming is the authorities’ inability to demonstrate the availability of a case management system to monitor the progress of MLA requests, and **therefore c.37.2 remained rated PC.**

33. **Sub-criterion 37.1 is Met.** This Criterion was rated as Partly Met in the 2021 MER. The assessors noted that the law did not cover the possibility of rendering and requesting MLA on associated predicate offenses and did not criminalise migrant smuggling (which is perceived to be one of the prevailing predicate offences for ML in Mozambique), illicit trafficking in stolen and other goods, forgery, insider trading, and market manipulation which limits MLA which can be provided in respect of those offences. Mozambique introduced Law no. 14/2023 which now cover rendering and requesting MLA on associated predicate offenses and Article 7(g) of Law No. 3/2024 criminalizes predicate offenses and is able to confiscate assets related to offenses like migrant smuggling, illicit trafficking of stolen goods, insider trading, and market manipulation. **Therefore, c.37.1 is re-rated Met.**
34. **Sub-criterion 37.2 is Partially Met.** This Criterion was rated as Not Met in the 2021 MER. The assessors noted Mozambique did not have a formal designated Central Authority for handling mutual legal assistance requests, the requirements for the timely prioritisation and execution of requests are not provided in any of the laws and there is no case management system to monitor progress on requests. Mozambique introduced Article 5(1) of Law no. 21/2019, of November 11 that designate the Attorney General's Office as the Central Authority for handling requests for mutual legal assistance, and Law no. 21/2019, of November 11, which now covers the requirements for the timely prioritisation and execution of requests. However, the Authorities did not demonstrate the availability of a case management system to monitor progress on requests. **Therefore, c.37.2 is re-rated Partly Met.**
35. **Sub-criterion 37.3 is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.37.3 remains Met.**
36. **Sub-criterion 37.4(a/b) is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.37.4(a, b) remains Met.**
37. **Sub-criterion 37.5 is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.37.5 remains Met.**
38. **Sub-criterion 37.6 is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.37.6 remains Met.**
39. **Sub-criterion 37.7 is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.37.7 remains Met.**
40. **Sub-criterion 37.8 is Met.** Mozambique's legal framework facilitates the use of domestic investigative powers in response to MLA requests. For example, requests for assistance specifically cover actions such as search, seizure, surrender of objects or valuables, examinations and expertise are covered under Article 144(b)) of Law No. 21/2019. Additionally, requests must include the identification of the witness or expert from whom

they should request statements (Article 24(1)(d) of Law No. 21/2019. Regarding a broad range of other powers, this can be seen through investigative techniques such as the framework authorizes the creation of joint criminal investigation teams (JCITs) between the Mozambican State and a foreign State under Article 137, Law No. 21/2019. The implementation of the MLA request also involves the National Criminal Investigation Service (SERNIC) as supported by Article 141 of Law No. 14/2023 (AML/CFT). In conclusion therefore, Mozambique's framework is adequate and addresses the criterion, demonstrating that domestic investigative powers required under R. 31 (including search, seizure, and evidence gathering from persons/FIs) are available for MLA requests as supported by Article 144 of Law No. 21/2019. Furthermore, the legal basis exists for deploying sophisticated techniques (JCITs) and facilitating direct cooperation between enforcement and supervisory counterparts, thus covering the "broad range of other powers" requirement. **Therefore, Criterion 37.8 is rated as Met.**

Weightage and conclusion

41. Mozambique has made progress by strengthening the legal basis for MLA which has helped in achieving compliance in most technical criteria. For example, the new legal provisions ensure that MLA covers associated predicate offences (37.1) and the Attorney General's office was designated as the Central Authority as per Rec 37.2. The legal framework now mandates the country's full range of investigative powers including techniques available to respond to MLA requests. (R. 37.8). However, despite the fact that Mozambique has legal provisions defining prioritization and timely execution of requests, the authorities did not demonstrate the availability of a case management system to effectively monitor the progress of MLA requests (R. 37.2). This deficiency, despite being a minor shortcoming within the context of a robust foundational legal framework, **leading to a Largely Compliant rating.**

3.1.4 Recommendation 38 -Mutual Legal Assistance. Freezing and confiscation.

	Year	Rating
MER	2021	PC
FUR 1	2023	PC
FUR 2	2024	PC
FUR 3	2025	↑C

42. In the 2021 MER, the country was rated PC with regard to Rec 38 with the deficiencies that included the lack of mechanisms to provide Mutual Legal Assistance (MLA) regarding Terrorist Financing (TF) (as TF was not criminalised) and the absence of enabling provisions to assist with Non-Conviction Based (NCB) confiscation proceedings. Mozambique has since established the necessary legal authority and institutional

mechanisms including Asset Recovery Offices to handle international requests for freezing, seizing, and confiscation. However, the country's rating remains PC because of the lack of legal capacity to provide assistance for Non-Conviction Based (NCB) confiscation proceedings which deficiency continues to limit its ability to participate fully in international asset recovery efforts.

