



Mutual Evaluation Report

Anti-Money Laundering and Combating the Financing of Terrorism

October 2012

Republic of Angola

The Republic of Angola is a member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG). This evaluation was conducted by the World Bank and the report was adopted as a 1st mutual evaluation of the Republic of Angola by the ESAAMLG Task Force of Senior Officials on 29 August 2012 and approved by its Council of Ministers on 31 August 2012..

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Republic of Angola

Detailed Assessment Report

on Anti-Money Laundering and

Combating the Financing of Terrorism



Financial Market Integrity
Finance and Private Sector Development
The World Bank

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ABBREVIATIONS AND ACRONYMS

ABANC	Angolan Bankers' Association	ENSA	National Insurance Company of Angola
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism	FATF	Financial Action Task Force
ASE	Angolan Stock Exchange	FI	Financial institution
BAI	Banco Africano de Investimentos	FIU	Financial Intelligence Unit
BANC	Banco Angolano de Negócios e Comércio	FIU/UIF	Financial Intelligence Unit
BCA	Banco Comercial Angolano	FSAP	Financial Sector Assessment Program
BCI	Banco de Comércio e Indústria	FSRB	FATF-style Regional Body
BCP	Basel Core Principles	FT	Financing of terrorism
BDA	Banco de Desenvolvimento de Angola	GUE	Unified Company Registry (Commercial Registry)
BESA	Banco Espírito Santo Angola	IAIS	International Association of Insurance Supervisors
BFA	Banco de Fomento Angola	IFT	International Funds Transfer
BIC	Banco BIC Angola	INH	National Housing Institute
BL	Banking Law	INJ	National Gaming Institute (Casino Supervisory Body)
BNA	Banco Nacional do Angola	ISS	Institute of Insurance Supervision
BNI	Bearer Negotiable Instruments	MEF	Ministry of Economy and Finance
BPA	Banco Privado Atlantico	MIGM	Ministry of Geology and Mines
BPC	Banco de Poupança e Crédito	ML	Money laundering
BSD	Banking Supervision Department,	MLA	Mutual legal assistance
BNA	National Bank of Angola	MoF	Ministry of Finance
BSOL	Banco Sol	MoJ	Ministry of Justice
CC	Criminal Code	MOU	Memorandum of Understanding
CDD	Customer Due Diligence	NBFI	Non-Bank Financial Institution
CPC	Criminal Procedure Code	NPO	Non-profit organization
CSP	Company Service Provider	OIC	Office of the Insurance Commissioner
CTR	Customer Transaction Report	PEP	Politically-Exposed Person
DNAIIE	National Directorate for Inspection and Investigation of Economic Activities	ROSC	Report on Observance of Standards and Codes
DNFBP	Designated Non-Financial Businesses and Professions	SINSE	National Intelligence Service
DNIC	National Directorate for Criminal Investigations	SNA	National Customs Service
DNRN	National Directorate for Registries and Notaries	SRO	Self-regulatory organization
DNM	National Directorate for Mines	STR	Suspicious Transaction Report
DSI	Department for Supervision of Financial Institutions	UN	United Nations
EMIS	Inter-banking Services Company	UNSCSR	United Nations Security Council Resolution
		UTCAH	Technical Unit for Coordination of Humanitarian Assistance

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PREFACE

This assessment of the anti-money laundering (AML) and combating the financing of terrorism (CFT) regime of the Republic of Angola is based on the Forty Recommendations 2003 and the Nine Special Recommendations on Terrorist Financing 2001 of the Financial Action Task Force (FATF), and was prepared using the AML/CFT Assessment Methodology 2004, as updated. The assessment team considered all the materials supplied by the authorities, the information obtained on site during their mission from November 7-21, 2011 and other verifiable information subsequently provided by the authorities. During the mission, the assessment team met with officials and representatives of all relevant government agencies and the private sector. A list of the bodies met is set out in Annex 1 to the detailed assessment report.

The evaluation was conducted by a team of assessors composed of staff of the World Bank (WB) and of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG). The evaluation team consisted of: Ceu Pereira (team leader, senior financial sector specialist, WB), Francisco Cardoso (legal expert, consultant, WB), Maria Celia Ramos (financial expert - financial institutions, consultant, WB), Flavio Menete (law enforcement expert, consultant, WB), Julian Casal (financial expert - DNFBP, consultant, WB), and Joseph Jagada (law enforcement expert, ESAAMLG Secretariat - Observer). The assessors reviewed the institutional framework, the relevant AML/CFT laws, regulations, guidelines and other requirements, and other systems in place to deter and punish money laundering (ML) and the financing of terrorism (FT) through financial institutions and Designated Non-Financial Businesses and Professions (DNFBP). The assessors also examined the capacity, implementation, and effectiveness of all these systems.

This report provides an executive summary of the AML/CFT measures in place in Angola at the time of the mission or shortly thereafter. It describes and analyzes those measures, sets out Angola's levels of compliance with the FATF 40+9 Recommendations (see Table 1) and provides recommendations on how certain aspects of the system could be strengthened (see Table 2). The report was produced by the World Bank as part of the Financial Sector Assessment Program (FSAP) of Angola.

The assessors would like to express their gratitude to the Angolan authorities for their collaboration and support throughout the assessment mission.

EXECUTIVE SUMMARY

Main Findings

1. Recently, Angola has undertaken significant efforts to establish the basic foundations of an AML regime. The legal and regulatory instruments adopted encompass in particular criminalization of ML, confiscation of proceeds of crime, preventive measures for the financial sector and DNFBPs, and suspicious transaction reporting. However, several key components of the system are not in line with international standards, as for example the criminalization of ML, and are not effectively implemented, as is the case for the preventative measures, with the exception of basic CDD. An additional problem is that CDD relies on documentation that is difficult to obtain by the majority of the population, which contributes to keeping a large amount of financial flows outside the financial sector and therefore limits the effectiveness of the preventative regime.

2. As regards the financing of terrorism, the recently enacted legislation fails to criminalize it in line with the FT Convention and competent authorities have not yet issued implementing regulations for the recently adopted Law of Designation (Law 01/12) in order to apply the designation process and the freezing measures provided for in the UNSCRs 1267 and 1373. Mutual legal assistance, extradition and other forms of international cooperation are also very restricted and would benefit from the adoption of general laws on these matters.

3. The key components of the institutional framework for AML/CFT (FIU, law enforcement, prosecution, supervisory bodies) exist in Law but are not fully playing their role. The FIU is not yet fully operational, there is no evidence of investigations or prosecutions, and none of the supervisory authorities are fully enforcing the AML/CFT framework. All actors need more training and enhanced resources to effectively contribute to the AML regime. Fostering domestic coordination and raising awareness is also central to achieving greater impact.

4. The priority in the short run should be given to two main streams in parallel: 1) addressing the main gaps in the legislative and regulatory framework, with respect to compliance with international standards, such as the criminalization of ML/FT, the legal framework for freezing procedures, and 2) ensuring adequate implementation and effectiveness. This second stream would benefit from the issuance of implementing regulations and guidance by the supervisory authorities with regard to the application of the preventative measures by FIs and DNFBPs, and also on the application of the terrorist designation process. It is encouraging that the authorities are already taking steps to address some of the issues identified in the report.

General

5. Angola is the third largest economy in sub-Saharan Africa and one of the fastest growing economies worldwide. Natural resources are abundant (oil, gas, diamonds, other minerals, water resources, agriculture, flora and fauna) but production has concentrated on oil and diamonds - Angola is the second largest oil producer in sub-Saharan Africa, after Nigeria-. In recent years, the Angolan authorities have achieved significant macroeconomic progress and stabilized inflation. However, despite the abundance of natural resources and economic progress, data from 2008 indicated that about 37 percent of the population still lived below the poverty line¹. Angola is yet to fully recover from decades of conflict, which massively destroyed infrastructure and human capital.

6. Significant efforts are on-going to establish the foundations for sustainable financial sector development, including the upgrading of the legal framework, enhancement of its regulatory and supervisory capabilities, and the development of the required financial infrastructure.

7. The financial system is dominated by banks, which represent 99% of total of assets of the financial sector. The banking sector has evolved rapidly in recent years - from 2006 to 2010, the number of commercial banks increased from 16 to 22-, with foreign-owned banks accounting to close to half of the assets, loans, deposits and capital. The insurance industry is at a very early stage of development and capital markets are incipient.

8. The economy remains predominantly cash-based. Despite recent stronger pro-financial inclusion policies and the rapid development of the banking sector, only 13, 5 % of the Angolan population has a bank account - identification requirements to open bank accounts or to send remittances remain an important barrier, particularly for migrants, who mainly use informal channels.

9. Based on the information provided by the authorities and publicly available sources, the assessment team has identified fraud, corruption, car theft, drug and human trafficking, and illicit trade in precious stones and metals as the primary sources of criminal proceeds and sources of money laundering. The team estimates the risk of terrorism financing to be moderate as there is no evidence of terrorist flows moving across Angola.

10. Research undertaken by a number of international organizations, including the World Bank and Transparency International, point to the lack of transparency and good governance, and identify corruption as a pervasive problem in Angola. Angola's vulnerability to money laundering further stems from a cash-based economy, high levels of financial exclusion, a high degree of informality in the real estate sector, the relative ease with which diamonds can be used as a vehicle for transporting illicit funds, and the porousness of the country's borders.

11. Angola's response to the risks of money laundering is recent, and has so far focused on setting up the legal and institutional framework. Implementation has barely started and requires more attention from the authorities, who are at a very early stage of addressing this challenge.

1. More recent data on poverty are not available. Angolan authorities indicated that this figure was 68 percent in 2001.

Legal Systems and Related Institutional Measures

Laws and Regulations

12. The ML offense is criminalized in Law 34/11, in line with all the physical and material elements of the Vienna Convention (1988) and Palermo Convention (2000) and extends to any type of benefit derived from predicate offenses. Law 34/11 provides for an extensive definition of what constitutes property, and the absence of a requirement for a person to be convicted of a predicate offense when proving that property is proceeds of a crime.

13. Angola adopts a threshold approach as Law 34/11 considers predicate offenses to be all unlawful conduct punishable with a prison term of more than 6 months. Several of the serious offences contained in the FATF glossary are not provided for in the Angolan Criminal Code (ACC) and other criminal laws, such as trafficking in human beings, sexual exploitation of adults (what is covered currently is sexual exploitation of children only but the coverage should be for all regardless of age), 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 forgery². Moreover, the definition of corruption and participation in an organized criminal group are not fully in line with the UN Palermo and Merida Conventions.

14. In addition, certain types of ancillary offenses to the offense of ML, such as association and conspiracy, aiding and abetting, facilitating and counseling are not yet offences in Angola³.

15. Liability for money laundering is well-established in Law 34/11 and extends to both natural and legal persons. Proof of intent can be derived from objective factual circumstances.

16. The sanction provided for ML offenses is imprisonment for a period ranging from two to eight years for natural persons and for legal persons fines ranging from USD 100 to USD 5000 per day. It is however unclear how these are applied and to what the number of days refers to. The absence of prosecution and convictions made it difficult for the assessors to determine the proportionality, effectiveness and dissuasiveness of the sanctions.

17. FT is criminalized under Law 34/11. However, the Law only criminalizes the financing of “crimes” committed by individual terrorists or terrorist organizations, and does not cover the conduct of mere financing, under any form, of individual terrorists or terrorist organizations.

18. FT is also considered a predicate offense to ML. However, there is no criminal liability for legal persons committing FT offenses. For natural persons, the FT offense is punished with a term of imprisonment of 5 to 15 years. At the time of the on site visit, there had been no prosecutions.

19. Provisional measures and confiscation related to ML and FT are provided for in Law 34/11, the Angolan Criminal Code and Law no. 22/92. Provisional applications can be made *ex-parte* and cover the property that is derived directly or indirectly from the proceeds of crime on the basis of Law 34/11. The use of provisional measures can be made regardless of whether the

2. Angolan Authorities have informed the assessment team that the Angolan Criminal Code is being revised and that the gaps identified are being addressed in this context.

3. Same as above regarding the revision of the Criminal Law Code

property is held or owned by a criminal defendant or by a third party. However, even taken together, these three statutes do not constitute a comprehensive and coherent seizing, freezing and confiscation legal framework and do not enable Angolan authorities to apply confiscation measures in conformity with the Vienna and Palermo Conventions in particular with regard to the confiscation of instrumentalities intended to be used in the commission of ML/FT offenses or for the confiscation of property of correspondent value. In addition, law enforcement agencies, the FIU and other competent authorities lack the ability to identify and trace property that is, or may become, subject to confiscation or is suspected of being the proceeds of crime. Given the lack of implementation of the legal framework, the assessment team was not satisfied of its effectiveness.

20. Law 01/12 sets up the national designation process and the application of freezing measures provided for in the UNSCRs 1267 and 1373. It provides for procedures to freeze terrorist funds and other assets of persons designated by the United Nations Al-Qaida Sanctions Committee in accordance with S/RES/1267(1999) and in the context of S/RES/1373(2001). Law 01/12 does not have a specific provision that expressly provides for the possibility that a person or entity whose funds or other assets have been frozen can challenge that measure with a view to having it reviewed by a court. Some of the provisions in Law 01/12 need implementing regulations in order to be applicable, notably (1) the national designation process and the publication of Angolan lists of designated persons; (2) the application of freezing and other measures requested by other countries; and (3) the adoption of regulations regarding the freezing procedures, obligating the supervised entities to develop and apply mechanisms that allow for the immediate implementation of the procedures.

21. Law 01/12 grants a 120 days period after the publication of the law (which was 12 of January 2012) for the enactment of these implementing regulations, which are necessary for the actual implementation of Law 01/12. These were not in place as of 21 February 2012. The related provisions of Law 01/12 will therefore not be applicable in practice. In addition, the domestic designation authority has not been appointed, and the lists of designated persons have not been published⁴.

The Financial Intelligence Unit (FIU) and its functions

22. The FIU, called “Unidade de Informacao Financeira” –UIF- was established as an administrative FIU in April 2011 with the functions of :i) receiving, centralizing, analyzing and disseminating information on STRs; ii) promoting cooperation on AML/CFT matters with other relevant authorities, particularly law enforcement, judiciary/prosecution and supervisory bodies; and iii) providing international cooperation with other FIUs. The FIU which at the time of the on site visit had been recently established was not yet properly structured, resourced or staffed in order to effectively implement its core functions. UIF’s Supervisory Committee, which is a body inside UIF composed of high-level individuals⁵, raises concerns with regard to UIF’s operational

⁴ The list was published on the site of the BNA after the cut-off period following the onsite visit.

⁵ The Minister of State responsible for Civil Affairs and Presidency of the Republic, the Minister of Foreign Affairs, the Minister of Interior (who chairs the Committee), the Minister of Finance, the Minister of Justice and the Governor of the BNA

independence, taking into account that its powers are not clearly delimited. So far, UIF's Supervisory Committee has helped to foster national cooperation as it comprises representatives from most of the relevant stakeholders with regard to AML/CFT. As is prescribed in Law 34/11, cooperation between national authorities and UIF with regard to the disclosure of information should be based on MoUs, as required by Decree 35/11. However, such MoUs have not been signed⁶ and in their absence, timely access to law enforcement and financial information may not be granted. UIF has not yet issued guidelines to supervisory authorities, or sought membership to the Egmont group.

