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AGT – General Tax Administration

AJA- Association of Judges of Angola

APIMA - Association of Angolan Real Estate Professionals

BC - Branqueamento de Capitais

BEF – Effective Beneficiary

BODIVA – Angola Debt and Stock Exchange

CDD – Customer Due Diligence

CEVAMA - Central Securities of Angola

CIMLOP - Confederation of Builders and Real Estate of Portuguese Speaking Countries

CIRC – Credit Risk Information Center

DAR- Revenue Collection Document

DLI - Tax Settlement Document

DNFBPs - Designated Non-Financial Businesses and Professions

DRO – Department of Regulation and Organization of the Financial System

DSI – Department of Prudential Supervision of Financial Institutions

ECPAI - Certifying Entities of Property Appraisers

ENLA - Angola National Lottery Company

EOAA – Statute of the Angolan Bar Association

ESAAMLG - Eastern and Southern Africa Anti-Money Laundering Group

FATF – Financial Action Task Force

FIA - Self-Managed Investment Funds

GAFILAT - Financial Action Task Force of Latin America

GDP – Gross Domestic Product

GUE – Single Window of the Company

INALUD - National Institute for the Fight against Drugs

IPC – Corruption Perception Index

IPROCAC - Institute for the Promotion and Coordination of Aid to Communities

IMF – International Monetary Fund

INH - National Housing Institute

ISJ - Institute of Gaming Supervision

LAJ - Gaming Activity Law

LBC – Money Laundering Law

MASFAMU - Ministry of Social Action, Family and Women Promotion

ME – Foreign Currency

MINJUDH - Ministry of Justice and Human Rights

MN – National Currency

MROV - Registry Market for Securities Transactions

MRTT - Treasury Securities Registration Market

NGO – Non-Governmental Organization

OCPCA - Order of Accountants and Accountants of Angola

PAIOIC - Expert Real Estate Appraisers of Collective Investment Undertakings

PALOP – Portuguese Speaking African Countries

PEIP – Post Evaluation Implementation Plan

PEPs – Politically Exposed Persons

PGR - Attorney General's Office

RCBs – Banking Correspondence Relations

ROA – Return on Assets

ROE – Return on Capital

SCVM - Securities Brokerage Companies

SDVM - Securities Distributing Companies

SGMR - Regulated Market Management Companies

SGOICS - Collective Investment Undertaking Management Companies

SI - Investment Companies

SIC - Criminal Investigation Service

SIE - External Intelligence Service

SINSE - State Information and Security Service

SME- Migration and Foreigners Service

SSIF – Financial Institutions Supervision System

SPA – Angola Payments System

STR – Suspicious Transaction Report

TF – Terrorist Financing

UIF- Unidade de Informação Financeira

UN – United Nations

USAID - U.S. Agency for International Development

UTCAH- Technical Unit for the Coordination of Humanitarian Aid

WB – World Bank

Executive Summary

1. Basic Concepts of National Risk Assessment

1. *Money Laundering*

   - Conversion or Transfer of Goods, when the author is aware that these goods originate from any infraction or infractions, or from participation in that or these infractions, with the aim of concealing or disguising the illicit origin of these goods or to help any person involved in the commission of that or those offenses to avoid the legal consequences of their acts;

   - Concealment or dissimulation of the true nature, origin, location, disposition, movement, ownership of assets or rights relating thereto, with the knowledge that they arise from an offense or offenses or from participation in such or such offences;

   - Acquisition, possession or use of goods, with the knowledge, at the time of receipt, that they arise from any offense or offenses or participation in such or such offences.

2. *Terrorism Financing:*

   – It is any form of economic assistance action, or to provide financial or other support, to collect funds, directly or indirectly with the unlawful intention of using them, or with the knowledge that they will be used, in whole and in part, to commit terrorist acts, by a terrorist organization, or by an individual terrorist.

3. *Financial Action Task-Force (FATF):*

   – An independent intergovernmental body that designs and promotes policies to protect the global financial system from money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction. The FATF Recommendations are recognized as world standards in anti-money laundering (AML) and combating the financing of terrorism (CFT).

