



**FIRST ROUND MUTUAL EVALUATIONS - POST EVALUATION PROGRESS
REPORT OF ANGOLA**

Covering the period August 2017 – February 2018

REPUBLIC OF ANGOLA

I. INTRODUCTION

1. The World Bank evaluated the anti-money laundering and combating the financing of terrorism (AML/CFT) regime of Angola from 7 to 21 November 2011. The Mutual Evaluation Report (MER) was adopted by the Council of Ministers in August 2012.
2. Table 1 below shows ratings obtained by Angola with regard to the 16 Core and Key Recommendations (as defined by FATF). 13 out of the 16 Recommendations were rated PC and NC which represents 81%.

TABLE 1: Core & Key Recommendations rated NC & PC

R1 (NC), R3 (NC), R5 (PC), R13 (PC), R23 (PC), R26 (PC), R35 (PC), R36 (NC), R40 (PC)
SRI (PC), SRII (NC), SR III (PC), SR V (NC)

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2: Other Recommendations rated NC & PC

R6(PC), R12(NC), R15(PC), R16(NC), R17(PC), R20(PC), R21(PC), R24(NC), R25(NC), R28(PC), R29(PC), R30(PC), R31(PC), R32(NC), R33(NC), R34(NC), R37(NC), R38(NC), R39(NC)
SRVI(PC), SRVII(PC), SRVIII(NC), SRIX(NC)

3. Though Angola was supposed to submit its report annually for consideration at the September 2018 meeting, the Council of Ministers agreed at the September 2017 meeting that Angola would submit a report for consideration at this meeting if Angola addresses the remaining outstanding issue on SR VIII.
4. Angola submitted its Sixth Progress Report for discussion at the 35th Task Post Evaluation Progress Report of Angola on AML/CFT Measures

Force of Senior Officials meeting. Below is the analysis of the Group.

II. DETAILED ANALYSIS OF THE SIXTH PROGRESS REPORT WITH RESPECT TO SR VIII

5. Non-profit organizations - SR.VIII rated NC

The MER recommended that the adequacy of existing laws and regulations relating to NPOs that can be abused for FT should be reviewed. Assessment of the non-profit sector for the purpose of identifying NPOs at risk for terrorist financing should be conducted. There should be a follow-up to initial outreach to NPO sector to raise awareness about the risks of terrorist abuse and the available measures to protect against such abuse. UTCAH should have the resources to update or verify the accuracy of information it maintains on the purpose and objectives of NPOs' stated activities and the identity of the persons who own, control or direct their activities. Adequate mechanisms should be in place to ensure prompt information sharing among all levels of appropriate Authorities or organizations that hold relevant information on NPOs of potential TF concern. MoUs should be entered between the relevant Authorities in order to ensure effective cooperation.

During the September 2017 meeting, the Authorities provided statistics and MOUs as requested. The only issue outstanding was assessment of the NPO Sector for TF Risks.

Angola undertook a sectoral risk assessment of NPOs on TF in 2017. Though the full report was done and submitted in Portuguese, the Authorities briefed the Review Group by highlighting the core ideas of the report. It was indicated that the report was conducted by the Institute for Promotion and coordination of Aid to Communities (IPROCAC) which is the supervisory authority of NPOs. The Risk Assessment highlights information on financing origins and forms; sectors affected; and geographic distribution of the projects. The report is expected to be updated on annual basis. The Authorities also indicated that private sectors (NPOs), public institutions (Ministry of Justice, Ministry of Foreign Affairs, FIU,

Bank of Angola, Police) and donors were involved in the risk assessment project by responding to different questionnaires and holding meetings with IPROCAC. They advised that NPOs dealing with social services (esp. religious institutions) were found to be more vulnerable than other sectors (including health and education) due to the lack of proper fund management sourced from foreign donors and challenges being faced by regulatory authorities in controlling and monitoring movement of the funds. Generally, the risk of TF faced by NPOs was found to be low. The Authorities further indicated that measures for mitigating the risk identified may include legislative amendments and extending the scope of supervision by the Bank of Angola on FIs who are dealing with accounts of such NPOs.

Conclusion:

This recommendation is addressed.

III. CONCLUSION

6. Angola has completed all action items under its PEIP. Further, Angola was commended for being the first country in the ESAAMLG Region to undertake a sectoral risk assessment of its NPO sector. The Review Group also advised Angola on how to further improve and update the report on a regular basis.

IV. RECOMMENDATION

7. Since Angola has completed all action items under its PEIP, the following recommendation is made for consideration:
 - i. Angola should exit the monitoring process and be further encouraged to continue with the process of implementing and strengthening its AML/CFT measures.