Law Enforcement, Prosecution and Other Competent Authorities – The Framework for the Investigation and Prosecution of Offenses, and for Confiscation and Freezing

23. Two special Departments of the Angolan National Police (ANP) - DNIIAE (National Directorate for Inspection and Investigation of Economic Activities) and DNIC (National Directorate for Criminal Investigations) are the Law Enforcement Agencies (LEA) with a mandate to investigate ML and FT in Angola. Both entities also investigate a broad range of crimes (most of which are predicate offenses to ML/FT), which is their original and primary mandate. LEA is not yet fully equipped in order to function effectively in the fight against ML/FT. They lack sufficient skills and expertise. They have considered, but are not yet equipped to utilize a broad range of special investigative techniques, such as the possibility to postpone or waive the arrest of suspected persons and/or the seizure of the money, for the purpose of identifying persons involved in such activities, or use wiretapping and telephone interception. So far, there have been no investigations on ML or FT and therefore the assessment team is not satisfied as to the effectiveness of LEA with regard to the fight against ML/FT.

24. Despite requests by the assessment team to the national authorities to organize a meeting with judges and other members of the Judiciary, this was not possible during the on-site visit. The authorities did not provide any information about the organization and functioning of the Judiciary in relation to AML/CFT issues.

Cross-Border Declaration or Disclosure

25. Angola's extensive and porous border is the primary challenge for the effective implementation of cash controls. Until recently, BNA Notice 1/2006 established the obligation to report physical cross-border transportation of cash above USD 15, 000. The amounts exceeding the established threshold, when not reported, are seized. However BNA Notice 1/2006 did not establish similar obligations for bearer negotiable instruments. A new Notice approved in January 2012 introduces a new declaration system based on a declaration form and lowers the threshold for declaration with regard to non-residents and children (both resident and non-resident) to USD 10 000 and USD 5000, respectively. This new regime is an improvement, as it will allow better control at borders, better collection of information, namely on the origin of the funds and beneficial ownership, and facilitates the process of collecting the data. However, it still

6. The Angolan authorities have indicated that several MoUs are being negotiated and will soon be signed.

does not cover bearer negotiable instruments – it should nevertheless be noted that bearer negotiable instruments are hardly used in Angola. In practice the assessment team was not satisfied as to the effectiveness of the current system, which relied on Notice 01/2006, as supported by the rather low amounts of seized currency.

Preventative Measures—Financial Institutions

26. The core AML/CFT preventative measures are set out in law in Angola – initially in the first AML/CFT law of 2010 (Law 12/10) -, which was repealed by Law 34/11. As Law 34/11 was enacted soon after the on-site mission and within the accepted period, the assessment team built its assessment of the legal regime on the basis of the new Law. Following enactment of Law 12/10, an implementing regulation was issued for the banking sector only (Notice No. 1/2011). The Notice further specifies Law 12/10 and is meant to assist subject entities with its implementation. The team recommends that the authorities adopt new implementing regulations in accordance with Law 34/11. As far as implementation and effectiveness are concerned, the assessment team took into account the situation prevailing under Law 12/10 and Notice 01/2011 to inform its conclusions. Despite the fact that the Notice has helped FIs to implement Law 12/10, by further specifying its obligations, important gaps remain with regard to implementation, and consequently effectiveness.

27. Financial institutions covered by Law 34/11 (so-called “subject entities”) include all categories of financial institutions included in the FATF glossary. Amongst FIs defined in the Financial Institutions Law, currently, only banks, microfinance companies, exchange offices, money transfer companies and companies operating payment systems, as well as insurance and pension funds companies operate in Angola.

28. The CDD process applicable to FIs is provided in Law 34/11. According to that Law, designated entities are prohibited from establishing a business relationship or concluding a single transaction with a customer before establishing and verifying the customer’s identity, and the identity of any person acting on behalf of the customer or on whose behalf the customer is acting. Law 34/11 also includes requirements to identify or verify the identity of beneficial owners, to understand the ownership and control structure of a customer, and to obtain information on the purpose of the business relationship. Law 34/11 also establishes the obligation to conduct on-going due diligence, simplified or enhanced due diligence for higher or lower risk categories of customers, business relationships or transactions, including politically exposed persons (PEPs), cross border correspondent banking relationships, non face to face business relationships, relationships with NPOs or private banking. Law 34/11 establishes the obligation for designated entities to keep records of information pertaining to customer identification and transactions whenever they establish a business relationship or conclude any transaction. This obligation applies for ten years, which is more than the 5 years minimum established by FATF standards, but does not give flexibility to competent authorities to request a longer period.

29. It is the view of the assessment team that initial process of due diligence, even if applied in general by a majority of banking institutions, has two major shortcomings in terms of effectiveness: 1) the CDD process rests on documentation which is difficult to obtain for the majority of the population, therefore keeping it out of the formal sector and 2) obligations related to the identification of beneficial ownership or of a trust constituted according to foreign law do not seem to be applied in practice. As regards the on-going process of due diligence (including

simplified and enhanced due diligence), the assessment team is not satisfied that these obligations are being implemented either, as a majority of banks met during the on-site visit did not even seem to understand how to do it. In addition, with regard to the definition of those lower risk and higher-risk categories of customers, the assessment team is not satisfied that public entities and postal services should be considered low risk. With regard to the records to be kept by FIs, Law 34/11 does not specify that those should be readily available to the relevant competent authorities. Overall, the assessment of the team is that many important obligations in Law 34/11 and Notice 1/2011 are not being implemented or enforced, and the regime is currently not effective.

30. Financial secrecy provisions do not inhibit implementation of the FATF standards with regard to the BNA, the ISS, and the CMC.

31. Obligations with regard to wire transfers are contained in Law 34/11 and are consistent with SR VII but the assessment team is not satisfied that these are being implemented or enforced.

32. Article 10 of Law 34/11 also requires enhanced CDD with regard to unusual or complex transactions, and transactions with no apparent economic justification or visible lawful purpose, but in practice, this is not being implemented. However, there is no explicit provision for reporting entities to examine transactions with countries that do not sufficiently apply FATF Recommendations.

33. All subject entities are required by Law 34/11 to immediately report to UIF suspicious transactions which could relate to a ML/FT crime or any other crime. The obligation to report transactions to the FIU also applies to all occasional transactions above the threshold of USD 15 000. It should be noted, with respect to the reporting obligations under Law 34/11, that as explained in paragraph 13, several of the serious offences contained in the FATF glossary are not provided for in the Angolan Criminal Code (ACC) and other criminal laws, which automatically restricts the scope of the reporting obligation. Tipping-off is prohibited by Law 34/11 and sanctions are provided. The overall number of STRs received so far by the FIU –over a period of two years of reporting obligations and less than one year existence of the FIU is very low (7), and only centered in the banking sector. The assessment team views the level of reporting as excessively low given the ML risks in Angola.

34. Law 34/11 also requires that designated entities have in place systems, policies and procedures on risk management, audit and internal control, to ensure compliance with AML/CFT provisions. With regard to effectiveness and implementation, Notice 1/2011 further specifies the equivalent obligation in Law 12/10 with respect to banking institutions, by requiring such programs to include a compliance officer, a training program to raise awareness on ML/FT, and recruitment procedures which require high standards of integrity and specialized skills with regard to AML/CFT. Based on the sample of financial institutions met during the on-site visit, even though most of them have appointed a compliance officer, the assessment team is of the view that a majority of them is not complying with the requirements.

35. The existence of shell banks is expressly prohibited by Law 34/11. Financial institutions are also prohibited from establishing correspondent relationships with shell banks and are required to avoid establishing correspondent relationships with banks that are publicly recognized as maintaining relations with shell banks.

36. Institutions in the financial sector are supervised by the BNA, the ISS, and the CMC. All supervisory authorities have regulatory and oversight powers and can apply sanctions for the breach of legal provisions on ML/FT. The sanctions provided for in Law 34/11 consist of penalties ranging from US\$25,000 to US\$2,500,000 for legal entities, and also ancillary sanctions applicable to natural persons, ranging from warnings to the prohibition of the exercise of functions in the FI. Taking into account the fact that no sanctioning procedures have been initiated and no sanctions have been applied so far, the assessment team could not conclude on the proportionality, effectiveness and dissuasiveness of the sanctions, despite the fact that the sanctions provided in the Law appear to be adequate. As noted above, only the BNA has issued implementing regulations on ML/FT prevention, thereby helping banking FIs to comply with their obligations. However, the BNA, CMC⁷ and ISS are not adequately supervising implementation of AML/CFT obligations, one of the reasons being the on-going process of enacting new laws which has shifted the focus away from implementation.

37. Money or value transfer services are regulated by the Foreign Exchange Law (Law no. 05/97), the Payment System Law (Law no. 5/05), Law 34/11 and Notices 01/ 2002 and 03/2011. The conditions for licensing of these institutions are similar to banking financial institutions, which are prohibitive to the development of the formal remittances market and not always justified from a risk mitigation perspective. In particular, the initial capital for money or value transfer services is very high – about USD 250 000 (this is 5 times the amount required in the European Union). In addition, the stringent identification requirements for non-residents under notice 03/2011 are also preventing most migrants from using formal channels. As a result, there is only one money remittance company registered in Angola. Most remittances are done through informal channels or via banks, which have established partnerships with global money transfer operators. As it is estimated that the informal channels are predominant (even though the assessment team was not provided with relevant statistics) the assessment team considers that there is no implementation or enforcement, and therefore no effectiveness. It is the view of the assessment team that the Angolan authorities are not conscious about the extent of the problem; no actions have been undertaken to mitigate it.

38. The difficult access of a significant part of the population, including migrants, to formal banking services, because of absence of ID documentation and other factors, is a concern. In this respect, the authorities should adopt a pro-active stance, and apply a risk-based and proportionate approach. Where justified by risk assessment, consideration should be given to easing the CDD requirements for certain types of transactions.

Preventative Measures—Designated Non-Financial Businesses and Professions

39. The DNFBPs operating in Angola include casinos, real estate agents, contractors selling their own real estate, dealers in precious metals and stones, dealers in high value goods, operators awarding betting or lottery prizes, lawyers, notaries, accountants, auditors, and trust and company service providers. This list covers all the categories provided in the FATF Glossary and adds the operators awarding betting or lottery prizes and dealers in high value goods because of potential high risk of ML. DNFBPs are subject to the same requirements of Law 34/11,

7. CMC is however not yet fully operational and the securities market is incipient in Angola.

including CDD record-keeping requirements and STR filings, as financial institutions. In addition, due to the heterogeneity of DNFBPs and the specificity of the activity of some of them, there are specific provisions which are only applicable to DNFBPs, such as those related to the identification procedures in casinos, or to the operators awarding betting or lottery prizes.

40. All DNFBPs are supervised by a specific authority. However, most of the appointed authorities do not have adequate resources to perform their functions and are not even aware of their AML/CFT obligations. None of these authorities has issued any implementing regulations for Law 34/11 or guidelines to help DNFBPs to comply with their AML/CFT obligations and have failed to raise awareness with the entities with respect to their obligations in the field of AML/CFT. These authorities have the power to apply the same sanctions as for FIs according to Law 34/11, but their lack of resources has prevented them from undertaking their obligations. As a consequence, the assessment team is not satisfied of the effectiveness of the system as no implementation is taking place.

41. Some of these sectors, e.g. the diamonds industry and real estate are at high risk of being used for ML/ FT purposes, due to weak supervision and lack of registration of a high proportion of the properties. The absence of effectiveness and implementation of the AML/CFT preventive framework in these sectors is therefore of major concern.

Legal Persons and Arrangements & Non-Profit Organizations

Legal Persons and Arrangements

42. Law 12/05 provides for three types of legal persons: associations, foundations and companies. The process for registration of these entities with the Ministry of Justice or at commercial registries is well established, but the information recorded in the registers only relates to the shareholders, the type, quantity and distribution of shares, sector of activity and exercise of control of legal persons and is insufficient to allow for the clear identification of the beneficial ownership on the ownership, or who exerts control over the asset(s).

43. Law 34/11 provides that competent authorities can have full access to the registries of legal persons. However, according to the same Law, the manner in which the national competent authorities will have full access to such information is still to be implemented by means of MoUs, including for requests from foreign competent authorities, which has not been done yet. This results in access not being effective; in practice, access is cumbersome as the records are maintained manually.

44. The Angolan legislation does not foresee the creation of legal arrangements, but these are not prohibited by law and legal arrangements created abroad can de facto operate in Angola. The problem is that competent authorities do not have the capacity to access in a timely fashion adequate, accurate and updated information on the beneficial ownership and control of legal arrangements.

Non-Profit Organizations

45. In Angola, there are three types of non-profit organizations: associations constituted as Non-Governmental Organizations (NGOs); associations constituted as religious organizations; and foundations. According to the authorities, there are currently 307 associations and 13 foundations operating in Angola. Of the associations, a large majority is constituted by foreign and domestic NGOs, which collectively managed approximately USD 177 million in 2010. The Angolan authorities have not yet reviewed the adequacy of existing laws and regulations relating to NPOs with regard to the risk of abuse for FT and have performed no assessment of the non-profit sector for the purpose of identifying NPOs at risk for terrorist financing.

46. Amongst the different types of NPOs, NGOs are the only category for which there is an oversight authority, which is UTCAH (Technical Unit for the Coordination of Humanitarian Assistance). However, even though UTCAH has a mandate to oversee NGOs, this mandate does not include oversight for AML/CFT purposes. In addition, UTCAH does not have the resources to update or verify the accuracy of information it maintains on the purpose and objectives of NPO's stated activities and the identity of the persons who own, control or direct their activities. Such information is also not accessible to other competent authorities, as there are currently no MoUs between the relevant authorities in order to ensure effective cooperation and information sharing for NPOs of potential FT concern.

National and International Co-operation

National Cooperation and Coordination

47. Specific legal obligations supporting the cooperation of national competent authorities and other public bodies in the field of AML/CFT are contained in Law 34/11 and in Decree 35/1, which requires that these should be governed by MoUs. However, in practice, as no MoUs have been signed yet⁸, most of the national cooperation on AML/CFT matters has taken place informally in the framework of the Supervisory Committee of UIF and the related task-force. This has helped to create awareness about AML/CFT, but mainly among the participants in the task-force, which does not extend to all relevant authorities. There are also no MoUs on AML/CFT matters signed between the BNA, ISS and CMC. The absence of MoUs is a major obstacle to the effective and timely sharing of information between the various competent authorities, in particular UIF.

UN Conventions and UNSCRs

48. Angola has ratified the 1988 United Nations (UN) Convention on Illicit Drugs and Psychotropic Substances (Vienna Convention) through Resolution 19/99 (July 30th) and UN Convention against Transnational Organized Crime (Palermo Convention), as well as its Additional Protocols through Resolution 21/10 (June 22nd). Angola has also ratified the UN

8. The Angolan authorities have informed the assessment team that MoUs are in preparation between UIF and several competent authorities.

Convention for the Suppression of the Financing of Terrorism (FT Convention) and its annexes, through Resolution 38/10 (December 17th). However, Angola has not yet implemented measures to fully give effect to all the terms of the UN Vienna and Palermo Conventions and the FT convention, as described in sections 13, 14, 17 and 18 of this Executive Summary.

Mutual Legal Assistance

49. There is no specific Law on mutual legal assistance in Angola. With regard to ML/FT offenses, Law 34/11 contains provisions on the application of mutual legal assistance, which are however restricted to the exchange of information and can only be lawfully used in the case of the existence of bilateral or multilateral agreements. This limits the range of assistance to a reduced number of countries (currently CPLP (*Comunidade de Pais de Lingua Portuguesa*), SADC (*South African Development Community*), Portugal and Zambia and to just one specific form of mutual legal assistance – exchange of information. Law 34/11 provides for MLA not to be unduly restrained or subjected to disproportionate conditions and for MLA requests not to be refused on the sole grounds that the offence is also considered to involve fiscal matters (this latter condition is not complied with in all agreements, e.g. Portugal) or on the grounds of laws that impose secrecy or confidentiality requirements to the competent national authorities. However, there are no provisions in the Law as regards determination of 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.