4. *Risk:*

   - The concept of risk can vary depending on three factors: threat, vulnerability and consequence. An ML/TF risk assessment is a product or process based on a methodology, agreed upon by the parties involved, which seeks to identify, analyze and understand ML/TF risks and is the first step in responding to those risks.

   a) A *threat* refers to a person, group of people, object or activity with the potential, for example, to harm the State, society, the economy, etc. In the context of ML/TF, this term includes criminal agents, terrorist groups and those who facilitate their activities, their funds, as well as past, present or future ML or TF activities. A *threat* is described above as one of the risk-related factors, typically constituting a key starting point for understanding ML/TF risk.

   b) A *vulnerability* encompasses everything that could be exploited by the threat or that could support or facilitate its activities. When assessing risks, in the context of ML/TF, looking at *vulnerabilities* as distinct from the threat means focusing, for example, on factors that represent weaknesses in AML/CFT systems or controls or on certain characteristics of a country. *Vulnerabilities* can also include the characteristics of a specific sector, financial product or type of service that make them appealing to ML or FT;

c) *Consequence* refers to the impact or harm that the ML or FT may cause, including the effect of the underlying criminal and terrorist activity on financial institutions and systems, as well as on the economy and society in general. The consequences of ML or TF can be short- or long-term and related to populations, specific communities, business environment or national or international interests.

1.1 Abordagem Baseada no Risco

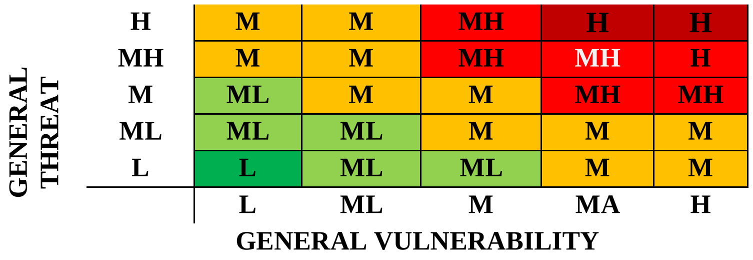
5. When implementing a risk-based approach, financial institutions and APNFDs should have processes in place to identify, assess, monitor, manage and mitigate ML/TF risks. The general principle of the risk approach is that when higher risks exist, countries should demand that financial institutions and DNFBPs adopt reinforced measures to manage and mitigate the risks. Furthermore, when the risks are lower, the adoption of simplified due diligence measures may be allowed. Simplified due diligence measures should not be allowed when there is a suspicion of ML/TF. Countries may, in strictly limited circumstances and based on a demonstrably low ML/TF risk, decide not to apply certain Recommendations to a specific type of financial institution or activity, or APNFDs. Likewise, if countries determine through their risk assessments that there are types of institutions, activities or professions that are at risk of abuse at the ML/TF level and that are not covered by the definition of financial institutions or APNFDs, they should consider applying AML/CFT obligations.

6. Countries should take appropriate steps to identify and assess ML/TF risks on an ongoing basis and with a view to documenting possible changes to the country's AML/CFT regime, including changes to laws, regulations and other measures; assist in the distribution and prioritization of AML/CFT resources by the competent authorities, and make information available to financial institutions and APNFDs for risk assessment on AML/CFT matters. Countries should keep these assessments up to date and have mechanisms in place to provide relevant information about their results to all relevant authorities, regulatory bodies, financial institutions and relevant APNFDs.

2. BC Risk Analysis

2.1 Overall ML Risk Analysis in the Country

7. The Republic of Angola is exposed to a **MEDIUM-HIGH (MA**) risk of committing ML crimes. Indeed, there are important underlying offenses in the country that generate substantial financial gains that can be utilized in the practice of ML, such as resulting in a medium-high level of threat. Additionally, vulnerability to BC at the national level is also considered medium-high, given the inefficiency of the national system to combat BC, as well as the low level of compliance with ABC measures by the subject entities and their respective regulatory bodies and supervision.



GENERAL THREAT

H	M	M	MH	H	H
MH	M	M	MH	MH	H
M	ML	M	M	MH	MH
ML	ML	ML	M	M	M
L	L	ML	ML	M	M
	L	ML	M	MA	H

GENERAL VULNERABILITY

2.2 Analysis of ML Threats in the Country

2.2.1 Threats by classes of underlying offenses

8. **Drug trafficking,** corruption and embezzlement were identified as underlying offenses as high threat to the practice of ML. Regarding drug trafficking, national and international 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.