43. **Sub-criterion 38.1 (a-e) is Met.** Decree No. 7/2022, Article 19 (Duties), paragraph 1(a): The Central Office and Provincial Asset Recovery Offices are responsible "to identify, trace and seize all assets, goods and products related to crimes, both nationally and internationally. Law No. 13/2020, Article 9 (Confiscation of products and proceeds), paragraph 1(b) declares the "proceeds of a typical unlawful act" forfeited in favor of the State, defining proceeds as "all things, rights that constitute economic proceeds, directly or indirectly resulting from that fact, for the perpetrator or others.
44. Law No. 13/2020 (Asset Confiscation and Recovery), Article 8 (Instruments' Confiscation), par 1 states that "Instruments used or intended to be used in the perpetration of a typical unlawful act are declared forfeited in favour of the State". This establishes the primary authority for confiscating instrumentalities. Mozambique's legal framework allows swift action on foreign requests to identify, freeze, seize, or confiscate assets or instruments intended for criminal use, meeting FATF Recommendation 38.1(d). Law No. 13/2020 authorizes the confiscation of instruments used or intended for offenses. Decree No. 7/2022 empowers the Central Asset Recovery Office to act internationally, while Law No. 21/2019 enables urgent provisional measures and direct cooperation to ensure expeditious action in asset recovery cases. 9(3) of the Law No. 13/2020 (Asset Confiscation and Recovery), Article mentions that when criminal proceeds or benefits cannot be forfeited in kind, the confiscation is "replaced by payment of the respective value to the State". This establishes the principle of confiscation of corresponding value. **Therefore, Criterion 37.8 (a-e) is considered as Met.**
45. **Sub-criterion 38.2 is Met.** Mozambique has established a legal basis for assisting with Non-Conviction Based (NCB) confiscation proceedings, thereby addressing the main deficiency under Rec 38.2. Law No. 21/2019 provides the specific legal gateway for international cooperation by allowing the execution of foreign decisions establishing the loss of criminal proceeds, which Mozambique interprets as encompassing orders issued through civil or administrative proceedings, thereby facilitating NCB requests. The authority to execute non-conviction-based decisions issued by foreign administrative bodies (Article 87, Law 21/2019) confirms the necessary scope of cooperation for this requirement based on the legal submissions presented by Mozambique, **the country rating is considered as Met**
46. **Sub-criterion 38.3 (a) is Met.** Mozambique, despite lacking specific bilateral agreements, has established legal and institutional mechanisms that meet FATF requirements for coordinating seizure and confiscation actions. The Central Asset Recovery office ensures cooperation with foreign counterparts in identifying and recovering assets, while Joint

Criminal Investigation Teams enable coordinated cross-border operations pursuant to article 137 of Law No. 21/2019 of 11 November (Law of International Legal and Judicial Cooperation on Criminal Matters). Additionally, AML Law No. 14/2013 and the principle of reciprocity provide a legal basis for joint evidence gathering, seizure, and asset recovery efforts. **c.38.3(a) is therefore re-rated Met.**

47. **Sub-criterion 38.3 (b) is Met.** Mozambique's submissions demonstrate the existence of the necessary legal framework and dedicated institutions to manage and dispose of frozen, seized, or confiscated property, meeting the core technical requirement of the criterion. Mozambique's Law No. 13/2020 establishes the legal regime and mechanisms for the "management of assets or proceeds in favour of the State" related to illegal activity. This law also explicitly creates the Asset Management Office. Decree No. 31/2023 sets out principles for the application of regulations, including the sound management of assets seized and/or forfeited in favour of the state". The Asset Management Office is therefore responsible for managing seized money and tracking deposited amounts. **c.38.3 (b) is re-rated Met**
48. **Sub-criterion 38.4 is Met.** The legal framework has not changed to subject the sub-criteria for review. **The overall rating for c.37.6 remains Met.**

Weightage and conclusion

49. Mozambique has established the necessary legal authority and institutional mechanisms to handle international requests regarding freezing, seizing and the confiscation of assets including establishing mechanisms for coordinating actions and managing confiscated property. **Given this background, the country is upgraded from Partially Compliant to Compliant.**

V. Conclusion

50. Mozambique has made progress in addressing some of the Technical Compliance deficiencies identified in its MER. Reviewers considered information provided in support of the request for re-rating of Recommendations 19, 32, 37 and 38 and made the following conclusions:
- Upgrade Recs.19, 32 and 37 from PC to LC
 - Upgrade Rec 38 from PC to C
51. Considering the overall progress made by Mozambique since the adoption of its MER, its Technical Compliance with the FATF Recommendations has been revised as shown in Table 4.

TABLE 4: TECHNICAL COMPLIANCE FOLLOWING REVISION OF RATINGS, MARCH 2026

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

52. Mozambique will remain in the enhance follow-up and will continue to inform the ESAAMLG of the progress made in improving and implementing its AML/CFT measures.