50. Due to the absence of statistics on MLA requests received, their nature, the time taken to attend to them and the number accepted to or refused, the assessment team could not evaluate if the assistance is provided in a timely, constructive and effective manner.

Extradition

51. There is no specific law providing for extradition in Angola. Extraditions related to ML and FT offenses need to follow the rules provided in the agreements signed by Angola, which limits the range of assistance. There is no provision for specific co-operation mechanisms on extradition or 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. There are no provisions that foresee that extradition requests and proceedings relating to ML shall be handled without undue delay.

Other forms of international cooperation

52. According to Law 34/11, national competent authorities should cooperate with their counterparts in foreign countries on the prevention and combating of money laundering and the financing of terrorism. In practice, the range of other forms of international cooperation with foreign counterparts varies, depending on the nature of the competent authority, but still seems to be limited. As regards UIF, the obligation to cooperate with foreign counterparts is specifically provided in Decree 35/11, which requires that MoUs be signed for this cooperation to take place.

So far, MoUs have been signed between UIF and the FIUs of Namibia and South Africa. With regard to LEA, Angola is signatory to the Southern African Region Police Chiefs Coordinating Committee (SARPCCO⁹) Agreement in respect of Cooperation and Mutual Assistance in the Field of the Combating of Crime, which has effective co-coordinating mechanisms for preventing and combating crime, including ML. As regards the BNA and the ISS¹⁰, despite the fact that the exchange of information related to AML/CFT is possible under Law 34/11, it requires the conclusion of MoUs with the relevant authorities, which has not happened yet. On the other hand, BNA is a member of the SADC Committee of Central Bank Governors and Angola is signatory of CISNA MMOU. SNA is a member of the World Customs Organization and the Supervisory Authority of Insurances is a member of ASEL.

Other Issues

53. Overall, the authorities have not performed a review of the effectiveness of their AML/CFT system. Comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing have not been collected by the relevant competent authorities.

54. The capacity of the authorities to effectively implement the provisions of Law 34/11 faces significant challenges in some sectors. There is a need for allocation of more resources to oversee sectors such as gaming, insurance, real estate, trade in diamonds and precious stones and for personnel with targeted technical skills related to AML/CFT in LEA, UIF and BNA.

9. The members of SARPCCO are the following: Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

10. CMC still has secrecy provisions which inhibit the exchange of information with other authorities. CMC is not yet a fully-functioning body as there is currently no capital market in Angola.

Recommendations

55. Against this overall background and in light of the weaknesses in the AML/CFT regime identified below, the assessment team recommends that the Angolan Authorities should, as a matter of priority, implement the following actions:

Actions	Timeline
Formulate an AML/CFT national strategy involving all relevant stakeholders in order to deal with ML/TF risks and vulnerabilities specific to the country, in particular the risks related to financial exclusion and informality;	Short/medium term
Urgently step up the implementation of the existing AML/CFT regime and fully utilize the instruments for international cooperation (formal and informal) to capture the international dimension of ML/ FT crimes;	Short term/ medium term
Strengthen the legal framework to ensure comprehensive criminalization of ML and FT, as well as the related ancillary offences; adopt the new Angolan Criminal Code; issue implementing regulations for Law 01/12 (Designation Law) with a view to real implementation of the FT designation system; and revise Decree 35/11 to strengthen the FIU; revise current implementing regulations for the banking sector (Notice 01/2011), in order to ensure full consistency with Law 34/11. Issue implementing regulations for non-bank financial institutions, DNFBPs and the insurance and pension funds sectors.	Short/medium term
Ensure the effective application of preventive measures in the financial sector and by DNFBPs. Such stepped up awareness raising, training and enforcement should focus as a matter of priority on banks, non-banking financial institutions such as currency exchanges and money remitters and the most vulnerable DNFBPs (such as real estate agents and dealers in precious stones).	Short term
Make the FIU a fully-functional operational and autonomous body;	Short term
Actively prosecute ML and FT cases and in order to do so, formulate a criminal justice strategy that calls for the investigation and prosecution of ML/FT offenses in parallel to the investigation and prosecution of predicate offenses;	Short/medium term
Enhance national cooperation mechanisms by the conclusion of MoUs between the different competent authorities;	Short / medium term

CHAPTER 1. GENERAL

1.1 General Information on Angola

Geography and Demography

1.1 Angola is the third largest country in sub-Saharan Africa covering approximately 1.25 million square kilometers and is the largest Portuguese speaking country in Africa. Angola is located on the west coast of southern Africa and has a 5,198 kilometer border with its neighbors, which include the Democratic Republic of the Congo (2,511 kilometer border), the Republic of the Congo (201 kilometer border), Namibia (1,376 kilometer border), and Zambia (1,110 kilometer border).

1.2 Angola is divided administratively into 18 provinces (Bengo, Benguela, Bié, Cabinda, Cuando Cubango, Cuanza Norte, Cuanza Sul, Cunene, Huambo, Huila, Luanda, Luanda Norte, Luanda Sul, Malanje, Moxico, Namibe, Uíge, and Zaire), which are in turn subdivided into municipalities and communes. Luanda is the capital of Angola. Smaller cities of note include Lubango, Huambo, Benguela and Lobito.

1.3 The population of Angola is estimated to be about 18.5 million inhabitants with an annual growth rate of 2.9 percent. The population density is approximately 14.8 inhabitants per square kilometer and the government estimates that approximately 57 percent of the population lives in urban areas and 33 percent live in the capital.

1.4 The official language in Angola is Portuguese. There are a number of regional dialects of which the most spoken are Umbundu, Quimbundo, and Quicongo. The literacy rate is 77 percent. The 2011 UN Human Development Index ranks Angola 148 of 187 countries, below Kenya but above Tanzania and Nigeria.

Economy

1.5 The Angolan economy is the third largest in sub-Saharan Africa and one of the fastest growing economies worldwide. Since the end of its 27-year civil war in 2002, Angola has achieved high levels of economic growth and significant macroeconomic progress. The economy grew at an average annual growth rate of 15 percent between 2003 and 2008 fueled by oil revenues and high levels of government spending on reconstruction and infrastructure programs. Projections by the IMF indicate that Angola's real gross domestic product (GDP) grew by 3.7 percent in 2011 and is projected to grow by 10.8 percent in 2012 due to high growth in the non-oil sector.¹¹ Inflation is high, but stable, at 13 percent year on year.

1.6 Angola's currency is the Kwanza (AOA) with an official exchange rate of 95.1 kwanzas per U.S. dollar as of January 30, 2012. The exchange rate has been broadly stable since 2010 when the BNA returned from a foreign exchange rationing system, used in the aftermath of the international financial and economic crisis, to an auctioning approach whereby banks can bid for foreign exchange quantities according to a pre-defined calendar. Given that the exchange rate is established by market auctions, there is little appreciable difference between the official and market rates.

1.7 Angola's economy is dominated primarily by oil production. The oil industry represents 45.9 percent of Angola's GDP, 75 percent of government revenue, and more than 90 percent of exports earnings. Angola is the second largest oil producer in Sub-Saharan

11. IMF Staff Report, December 8, 2011

Africa after Nigeria. The second most important economic activity in Angola is the diamond mining industry. Although this industry is smaller (diamonds industry accounts for 1 percent of GDP) it represents an important source of income for local communities in mining areas. The oil and diamond sectors create few linkages with the rest of the economy and are not particularly labor intensive. Most of the population relies on agriculture (including subsistence), manufacturing and services.

Contribution to the Economy by Sector (in percent of GDP)

	2006	2007	2008	2009	2010
Agriculture	7.3	7.7	6.6	10.2	9.9
Fisheries and derivatives	0.3	0.3	0.2	0.2	0.2
Oil	55.7	55.8	57.9	45.6	45.9
Diamonds and other extractive industries	2.3	1.8	1.1	0.9	1
Manufacturing	4.8	5.3	4.9	6.2	6.3
Energy	0.1	0.1	0.1	0.1	0.1
Construction	4.3	4.9	5.2	7.7	8.1
Merchant Services	16.8	16.9	17.9	21.2	21
Other	8.3	7.2	6.1	7.8	7.4
Total	100	100	100	100	100

Source: Ministry of Planning, Government of Angola.

1.8 Angola's main exports are petroleum products, diamonds, and other products derived from mining. Imports consist mainly of machine parts and equipment, transportation equipment, and agricultural foodstuffs. Angola's main trading partners are Portugal, China, Brazil, France, Italy, India, South Africa and the United States.

1.9 Despite the abundance of natural resources and high growth rates, Angola continues to suffer from the consequences of decades of civil war and the lack of investments in infrastructure. Access to basic services such as safe water, sanitation, electricity, education, and health services are still at very low levels, which is impacting negatively on both the quality of life of the people and the revamp of almost all economic activities. About 37 percent of the population lives below the poverty line according to the 2010 Household Expenditure Survey (known as the Inquérito do Bem Estar da População - IBEP).¹²

1.10 The vestiges of a planned economy, such as the nationalization of all private land (now reversed) that followed independence, eroded the property rights systems. Notably, the still deficient registries for property and movable goods are serious constraints and perpetuate the high level of informality.

1.11 A sharp drop in oil prices following the 2008 financial crisis destabilized public finances and the balance of payments leading the government to cut spending and default on arrears to domestic suppliers. Supported by a loan from the IMF, the authorities initiated a series of measures in late-2009 to stabilize the economy. Due to these measures and the recovery in international oil prices, Angola has moved to a fiscal surplus of 8 percent of GDP in 2011.

1.12 The Angolan financial sector was impacted from the financial crisis and is still fragile. The financial system has evolved rapidly in recent years, albeit from a low base, and the Angolan authorities are making significant efforts to establish the foundations for sustainable

12. World Bank: Angola Country Brief, accessed January 30, 2012.

financial sector development. However, important vulnerabilities remain that threaten financial stability, especially in the context of an uncertain global economy.

Government and Political System

1.13 Angola is constituted as a Republic with multi-party presidential regime and a multi-party legislature, known as the National Assembly. Every Angolan citizen of legal age has the right to elect their representatives to the National Assembly in secret and periodic ballots.

1.14 Under the January 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.

1.15 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 National Assembly also approves the national budget, sets and modifies the political-administrative division of the country; comments on the possibility of a declaration of war or peace by the President; approves ratification and accession to treaties, conventions, agreements and other international instruments as well as treaties involving international organizations.

1.16 Legislative elections in 2008 (the first in 16 years) resulted in a solid parliamentary majority (191 of 220 seats) for the ruling Movimento Popular de Libertação de Angola (MPLA). The main opposition party is the União Nacional para a Independência Total de Angola (UNITA). Elections are next scheduled for 2012.

Legal and Judicial Systems

1.17 Angola is a civil law jurisdiction. 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.

1.18 The Constitutional Court administers judicial matters of a constitutional nature. The powers of the Constitutional Court are to: assess the constitutionality of laws and acts; exercise jurisdiction over electoral and political disputes; and to consider appeals to rulings of other national courts on constitutional grounds. The Supreme Court has the power to supersede rulings made at lower levels of jurisdiction. The composition, organization, powers and operation of the Supreme Court are established by law. The Audit Court is the supreme judicial review of public finances and accounts. The Supreme Military Court is the highest jurisdiction for judicial matters pertaining to the armed forces.

1.19 The Attorney General's Office represents the State in judicial matters, particularly in the prosecution or defense of the rights of individuals or legal defense of the legality of the State in the exercise of its functions. The Attorney General's Office is administratively and financially autonomous under the law. The Attorney General's Office has representatives in most law enforcement agencies, including the specialized units of the police dealing with economic or narcotics crimes (DNIIE and the DNIC at the national level) and at the provincial level and, according to the authorities, at all border entry and exit points.

1.20 The Ombudsman is an independent public body that safeguards the rights, freedoms and guarantees of citizens. Citizens and legal persons may submit to the Ombudsman complaints concerning acts or omissions by public authorities and can make recommendations to the competent authorities concerning the necessary measures to prevent and remedy injustices.

Laws and Regulations

1.21 The legislative process in Angola consists of National Assembly members, Parliamentary Groups or specialized institutions within the Executive Branch (e.g. the BNA for the AML/CFT law) put forward draft legislation for the National Assembly to approve by a simple majority (except if otherwise provided for in the Constitution). The President promulgates laws approved by the Assembly and signs Presidential Decrees.

1.22 Angola has a relatively recent legal framework to deal with AML/CFT. The first AML/CFT Law, Law 12/10, was adopted in 2010. Due to a number of deficiencies and due to the fact that it was not in conformity with the international Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) standards, Law 12/10 was revised. The new AML/CFT Law (Law 34/11) entered into force on December 12, 2011 and replaced Law 12/10. The obligations of Law 12/10 were further specified in Notice 01/2011 of the BNA. The assessment team considered Law 12/10 and Notice No 01/2011 as the basis of their assessment of effectiveness and implementation, as both legal acts were in force at the time of the on-site visit. Taking into account the coming into force of Law 34/11, which is broader than Law 12/10, the assessment team recommends that the BNA adopts new implementing regulations, applicable to both banking and non-banking institutions and also the DNFBP sector. It should be noted that the BNA has adopted two new Notices on 25 April 2012 for banking and non-banking financial institutions¹³, after the assessment period.

1.23 As the current AML/CFT Law (Law 34/11) was not published or in force until three weeks after the end of the on-site visit, which concluded on November 21, 2011, the team conducted a technical assessment of the new law and an analysis of implementation and effectiveness based on law 12/10 and Notice 01/2011. The assessment team noted that the transition process from the old Law to the new Law (which was triggered by the important deficiencies of the old Law), and the general knowledge that the old Law was being revised may have contributed to an insufficient application of Law 12/10.

1.24 Other laws of relevance with regard to the legal framework for AML/CFT in Angola include the Designation Law (Law 01/12), which deals with administrative freezing procedures, Decree 35/11, which mainly regulates the activities of the FIU and national cooperation issues, the Financial Institutions Law (Law 13/05), the Foreign Exchange Law (Law 5/97), and Notice 01/2006 of the BNA. Both the Angolan Criminal Code and the

¹³ Notices 21/12 and 22/12 of 25 April 2012.

Angolan Criminal Procedures Code are relevant as some of the measures provided in Law 34/11 are dependent on the general rules established in those codes, notably the definition of crimes. These codes are currently being revised.

Structural Elements for Ensuring an Effective Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) System

Transparency, Good Governance and Corruption

1.25 Research undertaken by a number of international organizations, including the World Bank and Transparency International indicates that lack of transparency and good governance, as well as corruption, is a pervasive problem in Angola. Transparency International's 2010 Corruption Perceptions Index ranks Angola 168 out of 178 countries, which gives an indication that corruption is a serious concern. The World Bank's Worldwide Governance Indicators show that, over the last three years, no measurable improvement has been achieved in the areas of "voice and accountability," "control of corruption" and "rule of law".¹⁴ In the 2010 "control of corruption" indicator, Angola placed in the lowest decile below Nigeria, Cote d'Ivoire, and Sudan but above the Democratic Republic of Congo and Zimbabwe.¹⁵ The indicator on "control of corruption" has deteriorated since 2006 reaching its lowest level in 15 years of tracking in 2009.

1.26 Corruption is also considered a significant bottleneck by firms operating in Angola. According to the World Bank's Investment Climate Assessment for Angola, close to 40 percent of large firms report informal payments or gifts to be common "to get things done."¹⁶ Corruption is also problematic within the court system as almost 90 percent of respondent firms claimed that they believed it to be unfair, partial, and corrupted. Only 23 percent of firms agree with the statement that laws are consistently and predictably interpreted.¹⁷ The assessment team made several requests to the authorities to meet with members of the judiciary to discuss this issue, among others. However, this request was not granted.