9. Regarding crimes of corruption and embezzlement, despite the low number of cases recorded, they are considered threats due to the fact that there is a general perception in society that they are underlying offenses whose products can be object of ML crimes. This is because a large part of these complaints did not result in investigations or those that gave rise to the opening of an investigation process or investigation were filed under the Amnesty Law approved in 2015. In this sense, the tendency to commit such crimes and, consequently of the threat they pose to BC, is high. However, it is worth noting the fact that a new political paradigm was introduced in the country, with a series of practical and legislative measures being created to combat such criminal species.

10. On the other hand, trafficking in precious stones, crimes of harm to the environment, tax/fiscal crimes and trafficking in stolen goods were identified as underlying crimes of medium-high threat (MA) for the practice of ML in the country. A very common modality in Angola is the trafficking of precious stones, namely diamonds and other precious metals. However, although the data collected does not quantitatively reflect this reality, the perception obtained during the ANR process is that there is a considerable demand for precious stones, both by nationals and foreigners. Furthermore, given the current situation of economic stagnation, precious stones are being used as a bargaining chip, thus increasing trafficking, with a view to obtaining foreign exchange abroad.

11. In relation to **fiscal/tax offensess**, there is an increasing number of fictitious operators in the circuit of possible transactions carried out, assuming these increasingly sophisticated methods, supported on internet platforms, posing as a threat for the practice of BC in the country.

12. The **crimes of aggression** to the environment, despite the data not reflecting, are considered as a threat to the practice of ML in Angola. There is considerable practice of slaughtering protected animals, with a view to extracting ivory and skins from animals such as the Pangolim (which is widely used for medicinal purposes, especially in Asia). In addition, there were other recurrent cases of damage to the environment, with greater emphasis on illegal logging and indiscriminate logging of protected species.

13. Regarding **robberies and thefts**, it should be noted, ab initio, that given the characteristics of the crimes in question, not all cases referred to in the collected statistical data reflect a threat to the practice of ML in the country. This is because, according to what happens in everyday life, such crimes are aimed at the consumption of the good itself, for the sake of mere subsistence or, even, driven by easy profit, not showing, in general, a high level of threat, as they do not generate enough resources to be the object of ML. A different situation exists in relation to fuel theft and trafficking, the impact of which is reflected in the threat of money laundering due to the fact that the acquired values are channeled to the acquisition of other goods with the intention of giving them a lawful appearance.

2.2.2 Threats by Origin

14. In relation to **threats by origin**, it was evident that the highest level of threat is the offenses themselves, committed in national jurisdiction, which can generate resources to be used in subsequent ML activities, whether in national territory or in other jurisdictions.

15. Although with a lower incidence, offenses committed merely abroad and those whose origins cannot be identified were rated at a low level as threats to the practice of ML.

2.2.3 Threats by Sector

16. With regard to sectorial threats, the **banking, value transfer and real estate sectors** were identified as the sectors of greatest threat to the practice of ML crimes. Indeed, upon the analysis of the collected statistical data, it was found that most of the detected ML crimes were committed involving the banking sector, from which the largest number of suspicious transaction reports originated, which was identified as the banking sector. greater allocation of resources aimed at concealing values arising from the practice of criminal offenses.

17. In the **securities transfer sector (remittance of securities)** and in the **real estate sector**, several weaknesses were identified that make them threats to the practice of ML, namely with regard to the lack of effective knowledge of the final beneficiary and the inadequate application of the institutes due diligence. In negotiations related to real estate in the country, it is common to use cash payments, without the proper notarial registration of the transaction carried out.

18. Other sectors such as casino, precious metals and stone trading, notaries, non-profit organizations were also identified as **medium-high threat sectors**.

19. The **casino sector** presented an excessive number of transactions in cash/cash, showing the ease of exchanging game chips for cash and vice versa, as well as the difficulty in identifying the player/customer, insofar as that Law No. 34/11, of December 12, establishes a limit considered high so that there is an obligation of regular identification (from the equivalent of two thousand US dollars).

20. In the **precious stones sector**, although the statistical data collected do not reflect this reality, a considerable level of threat to the practice of ML crimes was identified, since, given the current situation of economic stagnation (lack of foreign exchange), there is a great demand for precious stones, either by nationals or by foreigners, with the purpose of using them as a form of capital flight.

21. In relation to the notary sector, it was found that the **National Directorate of Registries and Notaries** does not have a computerized file, making it quite vulnerable to the risk of fraud and forgery. With the exception of Luanda, 95% of the notarial file system is physical, with the need for access to the respective books to carry out records and consultations.

22. Finally, as for **non-profit organizations (NGOs),** it was found that, for the most part, they practice their activities without due compliance with the obligation of accountability, on a regular and permanent basis, and even some of them refuse to provide information about the financial execution of their budgets.

2.2.3.1 Higher Risk BC Methods in Angola

23. During the analysis work carried out, the methods listed below were identified as those most frequently associated with the practice of ML crimes, constituting, in some cases, a serious obstacle to the collection of information:

1) *Cash transactions, especially those carried out at payment institutions;*
2) *On invoicing within the scope of public procurement;*
3) *Forgery of tax collection and settlement documents (**DAR and DLI**) in the field of tax fraud;*
4) *Exploitation of land borders for the smuggling of goods;*
5) *Use of private accounts to transfer money abroad;*
6) *Use of electronic banking;*
7) *Receipt of amounts without economic justification, associated with possible fraud at the origin of the amounts and/or tax fraud;*
8) *Tax evasion due to movements in private accounts of values resulting from commercial activities;*
9) *Use of bank accounts of companies and individuals, for the circulation of values in national and foreign currency, intended for informal exchange operations and intermediation in the purchase and sale of foreign currency;*
10) *Accounts opened by non-residents, especially in border areas;*
11) *Accounts opened on behalf of clients;*

12) Use of branches of credit institutions in offshore centers.

2.2.4 General ML Threat Level:

24. In light of the above, the **GENERAL THREAT** of money laundering was identified as a **MEDIUM-HIGH (MH**) level, with an unaltered trend.

2.3 Analysis of ML Vulnerabilities in the Country

2.3.1 Analysis of National Vulnerability

25. As **vulnerabilidades nacionais** consistem em um conjunto de deficiências e lacunas identificadas no sistema de prevenção e combate ao BC/FT em AngolaV The national vulnerabilities consist of a set of deficiencies and gaps identified in the ML/TF prevention and combat system in Angola, making the country more exposed to threats that affect it in the scope of the risk analysis of the practice of ML crimes.

26. The national ML/TF risk assessment program had the participation of all entities with powers of supervision, execution and inspection of compliance with obligations in the fight against ML/TF. In this perspective, the respective work made it possible to identify significant weaknesses in the economy, particularly in the financial system, as well as to define preventive measures that ensure the improvement of the effectiveness of the Angolan economic system regarding ML/FT.

27. With regard to the effectiveness of the definition of ML and FT crimes, the legal classification of such crimes within the scope of the Angolan legal system was found to be adequate. Law 34/11, of December 12, defines in articles 60 and 64, respectively, the crimes of BC and FT. Although there was a deficiency in the legal definition of certain crimes contained in the FATF glossary and which were not adequately included in the Angolan legislative framework, this deficiency was remedied with the enactment of Law 3/14, of February 10, which expanded the scope of the infractions that can be considered underlying BC.

28. The same situation did not apply to the scope of laws on confiscation and recovery of assets. Currently, there is no specific law to deal with issues related to confiscation and asset recovery in Angola. The PGR in the preparatory instruction phase, and the Courts, in the subsequent phases, make use of Law 2/14, of February 10 (Regulating Law on Searches, Searches and Seizures), to carry out seizures of goods in general in certain cases. for example, seizures at postal and telecommunications services, at law offices, at government offices or services and at banking establishments.

29. Although, in practice, the aforementioned legislation is used, its scope is limited, characterizing a factor of high vulnerability in the fight against ML crimes, since it does not allow for an effective action in the precaution and subsequent confiscation of assets that are involved in the commission of such crimes.

30. Another factor identified as having medium high vulnerability in combating ML in Angola refers to the capacity and resources allocated to the investigation of financial crimes. Based on surveys and statistical data from the Attorney General's Office, Courts and Criminal Police Bodies, it was concluded that the vast majority of its enforcers, despite having already heard of BC and being aware of the existence of Law 34/11, does not apply it, restricting itself to the repression of underlying crimes.