1.27 Angola has not joined the Extractive Industries Transparency Initiative (EITI), which promotes publication of oil revenue figures and disclosure of payments made by companies.¹⁸

Anti-Corruption Measures

1.28 Angola has taken steps to combat corruption and improve governance in the country since President Jose Eduardo dos Santos called for greater transparency in the management of public funds and indicated a "zero tolerance" approach towards corruption in 2009. The Government of Angola signed the African Union Convention on Preventing and Combating

14. World Bank Worldwide Governance Indicators, see: <http://info.worldbank.org/governance/wgi/index.asp> (last accessed: December 2011).

15. Angola received a governance score of negative 1.25 (with negative 2.5 being the worst and positive 2.5 being the best) in the "rule of law" category and negative 1.33 in the "control of corruption" category in the 2010 World Bank Governance Indicators.

¹⁶. As detailed in Section 2, or gifts are not considered to be a crime under Angolan law.

17. World Bank, Investment Climate Report, 2007.

18. The World Bank is providing technical assistance to the Angolans regarding the measures they must adopt in order to join the EITI.

Corruption in 2006 through Resolution 27/06, which aims to promote and strengthen the development of mechanisms to prevent, detect and eradicate corruption and related offenses in public and private sectors. Angola has also ratified the UN Convention Against Corruption in 2006 (Resolution 20/06) and the UN Convention Against Transnational Organized Crime (the Palermo Convention) in 2010 (Resolution 21/10).

1.29 Angola has ratified the Southern African Development Community Protocol Against Corruption through Resolution 38/05, which aims to promote and enhance the development of mechanisms to prevent, detect, punish and eradicate corruption in public and private sectors, such as billing systems and supervision of state revenues to discourage corruption, protection systems of individuals who, in good faith, denounce acts of corruption.

1.30 Corruption in the public sector is proscribed by the Public Probity Law (Law No. 3/10), which establishes criminal penalties for using public goods for private gains and for accepting bribes and kickbacks by civil servants. The law systematizes the duties, responsibilities and obligations of civil servants, prohibiting the receipt of offers (Article 18) and criminalizing malfeasance by public officials (Article 33), unjust enrichment (see Article 37), use of force against the public (see Article 38) and abuse of power (see Article 39).

1.31 The Public Probity Law also obliges all government officials to declare their assets, including revenues, bonds and shares or any other kind of property and valuables, domestic or abroad and covers elected and nominated public officers, managers of public property, senior officers of the armed forces, national police, and public institutions, as well as judges, and other public officials. However, implementation of the asset disclosure provision is uneven.

1.32 Angola does not have a functional anti-corruption body with a mandate to investigate corruption cases. As regards prosecution, according to information provided during the onsite visit there is a specialized group of prosecutors dealing with serious crimes, including corruption. Despite requests to the authorities the team was not able to meet with this specialized group of prosecutors. The Angolan authorities did not provide any information about any cases prosecuted.

1.33 Despite the existence of the crimes provided in the Angolan Criminal Code and in the Crimes Against the Economy Law (Law 6/99) and the Public Probity Law (Law 3/10), the Angolan legislation does not conform to the UN Convention Against Corruption (UNCAC) standards because it does not cover all criminal behaviors that define the types of corruption according to the convention.

1.2 General Situation of Money Laundering and Financing of Terrorism

Corruption

1.34 Given the high degree of concern that international observers assign to the potential for corruption in Angola, it is the assessment team's view that there exists a high risk of money laundering from proceeds of domestic corruption.

1.35 The capacity of the judiciary to independently investigate and prosecute public corruption could not be determined during the on-site visit as several requests to meet with judges or prosecutors specialized in corruption cases were not granted by the authorities.

Diamond Smuggling

1.36 The diamond industry in Angola is under the management of the state-owned company, Endiama, the fifth largest diamond producer in the world.¹⁹ All exploration and production contracts must be approved by the Council of Ministers and the Ministry of Geology and Mines, although there are provisions for artisanal diamond production. Illicit trade in diamonds occurs through cross-border smuggling operations with the Democratic Republic of Congo, according to the authorities. The national police estimate that the value of diamond smuggling out of Angola in 2011 was equivalent to USD 1.2 million, but outside sources believe the real figure is much higher.

1.37 Angola has taken steps to guard against the introduction of illicit diamonds in the diamond industry by participating in the Kimberley Process Certification Scheme, an industry-wide effort to prevent commerce in rough diamonds by insurgent groups. However, through the method of "mixing parcels" of licit and illicit diamonds, the Kimberly certification process can be compromised. According to media reports, a Kimberly Process report produced by a team of peer-reviewers during an on-site visit faulted Angola for failing to present a plan to better document the output of artisanal miners.²⁰

1.38 Given that Angola is now "conflict-free", there is a risk that money launderers may use Angola as a safe haven for their illicit diamonds. There are control measures on cross-border transportation of diamonds but it is difficult to ascertain if they are effective and statistics on the amount of diamonds being smuggled into and out of Angola are difficult to establish. Angola is a member of SARPPCO (Southern African Region Police Chiefs Coordinating Committee), which has control measures in place to deal with illegal cross-border transportation of precious metals and stones. The low number of seizures made of precious metals and stones indicate that the effectiveness of these control measures is weak.

19. EITI, Kimberly Process statistics

20. The Wall Street Journal, June 19, 2010

Illegal Drug Production and Trade

1.39 The UN Office of Drugs and Crime reports that Brazilian criminal groups are increasingly developing trafficking links with southern Africa, where Angola is located, making Angola one of the top transshipment points for Latin American drugs bound for Europe.²¹ As legitimate trade ties between Angola and Brazil have expanded (trade between Angola and Brazil increased 183 percent from USD 520 million in 2005 to USD 1.5 billion in 2009) so has the volume of illegal drug trade. By 2009, more than 90 percent of the drugs that reached Angola by air were brought from Brazil.²² In 2010, police at Sao Paulo's international airport seized a record 1.8 tons of cocaine en route to Angola. Due to the increase in drug flows to Angola, the Portuguese Judiciary Police have begun to provide assistance to the Angolan authorities to step up efforts to combat drug trafficking.

Arms Trafficking, Human Trafficking and Sexual Exploitation

1.40 There is no statistics or reliable information on arms trafficking in Angola, but the end of the civil war in 2002 has significantly reduced the incentive of arms trafficking to the country. According to the UNODC, Angola does not have a specific provision criminalizing human trafficking. The General Labor Law prohibits compulsory work and includes provisions on the prohibition of forced labor. Because of the absence of a specific provision on human trafficking, no prosecutions or convictions have been recorded for trafficking in persons and there is little data on the extent of the problem.

1.41 According to the U.S. State Department, Angola is a source and destination country for men, women, and children subjected to sex trafficking and forced labor. Despite modest anti-trafficking efforts, the State Department report finds that Angola has not amended the penal code to penalize trafficking in persons or trained law enforcement officials to use existing portions of the penal code to prosecute and convict trafficking offenders. According to the Southern African Police Chiefs Organization (SARPPCO), there have been no cases of trafficking in persons detected in Angola in recent years.²³

Robbery and Urban Crimes

1.42 Street crime is a serious problem in Angola. According to information provided by the Angolan police, pick-pocketing, purse-snatching, vehicle theft and break-ins, and assaults against pedestrians by armed assailants on motorcycles and scooters, are common. Counterfeit and pirated goods are also widely available with 1,455 arrests made between January and October, 2011. Angola had a homicide rate of 19 per 100,000 people in 2008, lower than South Africa (33.8) but higher than Mozambique (8.8).²⁴

Money Laundering Typologies and Trends

1.43 According to information provided by police department specialized in economic crimes (DNIIE), the principal cases under investigation for predicate offenses of ML

21. United Nations Office of Drugs and Crime (UNODC), World Drug Report, 2011

22. See <<http://www.americasquarterly.org/brune>> (Last accessed: December 2011).

23. United Nations Office of Drugs and Crime, Global Report on Trafficking in Persons, 2009

24. United Nations Office of Drugs and Crime, International Homicide Statistics, 2009

include counterfeiting letters of credit, forging documents, embezzlement and fraud. The authorities indicate that the following operations are the most vulnerable to become predicate offenses for ML in Angola: falsification of documents in order to create shell companies, false transfer orders, issuing checks without funds, raising large sums of cash, false invoicing of goods and services, fraudulent accounts, bribery of bank officials, and the acquisition of property using illicit funds. These activities take place primarily in banking institutions and commercial enterprises in the trade and services sector.

1.44 As the laws and regulations for combating ML have only recently been approved, it is not possible to observe trends in these types of crimes at this time. Nevertheless, the authorities indicate that the police officers have been trained to combat ML and to track and identify changing patterns of crime in this area. From the information provided by the authorities during the on-site visit, it is clear that law enforcement capacity building and training efforts (described in detail in the following sections) are not sufficient to adequately combat ML.

Attractiveness of Angola for Money Laundering

1.45 A number of factors such as an extensive and porous border, the widespread use of cash in the economy, informality in buying and selling real estate, the relative ease with which diamonds can be used as an instrument for concealing the source of illicit funds, the fact that certain behaviors (such as certain types of corruption as well as other crimes) are not considered crimes according to the current Angolan Criminal Code, the weak judiciary system, and in general the still nascent and not-enforced AML/CFT regime expose Angola to money laundering risks.

1.46 During the on-site visit, private sector representatives, primarily in the banking sector, reported a high degree of informality and lack of proper documentation hindering participation in the formal sector and potentially contributing to the risk of money laundering. Informality in buying and selling real estate is also very high. Real estate registries are not working effectively and a large proportion of real estate assets are not registered in the name of their owners. Representatives from the real estate agents association met during the on-site visit appeared to be aware of their obligations under Law 34/11 and had participated in seminars on the matter.

Terrorism Situation in Angola

1.47 There is no strong evidence of terrorist funds moving through or from Angola. The risk of terrorism financing in the country is low. According to law enforcement officials, mechanisms are in place to expel designated individuals as evidenced by the case of recently designated persons on the OFAC list being asked to leave the country. However, lack of technical investigative capabilities specialized in combating terrorist financing within law enforcement agencies exposes Angola to genuine vulnerabilities. The absence of solid data and information to provide an analysis of the risk of terrorist financing is also a concern.

1.3 Overview of the Financial Sector

1.48 The Angolan financial system is dominated by banks, which represent 99 percent of all assets. In recent years, after the end of the civil war in 2002, the financial system has evolved rapidly, albeit from a low base. This process has been aided by the significant efforts by the authorities to establish the foundations for a sustainable financial sector. Extensive reforms by the BNA have helped encourage new entrants, better products, and new services and have allowed the banks to intermediate the rapid rise in oil-based inflows.

1.49 The banking sector currently comprises 22 banks and is highly concentrated, with five banks accounting for 84 percent of all deposits. As detailed in the section below, total banking sector assets amount to AOA 5,405 billion (USD 57 billion) equivalent to almost half of Angola's GDP.

1.50 From a legal point of view, entities in the Angolan financial system are categorized into banking and non banking financial institutions, institutions in the insurance sector (insurance companies and pension funds) and capital market entities. The Financial Institutions Law (Law 13/05) applies to commercial banks, retail and investment banks, and non-banking financial institutions, such as micro-credit companies, money transfer companies, and foreign exchange offices.

1.51 The second most developed area of the Angolan financial system is the insurance sector, which is still in an early stage of development. The insurance sector is composed of 10 insurance companies that are authorized and registered with the Institute of Insurance Supervision (ISS) to provide life and non-life business services. There are also 4 pension fund management companies, managing more than 20 pension funds, 21 insurance brokers companies and 284 individual brokers. Total assets managed by the insurance and pension sectors are AOA 71 billion (USD 76 million), which represents around 1, 5 percent of all assets in the financial sector.

1.52 The least developed area is the securities market, which is in the installation and development phase. The Capital Markets Commission (CMC) has the legal power to regulate and supervise the securities market, which has not yet opened. The exact role and responsibilities of the CMC is currently being established by Presidential commission and as a result is not yet carrying out normal activities. According to the authorities, the CMC now has a board of directors appointed by presidential decree.

1.53 The regulation and prudential supervision of banking institutions and non-banking financial institutions is undertaken by the BNA; the regulation and supervision of insurance undertakings and companies managing pension funds is carried on by the ISS. The CMC has the legal powers to regulate and supervise the securities markets and future publicly-traded companies.

Structure of Financial Sector

Type of Institution	Number of institutions	Total assets	Share of Total Financial Sector Assets	Regulated by
Commercial Banks	22	AOA 5,405 billion (USD 57 billion)	98,9%	BNA
Pension Funds	20	AOA 37 billion (USD 252 million)	0,67%	ISS
Insurance Companies	10	AOA 34 billion (USD 137 million)	0,62%	ISS
Microcredit Institutions	1			BNA

Source: BNA and staff estimates.

Financial Activity by type of Financial Institution

Type of Financial Activity	Financial Activity	Financial Institution	AML/CFT regulator and supervisor
Deposit-Taking Institutions	Acceptance of deposits and other repayable funds. Lending in general. Granting of guarantees. Financial leasing. Factoring. Issuance and management of means of payment. Money transmission services Safekeeping of money and values. Money and currency exchange. Participation in securities operations. Trading in money market instruments, foreign exchange, and transferable securities. Individual and collective portfolio management. Investing in companies stocks.	Banks (22)	BNA
Savings & Loans Societies	Non existent	-	-
Insurance Companies	Underwriting and placement of insurance and investment related business. Collective portfolio management. Other ancillary businesses, such as vehicle repair, creation of clinical establishments and own building repair. All insurance companies can pursue ancillary activities under the terms established in Angolan legislation.	Life Insurance Companies (7)	ISS
Pension Fund Management Companies		3	ISS
Bureau of Currency Exchange	Money and currency exchange.	32	BNA
Special License of Overseas Remittances	Money transfer	1	BNA
Microcredit Institutions		1	BNA

Source: Government of Angola.

Banking Sector

1.54 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 52 percent of assets, though there are a large number of smaller banks.²⁵
- Foreign banks have a major presence in the banking sector. 9 out of 22 commercial banks are foreign-owned (with majority shareholdings) accounting for close to half of the assets, loans, deposits, and capital of the system. Among them, five are partially owned by Portuguese banks including two of the top five banks—Banco Espírito Santo Angola (BESA) and BFA.

1.55 From 2006 to 2010, the number of commercial banks increased from 16 to 22, with total banking assets expanding from AOA 830 billion (\$10 billion) to AOA 5,405 billion (\$57 billion). In particular, the system grew rapidly during the oil boom prior to the global crisis, with yearly average asset growth of over 66 percent from 2007–09. Although most banks are still concentrated in Luanda, some have expanded rapidly in the provinces; bank branches have expanded from 313 to 914 throughout the country, with at least three branches in every provincial capital. The financial depth ratio (total bank assets-to-GDP) increased from 23 percent in 2006 to 47 percent in 2010. However, the penetration of the sector in the population is still low as only about 13.5 percent of the population had a bank account at end-2010.²⁶ Angolan banks have also expanded overseas with operations in Portugal, Brazil, Cape Verde, São Tomé and Príncipe, and South Africa.

1.56 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. Access to bank accounts is constrained by two main factors: 1) a CDD process based on identification documents which are difficult to obtain because of the destruction of birth registers during the war and 2) the very low income levels for a large segment of the population. Currently, only about 13.5 percent of the population have access to bank accounts notwithstanding the efforts being made by the BNA and the Ministry of Finance to enlarge this rate, namely with the “Bankita” Program aiming to approach citizens and banks.

Non-bank Financial Institutions

1.57 The non-bank financial sector is very small. Non-banking financial institutions in Angola are regulated and supervised by the BNA and consist of 1 microfinance company, 1 money transfer company, and 32 currency exchange offices. Microcredit companies are regulated by Presidential-Decree No. 28/2011 and lend small amounts to natural persons or groups with no collateral attached and are not authorized to receive deposits. Money transfer companies are regulated by Law 5/05 and Notice 1/2002 and are exclusively authorized to

25. The top five banks include two public sector ones and three Portuguese subsidiaries— albeit with sizeable local participation.

26. Based on data from EMIS on the number of debit cards issued.

perform these services. There is only one money transfer company operating in Angola with headquarters in Luanda and offices in Lubango and Huambo. Exchange offices are regulated by Notice No. 17/07 and are only authorized to buy and sell foreign currency and travelers checks.

Insurance Sector

1.58 All insurance companies are licensed to operate life and non-life businesses. The insurance sector which was opened to the private investment in 2001, comprises now 10 insurance companies, authorized to perform all of them, life and non-life insurance. The major insurance companies are ENSA S.A., with a market share of 40,85% (in 2010) and AAA S.A. with a market share of 37.65 percent (in 2010) both state-owned, but constituted as joint- stock companies meaning that 78,5 percent of the life insurance market is owned by companies with state capital. There are also some insurance companies with foreign capital (from Portugal and South Africa), but constituted as Angolan companies. The sector comprises also 4 pension fund management companies managing 20 pension funds. The number of insurance companies and pension fund management companies is growing but they still represent less than 1% of the assets of the financial sector. All the companies and the insurance brokers are authorized to access the market by the Ministry of Finance, although the authorization process is prepared in the ISS and registered, regulated and supervised by the ISS.

1.59 In December 2010, the insurance sector registered a volume of premiums of around AOA 76.1 billion (USD 799 million) with the amount of reserves reaching a value of AOA 35.8 billion (USD 376 million) and income capitalization reaching a value of AOA 2.1 billion (USD 22 million). The insurance sector grew 51 percent year-on-year in 2009 but only represents a small segment of the economy, equivalent to 0.14 percent of GDP.

Stock Exchange

1.60 The Capital Markets Commission (CMC) which was created by decree 09/2005 of March 18 is in the process of being established as the regulator of the capital markets. A few securities firms have been set up and authorized by the Ministry of Finance, and the Angolan Authorities indicated that these were providing financial services with respect to Government bonds and securities. The Angolan Stock Exchange (ASE) is in the process of being established, but so far there is no time-frame for any companies to be listed. Its main shareholder is Sonangol, which also own assets that could be listed.

Sonangol

1.61 Sonangol is the state-owned oil company and is the sole concessionaire for exploration of oil and gas and for the production, manufacturing, transportation and marketing of hydrocarbons in Angola. Its importance goes beyond this role providing much-needed human capital, and managing reconstruction operations. Sonangol is now an industrial and financial conglomerate and is an important financing vehicle for a wide range of activities. It has set-up various upstream and downstream subsidiaries regarding oil business and has also expanded outside its core role to engage in real estate construction and

property holdings. Sonangol is known to hold strategic positions in state-owned and foreign banks in Angola as well as in Portugal. This includes a declared 8.5 percent stake in BAI, one of the largest banks. It is also an important shareholder in the fifth largest bank, Banco Privado Atlantico (BPA) and has a 12.4 percent stake in Banco Millenium BCP in Portugal.

1.4 Overview of the DNFBP Sector

1.62 Gaming Sector: According to the Angolan authorities, 5 casinos and 20 gaming houses are established in Angola, mostly in Luanda, Benguela, Lubango and Huambo. However, this sector is not regulated, no law has been approved to regulate the activity of casinos and oversee the sector and to attribute power of oversight to the Gaming Supervision Institute. The Gaming Supervision Institute (ISJ) is clearly under-resourced in human and material conditions to perform its factual oversight role. Regarding lotteries there is a Decree No. 39 K/92, of 28/8 that attributes to a state company called “The National Lottery Company” “the power to exclusively undertake this activity.” However there are no lotteries in place in Angola at the present time and the state company does not exist in practice.

1.63 Real Estate Agents: There is no statistical data available on this sector. Real estate registries are not working effectively and a large proportion of real estate assets are not registered in the name of their owners. Informality in buying and selling real estate is very high and appears to be an important risk of money laundering. This is a risk that is recognized by the authorities. A law on real estate intermediation companies is under discussion.

1.64 Dealers in Precious Metals and Precious Stones: This sector is regulated and supervised by the National Directorate of Geology and Mining. According to Executive Decree No. 255/11, small explorers must sell their precious stones to Sodiam, a state-owned company and a subsidiary of Endiama, the national diamond company and the only authorized buyer and seller of rough diamonds in Angola. There are no statistics available concerning the value of the precious stones sold to Sodiam either by small explorers or the licensed exploration companies such as Ascorp. Despite numerous requests to the authorities, the assessment team was not able to meet with representatives of Endiama. There is a large informal internal market and a parallel export market of precious stones which poses significant risks of money laundering. Angola is a member of the Kimberley Process Certification Scheme to certify shipments of rough diamonds as “conflict-free.” The Kimberly Process Secretariat states that Angola has met all the minimum requirements required but media reports citing a confidential peer-review of Angola’s diamond sector controls faulted Angola for failing to present a plan to better document the output of artisanal miners.²⁷

1.65 Lawyers, Notaries and Accountants: Lawyers are mandatory members of the Angolan Bar Association, which was established in 1996 and represents 656 Angolan lawyers (to June 2011). Notaries are public officials certifying agreements and they are part of the Ministry of Justice. There are 5 notaries in Luanda and one in each of the 18 Provinces. The Bar Association is the sole entity able to oversee and apply disciplinary sanctions to lawyers not complying with their statutory obligations. Accountants are overseen by the Accountants Association, which has disciplinary powers over its 4,000 members. The association was established in 2010, but is still in a process of being set-up and will not be operational until the end of 2012.

27. See: [http://kimberleyprocess.com/structure/participants_world\)map_en.html](http://kimberleyprocess.com/structure/participants_world)map_en.html) last accessed on January 31, 2012 and Wall Street Journal, *ibid*.

1.66 Trusts and Company Service Providers: Angola does not provide for the constitution of domestic trusts. Company service providers are subject to the same requirements of Law 34/11 as financial institutions.

DNFBP Sector

	Legislation	Authorized/Registered by
Casinos		National Gaming Institute
Lawyers	Legal Profession Act (Law 1/95) and the AML/CFT Law (Law 34/11)	Bar Association
Notaries	Law 34/11	Ministry of Justice
Accountants	Article 9 of Law 3/01, Presidential Decree 232/10 and the AML/CFT Law (Law 34/11)	Order of Accountants
Dealers in precious metal and precious stones	Decree 20/92 and the AML/CFT Law (Law 34/11)	National Directorate of Mining (DNM)
Real Estate	Law 34/11	National Housing Institute
Dealers in high value goods	Article 3 (2) (f) of the AML/CFT Law (Law 34/11)	DNAIIE
Trust and company service providers	Angola does not provide for the constitution of domestic trusts. Article 5 (6) of the AML/CFT Law (Law 34/11) requires for the identification of trustees, settlors and beneficiaries of trusts constituted and operating according to a foreign law, when customers of financial institutions.	None

1.5 Overview of Commercial Laws and Mechanisms Governing Legal Persons and Arrangements

1.67 Law 12/05 provides for three types of legal persons: associations, foundations and companies. Associations and foundations are registered by the Ministry of Justice and companies are registered at commercial registries, under the supervision of the Ministry of Justice. Registration of changes in ownership and control information relating to legal persons is mandatory and are to be updated by the relevant registry, mostly by manual procedures. Information on legal persons is public, however easy and online access is not yet possible.

1.68 At the time of the on-site visit, there was no easily accessible electronic database containing all the details about legal persons, which would enable competent authorities to quickly identify and trace information on the ownership, beneficial ownership, or who exerts control over the asset(s). The absence of reliable and accessible registries makes it harder to identify the ownership and control details of all companies and other legal persons registered in Angola.

1.69 The current Angolan legislation does not foresee the creation of legal arrangements. However, express trusts or other legal arrangements created abroad can operate in Angola.

1.6 Overview of Strategy to Prevent Money Laundering and Terrorist Financing

AML/CFT Strategies and Priorities

1.70 The FATF has been monitoring countries whose insufficient measures and policies to combat money laundering and financing of terrorism is a concern to the international financial system, because they are not implementing effectively the 40+9 FATF Recommendations. As part of an on-going review of compliance with international AML/CFT standards, FATF identified Angola as having strategic AML/CFT deficiencies. After contacts were established between Angola and the FATF, in June 2010 Angola made a high-level political commitment to work with the FATF to address these deficiencies. In the context of the FATF International Co-operation Review Group (ICRG) process for high-risk jurisdictions, the Angolan authorities committed to implement an action plan negotiated with the FATF designed to demonstrate their willingness to prioritize AML/CFT issues in the national agenda. Angola has initiated the process of becoming a member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and is currently an observer. Angola has also taken concrete steps towards improving its AML/CFT regime by adopting its first comprehensive Anti-Money Laundering Law in July 2010 (Law 12/10) and passing a new AML/CFT Law (Law 34/11) in December 2011 to supersede and correct certain deficiencies in the old law.

1.71 An FIU has been established and according to the authorities, the next steps include the operationalization of the FIU and building its capacity as well as the development of a regulatory framework to combat money laundering and terrorist financing, particularly with respect to non-financial sectors such as real estate.

1.72 As part of the FIU, a Supervisory Committee composed of high-level representatives of the Central Bank, Ministry of Finance, Ministry of Justice, Ministry of Interior, Ministry of Foreign Affairs, and other relevant authorities, has been set-up to approve strategies and priorities of the FIU and to perform other tasks, mainly of administrative nature, such as approval of annual reports and memoranda of understanding with other FIUs.

1.73 According to the authorities, new initiatives may be developed after this evaluation process. These would include measures aiming at implementing recommendations arising from the detailed evaluation.

Institutional framework for combating money laundering and terrorist financing

Ministries

- *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.
- *Ministry of Justice and Attorney General*: the Ministry of Justice is responsible for providing policy advice regarding the implementation of the legislation mentioned above. The Ministry of Justice and the Attorney General's office are responsible for ordering and leading investigations into ML and FT cases.
- *Ministry of Foreign Affairs*: responsible for mutual legal assistance issues, international cooperation, treaty arrangements, and receiving UNSCRs
- *Ministry of Interior*: responsible for internal security matters (the National Police) and specialized police agencies for financial crimes (DNIAE); and terrorism (DNIC). Administers the National Intelligence Services (SINSE).

Criminal justice and operational agencies

- *Financial Intelligence Unit (FIU)*: UIF performs its activities under the general oversight of the BNA (meaning the control of UIF's compliance with the Law) and the President of the Republic. As part of UIF, a Supervisory Committee composed of high-level representatives of all relevant ministries and agencies plays an important role as regards AML/CFT priorities and national coordination.
- *Law enforcement agencies including police and other relevant investigative bodies*: The designated law enforcement agencies responsible for investigating ML and FT are: a) the DNIAE (National Directorate for Inspection and Investigation of Economic Activities) and b) the DNIC (National Directorate for Criminal Investigations), which are departments of the National Police. As regards predicate offenses, DNIAE is responsible for the investigation of financial crimes and DNIC is specialized in investigating narcotic crimes, terrorism, and other common offenses. Other bodies, such as the SNA (National Customs Services), the SME (Emigration Services), SINSE (State Intelligence Bureau) can provide information to the investigative competent authorities.
- *Prosecution authorities including specialized confiscation agencies*: The Attorney General's Office 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. Within the Attorney General's office, there is a team of prosecutors specialized in serious crimes, including corruption.
- *Customs service*: The Angolan Customs Service cooperates with the National Police in implementing AML/CFT measures under customs powers and functions.
- *Specialized drug agencies, intelligence or security services, tax authorities*: The National Intelligence Service has powers under its respective laws and directives to identify, provide surveillance and detect ML/FT activities.

- *Task forces or commissions on ML, FT or organized crime:* no specialized task forces were in place at the time of the on-site visit.

Financial Sector Bodies - Government

- *The National Bank of Angola:* licenses and supervises financial institutions including banks, financial companies, and exchange entities for both prudential and AML/CFT purposes.
- *Institute of Insurance Supervision:* licenses and supervises all insurance companies and pension funds.
- *Capital Markets Commission:* licenses and supervises all capital markets entities.

Financial Sector Bodies - Associations

- *Angolan Bankers' Association:* supports the implementation of AML measures.

DNFBPs

- *Casinos:* The National Gaming Institute is responsible for regulating the gaming industry, including casinos.
- *Lawyers' Association and Accountants Association:* are responsible respectively for the regulation and supervision of lawyers and accountants but neither group is being monitored for compliance with AML supervision so far.
- *Notaries:* They are public officials integrated in the Ministry of Justice and subject to Law 34/11 in the performance of their public functions.
- *Real Estate Association:* Oversight of real estate agents is carried out by the National Housing Institute (INH).
- *Dealers in Precious Metals and Stones:* Oversight of dealers in precious metals and stones is carried out by the National Directorate of Mines (DNM).

Legal Persons and Arrangements and Non-Profit Organizations

- *Legal Persons:* are created in accordance with Law 12/05, which provides for three types of legal persons: associations, foundations, and companies. Associations and foundations are registered in the Ministry of Justice and companies are registered in the commercial registries under the supervision of the Ministry of Justice. Registration of changes in ownership and control information relating to legal persons is mandatory and must be updated in the relevant registry.
- *Non-profit organizations:* Registration is carried out by the Ministry of Justice and oversight by the Ministry of Social Assistance and Reconstruction through a specialized technical unit (UTCAH).

CHAPTER 2. LEGAL SYSTEM AND RELATED INSTITUTIONAL MEASURES

Laws and Regulations

2.1 Criminalization of Money Laundering (R.1 & 2)

Description and Analysis

Legal Framework

2.1 Money Laundering is criminalized in Angola under Law no. 34/11, which was published on December 12, 2011. Law 34/11 revoked the previous AML/CFT law (Law 12/10), which entered into force in July 9 of 2010. Although the authorities have taken important steps to strengthen the Angolan legal framework, no implementing regulations for Law 34/11 have been adopted yet.

2.2 Angola has ratified both the 1988 United Nations (UN) Convention on Illicit Drugs and Psychotropic Substances (Vienna Convention) and the 2000 UN Convention Against Transnational Organized Crime (Palermo Convention), through the issuance of Resolutions 19/99 (July 30th 1999) and 21/10 (June 22nd 2010), respectively. By means of these resolutions, the terms of the referred treaties have become an integral part of Angola's legal system.²⁸

Criminalization of Money Laundering (c. 1.1—Physical and Material Elements of the Offense)

2.3 Article 60(1)(2)&(3) of Law 34/11 provides for a comprehensive definition of ML, which covers all the physical and material elements of the ML offense, in conformity with the UN Vienna²⁹ and Palermo³⁰ Conventions.

2.4 Based on this definition, Article 60 of Law 34/11 provides three groups of conducts that constitute the ML offense as follows:

- “Whoever converts, transfers, assists or facilitates any conversion operation or transfer of advantages obtained by himself or any third party, in order to disguise its illicit origin or avoid that the person who has committed or participated in the commission of the offense is prosecuted or subjected to a criminal reaction, and is punished with two to eight years of imprisonment”;³¹

28. In the terms of Article 164 (e) of the Angolan Constitution, the definition of crimes, penalties and security measures, as well as the bases of criminal prosecution is considered the exclusive competence of the Angolan National Assembly (ANA). Accordingly, on the basis of Article 161 (k) of the Angolan Constitution, ANA shall approve treaties, conventions and other international agreements related to its absolute reserve of legislative competence by means of the issuance of resolutions. However, the approval of the agreements /treaties by ANA does not make them self-applicable as there is still the need to enact laws that criminalize conducts and other rules relating to criminal procedures as foreseen in the international agreement or treaty.