31. Likewise, there was no strategic plan, with a specific and sufficient budget, for the adequate training of operators that make up the various bodies and entities involved in the fight against BC. Furthermore, the material and personnel resources currently available to carry out such activities are not sufficient.

32. On the other hand, the current levels of integrity and independence of investigators, prosecutors and judges who work in the fight against financial crimes were also identified as medium-high vulnerability factors for the practice of ML crimes. Despite the existence of specific regulations that grant autonomy and operational independence to magistrates of the Public Prosecution and Judiciary, in practice, what is observed is that, not infrequently, not only some police officers, but also some magistrates, yield to political pressure internal and external, not having sufficient autonomy to regulate action in combating such crimes.

33. The quality of border controls was also characterized as a medium-high vulnerability factor for the practice of ML crimes in the country. The Republic of Angola has a wide extension of land and sea borders, without adequate cross-border control posts or sufficient technical and human resources for their protection, which makes the country vulnerable to illegal entry and exit of people and goods, including cash and similar instruments.

34. On the other hand, to facilitate the effectiveness of national cooperation, despite the Executive Power having created several multi-sector commissions with the aim of structuring preventive policies to fight ML, currently, some institutions that work in the AML/CFT sector show some resistance in the exchange of information, a determining factor for the classification of vulnerability as medium-low. In the opposite sense, international cooperation has functioned adequately and with a reasonable degree of efficiency, with more effective results being recorded in the exchange of information in the scope of international legal cooperation and spontaneous cooperation between similar bodies that work in the AML/CFT sector.

35. The level of formalization of the economy, similarly, was also characterized as a high level of vulnerability, making the Angolan State more exposed to threats related to the practice of ML crimes. This is because, given the way the country's economy is currently organized, with a high incidence of transactions carried out in the informal sector, a large part of the amounts are transacted in cash, creating a favorable environment for hiding proceeds from criminal origins, through the use , sometimes, of legitimate businesses and personal funds, with a mixture of legal and illegal assets, a situation that makes it difficult to determine the origin of the funds.

36. In addition to these factors, the difficulty faced in the process of tracking funds and identifying the beneficial owners of goods and values in circulation, since the system for accessing information about the beneficial owner is inefficient and characterized as vulnerability assessed as medium-high, making economic and financial systems susceptible to ML crimes.

2.3.2 General Level of National Vulnerability

37. In view of all the above, the general level of **National Vulnerability** to the practice of BC crimes was classified as **MEDIUM-HIGH**.

2.3.3 Vulnerabilities by Sector

2.3.3.1 Banking Sector

38. The banking sector presents vulnerabilities, mainly due to the lack of training and knowledge of the CB of employees, lack of administrative sanctions to discourage the practice of CB in the sector, as well as the weaknesses of the control environment, notable in the compliance structures in banks without sufficient resources and disproportionate to the level of risk that institutions face and less punitive and more guiding supervision.

39. Deposits by legal persons represent the main product of the financial system in terms of volume of operations, followed by retail deposits. However, based on the analysis carried out on the products, it was found that deposits by legal persons and international branded cards are the most vulnerable to the occurrence of CB in the sector, either because of the inherent risk of their specificity that favors the practice of these crimes or due to specific factors linked above all to the risky customer base and the magnitude of operations and the high use of cash in the case of deposits by legal persons and the high frequency of international transactions in the case of international branded cards..

2.3.3.2 Securities

40. Currently, the CMC carries out generic inspections and meetings are planned with the compliance areas of the registered entities to assess compliance with ML/FT prevention practices.

41. To date, no criminal proceedings have been registered on ML/FT linked to the securities market and derivative instruments.

2.3.3.3 Insurance Sector

42. Considera-se que existe integridade do pessoal nas empresas de seguros, fruto da existência de Regulamentos internos e de Códigos de Ética e de Conduta implementados pelas entidades.

43. It is considered that there is integrity of personnel in insurance companies, as a result of the existence of internal Regulations and Codes of Ethics and Conduct implemented by the entities.

44. Personnel working in insurance companies are aware of the LBC, despite the fact that in Angola there is a deficit of specific training actions for the insurance sector with regard to the CBC.

45. Assesses whether the processes of financial transparency and customer identification and verification are strengthened when institutions regulated by the BC Law are able to verify the identity of customers through documents, data or information from reliable independent sources.