29. Article 3(1)(b)&(c) of Vienna Convention.

30. Article 6(1) of the Palermo Convention.

31. Article 60 (1) of Law 34/11.

- “The same penalty will be applied to those who conceal or disguise the true nature, source, location, disposition, movement or ownership of property or rights with respect to, knowing that such property or rights are derived from the practice, under any kind of participation, of the predicate offenses of money laundering”;³²
- “The acquisition, possession or use of property, knowing whoever acquires, possesses or uses, at the time of receipt, that such property was derived from the practice or from an act of participation, of the predicate offenses of money laundering”.³³

2.5 The ML offenses refer to “advantages” as a general term to describe all kind of proceeds derived from unlawful activities (predicate offenses). The definition of “advantages” is set forth in Article 60(2) of Law 34/11³⁴.

The Laundered Property (c. 1.2) and Proving Property is the Proceeds of Crime (c. 1.2.1)

2.6 Article 2(c) of Law 34/11 provides for an extensive definition of proceeds/goods, extending the offense of ML to all types of goods, properties or rights that directly or indirectly represent the proceeds of crime, regardless of their value, if they are possessed by the person who committed the crime or by a third party or even if they were processed or mixed with other goods.³⁵

2.7 On the basis of Article 60(13) of Law 34/11, it is not required that a person be convicted for the commission of the predicate offense to prove the illicit origin of proceeds³⁶. A person can thus be convicted for ML without having previously been convicted of the underlying predicate offense.

The Scope of the Predicate Offenses (c. 1.3 and c. 1.4)

2.8 Law 34/11 is based on a threshold approach which considers predicate offenses to be all unlawful conducts that are punishable with a prison term of more than 6 months. However, most of the categories of criminal activities contained in the FATF Glossary and

32. Article 60 (3) of Law 34/11.

33. Article 60 (4) of Law 34/11. – “The acquisition, possession or use of property, knowing whoever acquires, possesses or uses, at the time of receipt, that such property was derived from the practice, or from an act of participation, of the offenses described in the number 2 above.”

34. According to Article 60 (2) of Law 34/11, should be considered “advantages”, the proceeds from the practice, under any kind of participation, of the predicate offenses of money laundering.

35. “Article 2(c) of Law 34/11 – “For the effects of this Law, should be considered as: (c) “Goods”, the following: i) - Goods of any kind of nature, tangible or intangible, corporeal or incorporeal, movable or immovable, acquired by any means, from legitimate or illegitimate source, the documents or legal instruments, under any form, including the electronic or digital form which demonstrates the property or interest on such goods, bank credits, travelers checks, bank checks, payment orders, shares, debt claims, duties, bank withdrawals and credit letters; ii) – Goods which belong to criminal agents or by a third part, which were transferred by criminal agents to a third part, remaining the criminals with the rights, such as the right of possession, fruition, right of hereditary nature, among others of real and obligatory nature of the good/asset transferred; iii) – Goods or rights obtained under transaction or exchange with the proceeds of crimes; iv) – Rights, directly or indirectly, obtained by the practice of a crime or rights under the proceeds, directly or indirectly, of the crimes; and v) – Goods processed or mixed with other goods obtained with the practice of money laundering.”

36. Article 60(13) of Law 34/11 – “The author of a ML offense can be convicted regardless of his conviction by the practice of the predicate offenses from where were derived the proceeds of illicit origin.

under the UN Conventions are not provided for or are insufficiently covered in the Angolan Criminal Code and other criminal laws, as follows:

Table: Predicate Offenses in Angola

Designated categories (FATF Glossary)	Criminalized (Relevant Provisions)	Predicate Offense (according to threshold approach of Article 60(5) of Law 34/11)
Participation in an organized criminal group and racketeering.	Yes – Articles 263, 440 and 452 of the ACC.	Yes
Terrorism, including terrorism financing	Yes - Articles 61 to 64 of Law 34/11.	Yes
Trafficking in human beings	No	No
Migrant smuggling	Yes - Law no. 2/07	Yes
Sexual exploitation, including sexual exploitation of children	<ul style="list-style-type: none"> • Sexual exploitation of children - Articles 263, 440 and 452 of the ACC; • Sexual exploitation of adults - NOT criminalized 	Only partially
Illicit Trafficking in Narcotic Drugs & Psychotropic Substances	Yes - Law n° 3/99	Yes
Illicit arms trafficking	No	No
Illicit trafficking in stolen and other goods	<ul style="list-style-type: none"> • Illicit Traffic of Diamonds – Law n° 16/94; • Illicit trafficking in stolen and goods, other than diamonds - NOT criminalized. 	Only partially
Corruption and Bribery	Yes - Articles 318 and 319 of the ACC.	Yes
Fraud	<ul style="list-style-type: none"> • Only for Tax Evasion – Article 198 of the Customs Code and Articles 66-90 of the Tax Code; • Fraud other than tax evasion - NOT criminalized. 	Only partially
Counterfeiting currency	Yes - Article 208 of the ACC.	Yes
Counterfeiting and piracy of products	<ul style="list-style-type: none"> • Counterfeiting and piracy of literary, and scientific and artistic work - Article 230 of the ACC; Article 70 of Law no. 3/92; Article 201 of Decree 5/06 and Law no. 4/90; • Counterfeiting and piracy other than literary and scientific and artistic work – NOT criminalized. 	Only partially
Environmental Crime	No	No
Murder, grievous bodily harm	Yes - Articles 349 and 350 of the ACC	Yes
Kidnapping, illegal restraint and hostage – taking	No	No
Robbery or theft	Yes - Articles 421-430 and 432-436 of the ACC	Yes
Smuggling	Yes - Article 279 of the ACC	Yes
Extortion	Yes - Articles 440 and 452 of the ACC	Yes
Forgery	No	No

Designated categories (FATF Glossary)	Criminalized (Relevant Provisions)	Predicate Offense (according to threshold approach of Article 60(5) of Law 34/11)
Piracy	Yes - Article 15 of Law no. 7/78	Yes
Insider trading and market manipulation	Yes - Articles 120 and 121 of Law no. 12/05	Yes

2.9 Taking into account the table above, many crimes that should be considered predicate offenses, according to the threshold approach adopted by Law 34/11, are not yet criminalized under the Angolan legislation, such as 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. As described in Chapter I of this report, some of these crimes are relevant in the Angolan context, for instance human trafficking and counterfeit and pirated goods. These crimes are also relevant in the context of Angola's ability to provide international cooperation.

2.10 Moreover, even though corruption is criminalized under Articles 318 and 319 of the ACC and the participation in an organized criminal group is criminalized under Article 263 of the ACC, the typical conducts which describe these crimes are not fully in accordance with the UN Palermo and Merida Conventions.³⁷

2.11 According to information provided by the Angolan authorities, there is a draft Criminal Code (NCC) that should cover most of the predicate offenses listed in the FATF Glossary and improves on the description of some of the offenses that are already criminalized by the Angolan Criminal Code in force and other laws. In a draft provided to the assessors' team, the definition of crimes appears to be broader, and the NCC provides for some offenses that are not currently provided for in the ACC. However, at the time of the visit, the draft Criminal Code was still under discussion.

Extraterritorially Committed Predicate Offenses (c. 1.5)

37. The most important differences between Palermo and Merida Conventions and the criminalization of corruption under ACC are the following: as regards passive corruption, Article 318 of the ACC only covers the conduct of acceptance by a public official, directly or indirectly, of an undue advantage, but not the conduct of solicitation, as foreseen by the Palermo and Merida Conventions. The Palermo and Merida Conventions do not differentiate if the act practiced by the public official is considered fair or unfair. However, according ACC, if the acceptance of the undue advantage is for the practice of an unfair official act the penalty is imprisonment from 2 to 8 years and a fine. But if the advantage is accepted for the practice of a fair act, the public official only receives a penalty of suspension up to one year and a fine corresponding to a month of his salary. This means that in the case of an official fair act which is considered corruption, it is nevertheless not considered a predicate offense for ML. As regards active corruption³⁷, Article 312 of the ACC foresees that the active corruption act should be related with a request to commit an illegal act, as for instance to buy a vote, whereas the Palermo and Merida Conventions do not restrict the nature of the official act. With respect to the criminalization of the participation in an organized criminal group, the most important differences between the Angolan legislation and the Palermo and Merida Conventions are the following: even though Article 263 of the ACC foresees the punishment of the persons that participate in an association created with the purpose of committing crimes, and applies to them penalties of 2 to 8 years of imprisonment, not all the conducts described in the Article 5 of the Palermo Convention and in the Article 15 of the Merida Convention, such as the conducts of aiding, abetting, facilitating or counselling the commission of crimes by an organized criminal group, are foreseen. Article 263 also does not explicit cover the conduct by a person who, with knowledge of either the aim and general activity of an organized criminal group, takes an active part in criminal activities. Another difference is that Article 263 does not foresee higher sanctions for those involved in the organization or in the direction of a criminal group.

2.12 Article 60 (6) of Law 34/11 provides that the ML offense is committed even if the facts that constitute the predicate offense occurred abroad, under the conditions that the conduct is considered to be a predicate offence according to the law of the country where it was committed and also considered as predicate offence if it had occurred in Angola.

Laundering One's Own Illicit Funds (c. 1.6)

2.13 There is no explicit provision in the Angolan legislation which criminalizes laundering of one's own illicit funds. However, considering the provisions of Article 60 (1), which provides that money laundering occurs when the proceeds to be laundered are obtained by the person committing the ML offense or equally when they are obtained by third person, it can be inferred that the mentioned legal act is indeed broad enough to allow for the criminalization of self-laundering³⁸. However, no cases of self-laundering were submitted to the Angolan courts yet.

Ancillary Offenses (c. 1.7)

2.14 Angola does not have yet a coherent and clear system that provides for criminalization of all types of ancillary offenses to the offense of ML. Whereas Law 34/11 provides for the conducts of assisting or facilitating the practice of conversion or transferring of proceeds from predicate offenses³⁹, the ACC provides for a general framework for other types of ancillary offenses⁴⁰, including an attempt. However, it does not explicitly provide for all kinds of ancillary offenses⁴¹, such as association and conspiracy, aiding and abetting, facilitating and counseling.

2.15 In the specific case of an attempt, it is criminalized under Article 11 of the ACC and the offence is committed when a person initiates the commission of a crime with the intention of executing it but does not succeed in executing it.

2.16 According to the information provided by the authorities, the new draft Criminal Code currently under discussion is expected to bring more comprehensive and clear provisions regarding ancillary offenses, explicitly providing for all types of ancillary offenses, such as facilitation, aiding and abetting, complicity and counseling.

Additional Element

38. According to information provided by the authorities, this interpretation does not offend the non bis in idem principle, foreseen in the Article 65 of the Angolan Constitution. It's because their understanding is that the criminal conduct which constitute the ML offense is not the same criminal conduct that materializes the predicate offense. Therefore, the non bis in idem principle is not applicable. They are independent and practiced at different times.

39. Article 60(1) of Law 34/11. In this case, conducts that are considered essentially ancillary offenses are applied as main conducts of the ML offense.

40. Article 19 of the Angolan Criminal Code (ACC) provides for three types of agents of a crime: author, accomplices and concealing. The authors are defined in Article 20, accomplices in the Article 22 and concealing in the Article 23.

41. Article 22 of the ACC provides for the definition of accomplice, foreseeing that the accomplice is the person who advises or instigates other person to be an author of a crime as well as the person who prepares or facilitates the execution of a crime by a third person.

2.17 In accordance with Article 60 (6) of Law 34/11, when the proceeds of the predicate offenses are obtained following a conduct that occurred in another country, and this conduct is not an offense in that country, but would have constituted an underlying offense had it occurred in Angola, this situation will not be an offense that can be characterized as money laundering in Angola.

Liability of Natural Persons (c. 2.1) and the Mental Element of the ML Offense (c. 2.2)

2.18 Pursuant to the Angolan constitutional principles, individual liability is the general rule for criminal liability. Therefore, the ML offenses of Law 34/11 apply to any person – legal or individual- that practices one of the conducts prescribed in Articles 60 (1), (3) and (4), knowing that the property is or forms part of the proceeds of an unlawful activity.

2.19 According to the Angolan criminal system, the intentional element of the ML offense is inferred from direct evidence as well as circumstantial or other indirect evidence, which is reliable enough to prove intent. A defendant can therefore be convicted of ML based on the inferences to be drawn from the objective factual circumstances if these are sufficient to prove the elements of the charge.

Liability of Legal Persons (c. 2.3) and Parallel Criminal, Civil or Administrative Proceedings (c. 2.4)

2.20 Under Angolan legislation, legal persons are subject to criminal liability. Article 65 (1) of Law 34/11 expressly provides for the criminal liability of legal persons when the offenses are committed on their behalf and in the collective interest. Owing to the practice of ML offenses, legal persons can be punished with the main penalties of fines and/or dissolution. Article 60 (8) of Law 34/11 also provides for ancillary penalties for legal persons who commit ML offenses. These penalties are: temporary prohibition of exercise of their activities, privation of the right to receive grants and public benefits, and public advertising of the conviction sentence at their own expenses.

2.21 According to the general principles provided in the Angolan legal system, criminal, civil and administrative liabilities are autonomous. Therefore, civil and administrative proceedings can run in parallel with the criminal procedures. Because of this, it is not necessary to wait for the conclusion of criminal investigations before beginning other types of civil or administrative proceedings. For instance, in the case of financial and non-financial entities, administrative sanctions can be applied for non compliance of the obligations provided in Law 34/11, according to its provisions in Articles 49 and 50. These administrative sanctions are warnings (which can only be applied once), fines, as well as temporary and permanent banishment on the exercise of the activity in relation to which the offenses were committed. Moreover, Articles 43 and 44 of Law 01/12 provides for the application of the same administrative sanctions (warnings, fines and temporary/permanent banishment) to legal persons for the violation of the obligations established by Law 01/12.

Sanctions for ML (c. 2.5)

2.22 On the basis of Law 34/11, sanctions provided for ML offenses are proportionate, dissuasive, and coherent with other sanctions in the Angolan criminal system.

2.23 According to Article 60 (1) of Law 34/11, a natural person who commits a ML offense is punished with an imprisonment penalty ranging from 2 to 8 years. This sanction is the same as the one provided by the previous AML/CFT Law (Law 12/10). As regards legal persons, the penalties provided are fines and dissolution. In terms of Article 65 (4) (5), fines are set in days, from 100 to 1,000 days, and the amount per day ranges from the equivalent amount of USD 100 to USD 5,000. In this case, the minimal penalty per day increased from USD 5 to USD 100 when compared to the repealed Law 12/10. The prescription period is provided for in Article 125 of ACC. Its counting begins at the day when the offense was committed and stops when the case is presented to the competent Court. According to Article 125 (8), paragraphs 2^o and 4^o of the ACC, the prescription period for the ML offense is 15 years.

2.24 The comparison between the penalties provided by Law 34/11 for natural and legal persons with the sanctions for ML offenses provided by some neighboring African countries demonstrates that the Angolan sanctions are reasonable, proportionate and dissuasive. For instance, in Zambia, a natural person convicted of a ML offence will be liable to a fine not exceeding one hundred and seventy thousand penalty units or to a term of imprisonment not exceeding ten years or to both. Upon conviction, a legal person is subject to a fine, which shall not exceed four hundred thousand penalty units. A natural person convicted for acting on behalf of a legal person, for example as a director or manager, and involved in the commission of the ML offence shall be liable to a fine not exceeding one hundred seventy thousand penalty units or to a term of imprisonment not exceeding ten years or to both⁴². In Mozambique, the sanction for the practice of a ML offense by a natural person is 8 to 12 years imprisonment. The administrative sanctions which may apply to legal persons relate to the revocation or suspension of the authorization to do business⁴³. Namibian legislation provides for a term of imprisonment of up to 30 years or fines not exceeding N\$100 million (US\$16 million)⁴⁴.