46. There is no independent entity in Angola that produces information on transaction patterns and the commercial history of clients. Some independent entities do appear that have produced information that has a fundamental impact on macroeconomic analyzes of some sectors. What most emerges about the insurance sector are interviews given either by ARSEG or by those involved in the insurance sector. Although the sector presents laws and regulations that we consider sufficient to mitigate actions against ML/FT, there is a lack of implementation of them by market operators in ways that correspond to what is intended with this work, where it denotes There is a national vulnerability of the order of 0.63% thus, with the effective implementation of existing laws and regulations.

2.3.3.4 Sector of OIFNBs (Other Non-Banking Financial Institutions)

47. The assessment carried out of the OIFNBs Sector, taking into account the identified vulnerabilities, allowed to conclude that the exchange houses were characterized as the institutions in the sector that present the highest risks, while the remittance companies, microcredit companies and credit unions present relatively low risks, which are based on the following:

   a. Low level of knowledge on the part of human resources;
   b. Lack of cross-checking information between the regulator and the IFNB;
   c. Existence of an informal economy which makes it impossible to trace the origin and destination of funds;
   d. Frequent use of values in cash, thus facilitating anonymity as an element par excellence that facilitates ML/FT operations;
   e. Lack of information about the beneficial owner of legal persons;
   f. Lack of information on the beneficial owners of natural persons;

g. Lack of information on the origin of the capital and on the beneficial owners (counterpart after the acquisition).

2.3.3.5 DNFBPs (Designated Non-Financial Businesses and Professions)

48. Analyzing the individual conclusions of each sector of the DNFBPs, we inevitably have to conclude that this sector presents transversal threats and vulnerabilities, which result in a high risk of Money Laundering and Terrorism Financing.

49. Bearing in mind that the gaming, real estate and lawyers sectors are part of the DNFBPs, the risk of ML/TF has an accentuated weight in the current socio-economic context.

50. It is concluded that the DNFBPs sectors are at High risk in their global vulnerability in ML/TF.

2.2.3.5.A. ISJ (Institute of Gaming Supervision)

51. The lack of inspection, combined with the lack of knowledge of the Gaming Activity Law and the Law on Combating Money Laundering and Terrorism Financing, create a perfect environment for some offenders to elect the gaming activity to criminal practices.

52. Cash/cash amounts, inherent in the gaming activity, are other attractions for money laundering actions.

53. The threats and vulnerabilities identified above in the gaming activity allow us to affirm that there is a very high risk for money laundering and terrorist financing actions, on the one hand. On the other hand, due to the fact that the issues related to the fight against money laundering and the financing of terrorism are not yet well understood (it is not yet a priority), there is not the necessary effort/engagement of all those involved in this matter.

2.3.3.5.B. INH (National Housing Institute)

54. The real estate sector has proven to be very vulnerable. Due to the fact that the "basic" Law on Real Estate Mediation is not yet regulated, the licensing process is not being carried out. INH needs to improve the effectiveness of the supervision of internal and external control, issuing more Dispatches, instructions, forms, training to raise awareness of its supervisees and INH staff in the scope of ML/FT. It is also necessary to improve cooperation with entities that intervene in its activity (Notaries, AGT, Conservatorias, PGR, National Police and others).

2.3.3.5.C. Ministry of Commerce (General Inspection of Commerce)

55. Commercial activity and the provision of mercantile services has evolved for over 25 years, with the implementation of a set of initiatives to reduce the prevalence of informal commerce, in order to empower the consumer with more information, thus allowing to change the consumption habits that result in strict compliance with the rules and the growth of the country's economy. However, unregulated trade prevails, with a strong influence of cash/cash, which constitutes an enormous vulnerability of the sector, combined with the lack of supervision of the sale of metals and precious stones, above the value of the obligation to communicate, stipulated by law.

2.3.3.5.D OCPCA

56. Although the accounting and auditing activity is governed by principles of ethics and professional deontology, which must strive for honesty and transparency, in matters of ML and FT, there is little knowledge of the legislation on these matters. In other words, knowledge of the laws, rules and regulations is relevant for a perfect judgment when it comes to analyzing the origin and application of capital of a given economic entity, whether public or private. However, accounting and auditing professionals are required by law to report any and all transactions they consider suspicious.