2.25 Another comparison, between sanctions for ML offenses and sanctions for other offenses provided by the Angolan legislation can be made with reference to, for instance, Article 349 of the ACC, which provides for an imprisonment penalty from 16 to 20 years for murder, Articles 431-436 of the ACC, which punish robbery with a penalty of up to 5 years imprisonment and Articles 120 and 121 of Law no. 12/05, which provides for an imprisonment penalty from 1 to 3 years for insider trading and from 1 to 8 years for market manipulation, as well as fines up to three times the amount of the illicit proceeds for both offences.

Statistics (Applying R.32) and Analysis of Effectiveness

2.26 The anti-money laundering (AML) system in Angola is relatively recent. Although the Angolan authorities have taken important steps in strengthening the legal framework in line with international standards and developing and strengthening all its structures and capacity to investigate and prosecute money laundering, and to oversee compliance with regulatory measures, at the time of the on-site visit there were no investigations, prosecutions and convictions for the practice of ML offenses in the country.

42. In http://www.esaamlg.org/userfiles/Zambia_Mutual_Evaluation_Report.pdf, page 34, paragraph 108.

43. In [http://esaamlg.org/userfiles/Mozambique_Mutual_Evaluation_Detail_Report\(5\).pdf](http://esaamlg.org/userfiles/Mozambique_Mutual_Evaluation_Detail_Report(5).pdf), page 41, paragraph 98.

44. In http://www.esaamlg.org/userfiles/Namibia_detailed_report.pdf, page 23, paragraph 95.

2.27 This constrained the assessors' ability to properly evaluate the effectiveness of the Angolan AML/CFT system. However, the fact that no sanctions had been applied so far despite the fact that the first AML/CFT Law dates back to 2010 does not plead for a positive a-priori. In particular, consideration should be given to the existence of vulnerabilities as presented in Chapter I, concerning the practice of predicate offenses which may lead to ML, such as corruption, diamond smuggling, illegal drug production and trade, and counterfeit and pirated goods.

Recommendations and Comments

2.28 The authorities are recommended to:

- Criminalize all the crimes contained in the FATF Glossary which are not yet criminalized in the Angolan legislation, such as 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.
- Create a clear and coherent ancillary offenses system, covering the punishment of the conducts of association and conspiracy, aiding and abetting, and facilitating and counseling.

Compliance with Recommendations 1 & 2

	Rating	
R.1	NC	<ul style="list-style-type: none"> • Some of the serious offences contained in the FATF Glossary are not provided for the Angolan Criminal Code and other criminal laws, such as 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. • There is no evidence that the provision for the punishment of all types of ancillary offenses to the offense of ML is taking place. • Implementation is not taking place as there have been no investigations, prosecutions or convictions for the practice of ML offenses in Angola
R.2	LC ^{44(a)}	<ul style="list-style-type: none"> • Implementation is not taking place as there have been no investigations, prosecutions or convictions for the practice of ML offenses in Angola

^{44(a)} During the discussion of the Report made to the Task Force of Senior Officials Plenary Meeting in Maputo, Mozambique, August 2012 by the Chairperson of the Expert Review Group in consultation with the Committee set up by the Task Force of Senior Officials (Arusha, Tanzania, April 2012) to consider the changes suggested on the Report by the Plenary, the Plenary noted that the non-criminalisation at a minimum of all predicate offences in each of the designated categories of offences as set out under the FATF Glossary would negatively affect the Rating of LC to R.2.

2.2 Criminalization of Terrorism Financing (SR.II)

Description and Analysis

Legal Framework

2.29 Angola has ratified the UN Convention for the Suppression of the Financing of Terrorism (FT Convention) and its annex, through Resolution no. 38/10 (December 17th) and criminalized FT under Law 34/11.

Criminalization of Terrorism Financing (c. II.1)

2.30 Even though FT and Terrorism Organizations, Terrorism and International Terrorism offenses are criminalized by Law 34/11, respectively under Articles 64, 61, 62 and 63, the conducts of the FT offense as provided in the Angolan legislation are not fully in line with Article 2 of the FT convention.

2.31 According to Article 64 (1) of Law 34/11, the FT offense extends to any person who provides or collects funds by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part:

- In the planning, preparation or practice of crimes of terrorism, terrorism organization and international terrorism, as defined in the Articles 61, 62 and 63, by an individual terrorist or terrorism organization.

2.32 Therefore, considering the terms of the Article 64 (1) of Law 34/11, the Angolan legislation only criminalizes the financing of “an act of terrorism” committed by individual terrorists or terrorist organizations, not covering the conduct of mere financing, under any form, of individuals terrorists or terrorists organizations, which is not explicitly the commission of an act of terrorism itself.

2.33 In terms of Article 64 (2) of Law 34/11, it is not required to the constitution of the FT crime that the funds were actually used to carry out or attempt a terrorist act(s) or be linked to a specific terrorist act(s).

2.34 Article 64 (1) does not expressly provide that a person commits the offence of FT, if the person “unlawfully” provides or collects funds. However, under general principles of the Angolan criminal system, the criminal liability only exists if the person commits the crime consciously and deliberately.

2.35 The attempt to commit the FT offense is criminalized through the application of the general rule regarding attempt provided in the ACC (Article 11). As regards the punishment of ancillary offenses related to the practice of FT, as mentioned in section 1.7 of this report on ML offenses, the absence of explicit provisions for all kind of ancillary offenses in Article 22 of the ACC does not make it possible in practice to criminalize all kinds of ancillary offenses. The Terrorism financing offense is extended to any kind of funds, even those which are not actually used to carry out a terrorist act, according to Article 64 (2) of Law 34/11. To define funds for the criminalization of FT, Article 64 (4) refers to the extensive definition of “proceeds/goods”, according to Article 2(c) of Law 34/11⁴⁵.

45. “Article 2(c) of Law 34/11 – “For the effects of this Law, should be considered as: (c) “Goods”, the following: i) - Goods of any kind of nature, tangible or intangible, corporeal or incorporeal, movable or immovable, acquired by any means, from legitimate or illegitimate source, the documents or legal instruments,

Predicate Offense for Money Laundering (c. II.2)

2.36 The FT offense is punished with a term of imprisonment of 5 to 15 years. Therefore, according to the threshold approach that considers all unlawful conduct punishable with an imprisonment term of more than 6 months to be considered as predicate offenses (Article 60 (5) of Law 34/11), it can be concluded that FT is a predicate offense for ML.

Jurisdiction for Terrorist Financing Offense (c. II.3)

2.37 There is no express rule in Law 34/11 regarding the jurisdiction for the FT offense. However, taking into account the provisions of Article 64 (1), the FT offense will occur if the conduct of providing/collecting funds with the intention that they should be used or in the knowledge that they are to be used for terrorism, is practiced in the Angolan territory, regardless if the person alleged to have committed the offense is in the same country or in a different country from the one in which the terrorist/terrorist organization is located or the terrorist act occurred or will occur.

The Mental Element of the FT Offense (applying c. 2.2 in R.2)

2.38 Regarding the mental element of the FT offense, it is inferred from direct evidence as well as from circumstantial or other indirect evidence during the prosecution, as it applies in the case of a ML offense.

Liability of Legal Persons and Sanctions (applying c. 2.3, c. 2.4 & c. 2.5 in R.2)

2.39 Although the liability of legal persons is provided for by Article 65 of Law 34/11, it is only applicable, as expressly provided, to the crimes defined in Articles 60 (ML offenses), 61 (terrorist organization), 62 (terrorism) and 63 (international terrorism), and does not cover FT offenses (article 64). Therefore, there is no criminal liability for corporate persons as regards the practice of FT offenses in Angola.

2.40 The application of parallel civil and administrative proceedings is possible according to the general principles provided in the Angolan legal system, taking into account that criminal, civil and administrative liabilities are autonomous. Therefore, civil and administrative proceedings can run in parallel with the criminal procedures. Because of this, it is not necessary to wait for the conclusion of criminal investigations before beginning other types of civil or administrative proceedings.⁴⁶ On the basis of Article 64 (1) of Law 34/11, a

under any form, including the electronic or digital form which demonstrates the property or interest on such goods, bank credits, travelers checks, bank checks, payment orders, shares, debt claims, duties, bank withdrawals and credit letters; ii) – Goods which belong to criminal agents or by a third part, which were transferred by criminal agents to a third part, remaining the criminals with the rights, such as the right of possession, fruition, right of hereditary nature, among others of real and obligatory nature of the good/asset transferred; iii) – Goods or rights obtained under transaction or exchange with the proceeds of crimes; iv) – Rights, directly or indirectly, obtained by the practice of a crime or rights under the proceeds, directly or indirectly, of the crimes; and v) – Goods processed or mixed with other goods obtained with the practice of money laundering.”

⁴⁶ As regards the application of parallel civil and administrative proceedings to legal persons, please see paragraph 2.21 above.

person who commits an FT offense may be punished with an imprisonment penalty from 5 to 15 years, which is proportionate, dissuasive, and coherent with other sanctions in the Angolan criminal justice system.⁴⁷

Analysis of effectiveness

2.41 Although FT is criminalized in Angola since 2010, at the time of the visit, implementation was not taking place as there were no investigations and prosecutions of FT offenses, which constrains the ability of the assessors, in practice, to evaluate if this is due to a lack of effectiveness of the system or not.

Recommendations and Comments

2.42 The authorities are recommended to:

- Criminalize the conduct of mere financing, under any form, of individual terrorists or terrorist organizations, according to Article 2 of the FT Convention and criteria II.1 (a) (ii) (iii) of the SR.II;
- Extend the criminal liability to legal persons for the commission of FT offenses.

Compliance with Special Recommendation II

	Rating	
SR.II	NC	<ul style="list-style-type: none"> • 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 been extended to legal persons. • Implementation is not taking place as there have been no investigations, prosecutions or convictions for the practice of FT offenses in Angola.

47. Regarding sanctions provided for other crimes in the Angolan Criminal system, please see section 2.5.

2.3 Confiscation, Freezing and Seizing of Proceeds of crime (R.3)

Description and Analysis

Legal Framework

2.43 Provisional measures and confiscation related to ML and FT are currently provided for in Law 34/11, the Angolan Criminal Code and Law no. 22/92. However, these three legal acts altogether do not constitute a comprehensive and coherent seizing, freezing and confiscation legal framework.

Confiscation of Property related to ML, FT or other Predicate Offenses Including Property of Corresponding Value (c. 3.1)

2.44 Article 66 (1) of Law 34/11 specifically provides for the confiscation of the proceeds of ML and FT crimes, but it does not cover the instrumentalities used or intended to be used in the commission of these crimes⁴⁸. Concretely, the provision contained in the Article 75 of the ACC can be invoked, but it only provides for instrumentalities actually used to commit crimes, without covering those intended to be used to commit crimes.⁴⁹

2.45 The confiscation of property of corresponding value is not provided for in the Angolan legislation.

2.46 To characterize what can be considered as property for the purpose of confiscation, Law 34/11 provides for an extensive definition in Article 2 (c). This includes any type of property/right that directly or indirectly represents or is derived from the proceeds of crime, regardless of its value, if it is possessed by the person who committed the crime or by a third party or even if it was processed or mixed with other goods.

Provisional Measures to Prevent Dealing in Property Subject to Confiscation (c. 3.2)

2.47 Provisional measures related to ML and FT are provided for in Article 66 (1) and (2) of Law 34/11. Article 66 (1) specifically provides for the seizing and freezing of property related to ML offenses.

2.48 Article 66 (2) provides for the seizing and freezing of funds provided or collected by a person with the intention that they should be used or in the knowledge that are to be used in the commission of FT offenses.

48. Article 66 of Law 34/11: "In order to prevent your transaction, transfer or disposition before or during the prosecution, the competent judicial authorities may, without prior notice, seize or freeze goods, as defined in Article 2 (c) of this law, including the goods which are the proceeds of money laundering or terrorist financing that after a court decision can be confiscated."

49. Article 75 of the ACC: "The defendant definitively convicted, whatever the penalty, incurs: 1) In the loss in favor of the State of the instruments of crime, not having the victim or third person the right to restitution".

2.49 As Law 34/11 does not provide for specific procedures for the application of seizing and freezing of assets, general provisions of the Code of Criminal Procedures (CCP) and subsidiary legislation such as “Law of Searches and Seizures” (Law no. 22/92)⁵⁰ have to be used for ML and FT cases. However, the Code of Criminal Procedures and also the Law no. 22/92 can be considered, though, relatively old, and do not provide all the procedures related to the application of the provisional measures as provided for by Law 34/11, such as measures related to the application of the freezing of assets.

Ex Parte Application for Provisional Measures (c. 3.3)

2.50 Article 60 (1) of Law 34/11 provides for the initial applications relating to provisional measures regarding ML and FT to be made *ex-parte* or without prior notice.

Identification and Tracing of Property Subject to Confiscation (c. 3.4)

2.51 Law enforcement agencies, the FIU and other competent authorities have adequate powers, under the Angolan legislation, to ask for relevant information in the investigations or prosecutions, to trace property that is, or may become subject to confiscation or is suspected of being the proceeds of crime.

2.52 Access to registries of movable (vehicles, ships and aircrafts) and immovable goods is also granted to the relevant authorities. However, the registers are mainly manual and consequently access may be cumbersome. In addition, due to the lengthy process of registration, there is a considerable proportion of unregistered immovable property, even in the main urban zones, including Luanda.

2.53 The competent authorities have been granted powers by law to access all the registries information. However, no database system allowing for easy access by law enforcement agencies, UIF and other competent authorities to quickly identify and trace information on the ownership of properties that may become subject to seizing, freezing and confiscation, has been implemented. This gap makes it difficult to apply provisional measures and the confiscation of the proceeds of crimes. The Ministry of Justice is currently working on improving access to these registries by upgrading the information collected and inserting it into electronic databases and facilitating quick and reliable access by the relevant authorities.

2.54 As regards access to information held by financial institutions, two situations can be foreseen. The first one is when there is an STR which is disseminated to the relevant LEA for investigation and in the course of that investigation, LEA need information held by financial institutions. In that case, appropriate mechanisms for internal cooperation are necessary, as only UIF and BNA can request that information directly from financial institutions, unless there is a judicial mandate. The second situation is when there is no STR, and in that case, access is only possible directly, with a judicial mandate.

Protection of Bona Fide Third Parties (c. 3.5)

50. Law 22/92, the “Law of Searches and Seizures”, was edited in September 4 of 1992 in order to update, at that time, the institutes regarding the application of searches and seizures in Angola, since the institutes concerning the matter were only regulated by the rules of the Criminal Procedure Code, which was a legacy from the colonial times.

2.55 Article 66 (3) of Law 34/11 expressly provides for the protection of the rights of bona fide third parties.

Power to Void Actions (c. 3.6)

2.56 As referred above, Article 2 (c) of Law 34/11 provides for an extensive definition of goods, explicitly including those which “belong to criminal agents or to a third party, which were transferred by criminal agents to a third party, remaining the criminals with the rights, such as the right of possession, fruition, right of hereditary nature, among others of real and obligatory nature of the good/asset transferred, as well as those goods or rights obtained under transaction or exchange with the proceeds of crimes”. Considering this provision, it can be inferred that all kinds of goods related to the criminal conduct can be seized or confiscated in a criminal investigation or prosecution for the practice of ML/FT offense, even if they have been object of any action made with the purpose of making it difficult for the authorities to identify and confiscate the proceeds of crime. Therefore, those goods can be object of seizures and confiscations directly by the authorities, e.g. when the suspect/accused sold the property to another person under circumstances which would/should have made it obvious to this other person that the property was in all likelihood of criminal origin.