2.3.3.5.E IPROCAC

57. The organization and mode of operation of NGOs, under the terms of the aforementioned regulation, creates complex situations, either due to difficulties of control by the State, or due to the resistance of donors and these, especially international ones, in complying with the laws in force in the country about the matter. Donors determine the regions in which projects are implemented, name the organizations that carry them out and even determine who the beneficiaries are.

58. There are no records of NGOs providing information to supervisors. Especially financial. Many believe they are independent institutions and are only accountable to donors. Under these conditions, it is difficult to monitor the activities of NGOs and obtain accurate and timely information from the Executive and international organizations fighting money laundering and terrorist financing.

59. Added to these constraints is the difficulty of ensuring compliance with internationally assumed obligations in the field of money laundering and terrorist financing, which result from the need to control the sources and means of financing and the destination given to the resources held by them organizations.

2.3.3.6 Financial Inclusion Products

60. The assessment exercise of vulnerabilities associated with financial inclusion products, concerning ML / FT risk is unprecedented for Angola. And in it, the operating models of each of these financial products were evaluated in order to detect any ML and FT risk and thus design proportionate AML/FT measures to the referenced products.

61. Within the outputs assessed, the exercise identified both positive developments and gaps that need to be addressed to further strengthen the Angolan AML/TF regime. The evaluation draws the following conclusions:

62. The financial inclusion products evaluated in this study were Bankita a Ordem, Bankita a Crescer, Xikila Money and Postal Solidário. Global **VULNERABILITY IS LOW**.

63. Summarizing all vulnerabilities against all levels of control yields an aggregated low level of vulnerability. However, the general control measures associated with these products need to improve and the BNA must ensure that the requirements of the CBC/CFT regulations in Angola are complied with by its supervisees.

64. Due diligence towards non-resident foreign exchange customers and foreign citizens should deserve special attention, it being important to have an adequate communication channel between providers of FI products, the UIF and the BNA, aiming at better control of BC / FT, in order to report suspicious transactions in a timely manner, so that action can be swift.

65. In summary, the aggregate sectorial vulnerabilities are associated with the deficient supervision and inspection activity, the deficient domain of legislation on money laundering and related legal diplomas. The availability of reliable identification and notarial infrastructure. The lack of implementation of regular actions aimed at training employees, as well as comprehensive financial education programs specifically aimed at understanding money laundering and terrorist financing, aimed at supervisors and supervisees as well as the general public.

66. Due to the aggregate vulnerabilities pointed out and ways to strengthen the mechanisms for preventing money laundering and mitigating sectorial risks, it is recommended:

a) Implementation of training actions aimed at training employees involved in the prevention of money laundering.
b) The country must make the fight against ML/TF visible, intensifying the investigation of ML/TF crimes, as well as penalize fraudulent agents.
c) Need for capacity building of law enforcement agencies so that underlying crimes that have occurred and have been identified are properly framed in their relationship with money laundering and properly penalized.
d) The National Directorate of Registries and Notaries should benefit from investment, in order to eliminate the paper (physical) file and implement a national database, with a computer system that integrates the National

Directorates of Archive and Civil and Criminal Identification, of the Services Criminal Investigation and Migration and Foreign Services.

e) Need for greater scrutiny of anti-corruption activities within the National Directorate of Registries and Notaries and the Civil and Criminal Identification Archive.
f) Need to amend the Law on Commercial Companies, due to public limited companies, in the domain of bearer shares that make it difficult to identify the partners in these companies.
g) Elimination of irrevocable powers of attorney or approval of a rule that requires their registration with the notary where the company was incorporated.
h) Support the modernization process of the commercial registry and the notary's database, including the digitization of archived information and availability in a database with national coverage that integrates the information from the commercial and notary registry.
i) Ensure that authorities have free access to these platforms.
j) Legislate on the creation of a Central Register of Effective Beneficiaries and the obligation of companies and other entities to communicate to the State the list of natural persons who, at the end of the chain of participation, are their ultimate beneficiaries.
k) Improving law enforcement in the realm of real estate transactions, insofar as the purchase and sale of real estate in private writing is not only a valid transaction, but also an undeclared transaction that does constitute a threat, since it can be, and certainly is, used to launder money.
l) Improve the procedures relating to gaming activity with a possible amendment to Law 34/11, requiring the identification of players/customers from a lower limit than the current one, or for any value, and requiring the existence of a registration of players/ customers.

2.3.4 General Level of Vulnerabilities

67. Given all the above, considering the levels of national vulnerability and national vulnerabilities, the general level of vulnerability to the practice of ML crimes was classified as **MEDIUM-HIGH**.

2.4 Analysis of Sectoral BC Risks

68. Based on the variables of threats and sectoral vulnerabilities exposed above, the following levels of sectoral risks were reached:

INSERT HEAT MAP - SECTOR RISKS

3 Terrorism Financing Risk Analysis

3.1 Analysis of TF threats in the country

69. Regarding the financing of terrorism and considering the matrix referring to the traditional typologies of this threat (anarchist, separatist, revolutionary and Islamist), the assessment corresponding to the highest level of impact depends on the latter type. This assessment is justified by identity, historical and political factors, namely the Judeo-Christian and "Western" references, the historical connection to Al-Andalus and the insertion of our country in international organizations.

70. According to recent assessments, the incidence of international terrorism on Angola does not escape the reality of the situation that currently characterizes most SADC member countries, where there are low levels of terrorist activities, but with increasing levels of terrorist threats.

71. It is noteworthy that there are no records of acts of terrorism in Angolan territory, only the known case of six young Angolans accused of belonging to the Islamic State (EI) and who were carrying out preparatory acts of terrorism. The Public Ministry and the Criminal Police Bodies carried out an investigation and the trial is currently underway.

72. However, there are indicators that point to an increasing level of terrorist threat, namely: Radicalization of Angolan citizens through the internet and social networks;

- Existence of many citizens from areas with a high incidence of terrorist activities;
- There are signs of the creation of financial support infrastructure for the *Al-Shabaab* and *Aqmi* terrorist groups. Currently, many Muslim foreigners leave Angola to send income generated in African countries due to difficulties in obtaining foreign exchange;
- The deficient control of our borders, mainly those in the north and northeast, constitutes a vulnerability, due to their size and the lack of human and technical resources to fully cover it;
- Massive presence of illegal and illegal immigrants from areas considered to be at risk in relation to jihadist terrorism, whose control over them is still deficient;

73. Intervention by commercial agents originating from regions with great influence of jihadist groups and/or terrorist organizations (North Africa, Sahel, West Africa and Middle East), whose suitability is doubtful.

74. The assessment concludes that the incidence of Terrorism does not escape the reality experienced by countries in the region where there are low levels of terrorist activities, but with increasing levels of threats taking into account the vulnerabilities of our land and maritime borders.

3.1.1 General Level of FT Threats

75. Given all the above, the general level of threat to the commission of FT crimes was classified as **MEDIUM-LOW**.

3.2 Analysis of FT Vulnerabilities in the Country

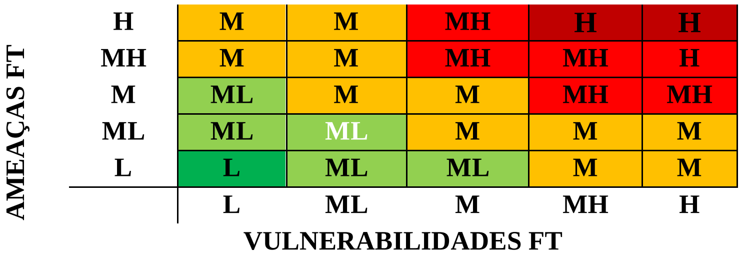
76. On the other hand, several vulnerabilities were identified.

3.2.1 General level of FT Vulnerabilities

77. Given all the above, the general level of vulnerability to FT crimes was classified as **MEDIUM-LOW**.

3.3 GENERAL FT Risk

78. Given all the above and in accordance with all the variables exposed, **based on the global classification of threats and vulnerabilities related to FT crime**, it was found that Angola has **MEDIUM-LOW (ML**) risk of FT.



AMEAÇAS FT

H	**M**	**M**	**MH**	**H**	**H**
MH	**M**	**M**	**MH**	**MH**	**H**
M	**ML**	**M**	**M**	**MH**	**MH**
ML	**ML**	**ML**	**M**	**M**	**M**
L	**L**	**ML**	**ML**	**M**	**M**
	L	**ML**	**M**	**MH**	**H**

VULNERABILIDADES FT