2.57 Moreover, according to information provided by the Angolan authorities, provisions of the Civil Code can also be used to void contractual actions taken by the suspect/accused with the intention to make it harder for the authorities to recover the property.

Additional Elements (Rec 3)—Provision for a) Confiscation of assets from organizations principally criminal in nature; b) Civil forfeiture; and, c) Confiscation of Property which Reverses Burden of Proof (c. 3.7)

- There are no specific provisions in the Angolan legislation for the confiscation of the property of organizations that are found to be primarily criminal in nature. In this case, the general provisions from the ACC, CCP and other laws should be used, as referred above.
- There are no provisions regarding civil forfeiture;
- There is no confiscation of property which reverses the burden of proof in the Angolan criminal system.

Statistics (Applying R. 32) and Analysis of effectiveness

2.58 Currently, there is no implementation, and therefore, no effectiveness of the provisions existing in the Angolan criminal system for the application of provisional measures and confiscation in the context of investigations or prosecutions for the commission of ML/FT offenses.

Recommendations and Comments

2.59 The authorities are recommended to:

- Create a comprehensive and coherent legal framework with specific procedures for the application of provisional measures and confiscation in ML/FT offenses:
- Provide for the confiscation of instrumentalities used and the instrumentalities intended to be used in the commission of ML/FT offenses;
- Provide for the confiscation of property of corresponding value;
- Provide for the confiscation of the property of organizations that are found to be primarily criminal in nature, civil forfeiture and confiscation of property which reverses burden of proof.
- Establish and maintain a database system allowing for the easy access by the law enforcement agencies, FIU and other competent authorities to quickly identify and trace information on the ownership of properties that may become subject to seizing, freezing and confiscation, solving the problem regarding the existence of unregistered immovable property in the country.

Compliance with Recommendations 3

	Rating	
R.3	NC	<ul style="list-style-type: none"> • 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. • Law enforcement agencies, the FIU and other competent authorities lack the ability to identify and trace property that is, or may become, subject to confiscation or is suspected of being the proceeds of crime. There is also a considerable proportion of unregistered immovable property. • There is no implementation and, therefore, no effectiveness of the rules foreseen in the Angolan criminal system as regards the application of provisional measures and confiscation in the context of investigations or prosecutions for the practice of ML/FT offenses.

2.4 Freezing of Funds Used for Terrorist Financing (SR.III)

Description and Analysis

Legal Framework

2.60 To regulate the national designation process and the application of restrictive measures provided for in the UNSCRs 1267 (1999), 1988 (2011) and 1989 (2011), concerning Al-Qaida and associated individual entities and UNSCR 1373 (2001), Angola approved Law 01/12, which was the first legal act addressing these issues in the country.

2.61 According to its Article 1(1), Law 01/12 was issued in order to establish the national process of designation and to implement the restrictive measures provided under international law, such as the United Nations Security Council Resolutions.

2.62 Law 01/12 also provides for procedures to freeze terrorist funds and other assets of persons designated by the United Nations Security Council Committee in accordance with UNSCRs 1267 (1999), 1988 (2011) and 1989 (2011) and in the context of UNSCR 1373 (2001). Some of the provisions in Law 01/12 need implementing regulations in order to be applicable.

2.63 According to its Article 65, implementing regulations have to be issued within 120 days after the publication of the law, on 12 of January. In the absence of implementing regulations, these provisions will not be applicable in practice. The provisions that need to be implemented are, in general, the following: (1) the domestic designation process and the appointment of the national designation authority; (2) the application of freezing and other measures requested by other countries; and (3) the adoption of regulations regarding the freezing procedures, requiring from the supervised entities the obligation to develop and apply mechanisms that allow for the immediate implementation of those procedures.

Freezing Assets under S/Res/1267 (c. III.1) and under S/Res/1373 (c. III.2)

2.64 Article 17 (1) of Law 01/12 provides for freezing, without delay and without prior notice, of all the funds or other assets owned, belonging or held, directly or indirectly, individually or bodily, by persons, groups and entities designated by the Security Council Committee, according to UNSCRs 1267 (1999), 1988 (2011) and 1989 (2011), and the persons, groups or entities designated by the Angolan competent authority (UNSCR 1373), according to the national designation process provided by the Law.

2.65 According to Articles 6 and 7 of Law 01/12, the national designation process will be conducted by a competent authority to be appointed and the decision to designate a person or entities that should have their funds or other assets frozen will be taken after a joint opinion from the Ministries of Internal Affairs, Finance, Foreign Affairs, Justice and the Governor of the Angolan Central Bank. However, as mentioned above, the national designation authority has to be appointed by May 11 of 2012.

2.66 For the freezing of funds and other assets owned or controlled by persons and entities established pursuant to UNSCRs 1267 (1999) and 1989 (2011), the list published and disseminated by the 1267/1989 Security Council Committee will be used. According to information provided by the Angolan authorities, BNA has published the list established and maintained by the 1267/1989 Security Council Committee pursuant to Resolutions 1267 (1999) and 1989 (2011) concerning Al-Qaida and associated individuals and entities. However, the list was published on April 9 2012, after the cut-off period. The Angolan

authorities did not provide any information to the assessment team in relation to how the List published by the BNA applies to the Insurance and Securities sectors, as well as to the DNFBP sectors.

2.67 On the other hand, in the case of freezing of funds and other assets of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities owned or controlled by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, the list created by the Angolan competent authority will be used.

2.68 Law 01/12 does not provide how amendments and updates to the 1267 Al-Qaida Sanctions List will be dealt with. The team was not provided with information as to the list's publication process. However, the national list shall be reviewed, at least, once a year⁵¹ and in terms of Article 12 (2) and (3) of Law 01/12, the designated states, persons groups or entities should be removed from the list in the case of the international act in which the designation decision was based is no longer applicable. After the publication of the List, according to Article 19 of Law 01/12, the freezing procedures should be applied immediately.

2.69 Article 2 (k) of Law 01/12 provides for a comprehensive definition of funds, considering as funds all the instrumentalities, financial resources or instruments⁵², regardless of their nature, form or categorization⁵³, including any kind of revenue derived from the funds or other assets.⁵⁴

2.70 Article 2 (s) of Law 01/12 also defines as financial resources any property, regardless of its nature, whether tangible or intangible, movable or immovable, real or potential, such as: land, buildings or other property; equipments; ships, aircraft and motor vehicles; precious stones, jewels and gold; commodities, including oil, minerals and timber; and any other type of asset, tangible or intangible, real or potential.

Freezing Actions Taken by Other Countries (c. III.3)

2.71 According to Article 2 (s) of Law 01/12, the Angolan competent authorities should take into account the actions and requests from other countries regarding the designation of persons, groups or entities and the application of freezing and other measures and decide if similar measures can be applied in Angola.

Extension of c. III.1-III.3 to Funds or Assets Controlled by Designated Persons (c. III.4)

2.72 Due to Article 17 (1) of Law 01/12, the freezing is extendable to all the funds or other assets owned, belonging or held, directly or indirectly, individually or bodily, by designated persons, groups and entities.

2.73 Article 17 (2) provides for the freezing of funds or other assets derived or generated from funds or other assets owned or controlled directly or indirectly by designated persons, terrorists, or those who finance terrorism or terrorist organization.

51. Article 12 (1) of the Designation Law.

52. Article 2(k) – “recursos ou disponibilidades financeiras”

53. Article 2 (k) of Designation Law.

54. Article 2 (k) (i) (ii) of Designation Law.

Communication to the Financial Sector (c. III.5) and Guidance to Financial Institutions (c. III.6)

2.74 According to Article 19 (3) of Law 01/12, supervisory authorities should adopt regulations regarding the freezing procedures, requiring from the supervised entities the obligation to develop and apply mechanisms that allow for the immediate implementation of those procedures. However, at the time of the on-site visit these regulations had not yet been adopted.

De-Listing Requests and Unfreezing Funds of De-Listed Persons (c. III.7) and Unfreezing Procedures of Funds of Persons Inadvertently Affected by Freezing Mechanism (c. III.8)

2.75 The procedures regarding de-listing requests are adequately provided for in Article 11 of Law 01/12. According to this article, any designated state, person, group or entity can request the competent authority in a writing to be removed from the list and give reasons to support the request. In this case, the competent authority is authorized to examine and decide on the request. If no decision is taken within 60 days, the de-listing request is considered approved. However, in the case of de-listing requests based on UNSCRs 1267/1989, according to Article 11 (7), the competent authority needs to submit the request to the Security Council Committee before taking any decision.

2.76 The unfreezing, in a timely manner, of funds or other assets of persons and entities inadvertently affected by a freezing mechanism, after verification that the person or entity is not a designated person is provided in Article 20 of Law 01/12.

Access to frozen funds for expenses and other purposes (c. III.9)

2.77 Angola has appropriate procedures for authorizing access to funds or other assets that were frozen pursuant to UNSCRs 1267 (1999), 1988 (2011) and 1989 (2011) and that have been determined to be necessary for basic expenses, the payment of certain types of fees, expenses and service charges or extraordinary expenses. According to Article 23 (6) of Law 01/12, requests to access frozen funds have to be considered by the competent authority. However, there is no explicit rule that provides for the obligation to submit the request to the Security Council Committee before taking any decision on the request.

Review of Freezing Decisions (c. III.10)

2.78 In accordance with the general principles of the Angolan Constitution, everyone has a right to go to court to defend his or her rights and interests. Consequently, under the Constitution, a person cannot be deprived of their personal or real property without due process.

Freezing, Seizing and Confiscation in Other Circumstances (Applying c. 3.1-3.4 and 3.6 in R.3, c. III.11)

2.79 The general procedures for provisional measures and confiscation of proceeds and instrumentalities of crimes apply to all terrorist related offenses, including terrorism financing (for more detail see Section 2.3 of this report).

Protection of Rights of Third Parties (c. III.12)

2.80 Article 20 of Law 01/12 provides for the protection of the rights of bona fide third parties.

Enforcing the Obligations under SR III (c. III.13)

2.81 Article 32 (1) of Law 01/12 provides that the supervision and the monitoring of compliance of rules and regulations provided by Law 01/12 will be handled by the entities that belong to the Administration of the State, such as the Customs Service, the National Institute of Aviation and others, as provided in Article 34 of Law 01/12. Financial Institutions are supervised by the BNA and the DNFBPs by their respective supervisory bodies, according to Articles 32 and 33 of Law 01/12. In the case of non-compliance with their obligations, these supervisory bodies should inform the competent authority, which will be responsible to apply the sanctions provided in Law 01/12.

2.82 As regards the sanctions that can be applied for failure to comply with the terms described for the application of freezing procedures and other measures related to UNSCR 1267 (1999), 1988 (2011) and 1989 (2011) and UNSCR 1373 (2001), Law 01/12 provides for the application of administrative and criminal sanctions, such as fines, which can be applied to natural and legal persons (Article 1 (a)(b)), and the accessory penalties of permanent banning of the exercise of profession or activity regulated by Law 01/12.

2.83 Criminal sanctions are provided in Article 54 of Law 01/12. Article 54 (1) provides for the punishment of whoever imports, exports, sells or delivers products by any means and goods or services, directly or indirectly, to persons or entities located in designated States or for the use of those States, or persons, groups or entities designated or not originating from the Republic of Angola. In the same way, Article 54 (2) makes it an offence to provide financial or technical assistance, brokering services, logistical support or other services related to the supply of products and goods or services to persons or entities located in designated States.

2.84 A natural person who commits an offense provided for in Article 54 (1) and (2) can be punished with an imprisonment penalty of up to 3 years.

2.85 Articles 55, 56, 57 and 58 also provide for other forms of offenses, and provide varying imprisonment penalties for the respective offences (up to 3 years for Article 55, from 1 to 3 years for Article 56, from 2 to 8 years for Article 57, and from 1 to 3 years for Article 58).

2.86 Law 01/12 expressly provides for the criminal liability of legal persons and legal arrangements.⁵⁵ However, criminal liability of legal persons and legal arrangements does not exclude the individual liability of natural persons⁵⁶.

55. Article 51 of Law 01/12.

56. Article 51 (4) of Law 01/12.

2.87 As regards the commission of the offenses provided for in Articles 54-58, legal persons/legal arrangements can be punished with the main penalty of a fine, in the same amount or a higher amount (up to double) of the illegal transaction. When the offense is not a transaction, the fine will be determined in an equivalent amount of USD 5,000 to 2,500,000 (for financial institutions) and USD 2,500 to 1,500,000 (for natural persons). Article 53 of Law 01/12 also provides for ancillary penalties for legal persons who commit the offenses described in the Law.

Analysis of Effectiveness

2.88 Although Angola has enacted Law 01/12, which creates the national designation process and restrictive measures provided in the UNSCRs 1267 (1999), 1988 (2011) and 1989 (2011) and UNSCR 1373 (2001), the law is recent as it was enacted on 12 of January of 2012 and still needs implementing regulations in order to be applicable. For instance, at the time of the on-site visit, the domestic designation authority had not been appointed and the list according to UNSCRs 1267 (1999) and 1989 (2011), as mentioned above, has been published after the cut-off period.

2.89 Taking into account the very recent adoption of Law 01/12, there are yet no cases of freezing of funds or other assets.

Recommendations and Comments

2.90 The authorities are recommended to provide for implementing regulations for Law 01/12, as follows:

- Appoint the national designation authority and put into practice the national designation process;
- Regulations to be approved should include provisions about how freezing action will be undertaken in practice by the FI and by the Insurance, Securities and DNFBPs sectors, the need for a «without delay» freezing action and identify the steps when assets of listed persons and entities are detected relating to UNSCRs 1267 and 1989.
- Consider creating an explicit rule that provides for the obligation to submit the requests to access frozen funds or other assets to the 1267/1989 Committee in accordance with UNSCR 1452 (2002) as amended by UNSCR 1735 (2006) before taking any decision on the requests.
- Implement, in practice, the freezing procedures, and require from the supervised entities the obligation to develop and apply mechanisms that allow for the immediate implementation of those procedures so as to ensure the effectiveness of the system.

Compliance with Special Recommendation III

	Rating	
SR.III	NC	<ul style="list-style-type: none"> • The domestic designation authority has not been appointed and therefore the national designation process is not in place yet. • The list of designated persons according to UNSCRs 1267 (1999) and 1989 (2011) has not been published in the two-month period following the on-site mission. It should be noted that the list was published on April 9, 2012. • There is no explicit provision that provides for the obligation to submit the requests to access frozen funds or other assets in accordance with UNSCR 1452 (2002) as amended by UNSCR 1735 (2006) to the 1267/1989 Committee before taking any decision on the requests. • Due to the total lack of implementation of Law 01/12 and that the law was enacted in January 2012 after the on-site visit but still within the accepted timeframe, there were no cases of freezing of funds or other assets related to FT in Angola at the time of the on-site visit.

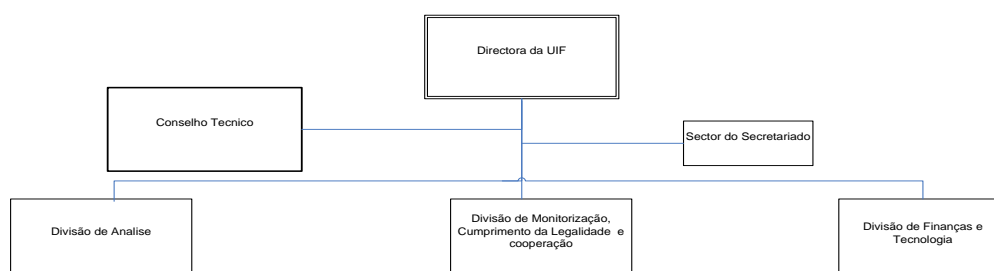
2.5 The Financial Intelligence Unit and its functions (R.26, 30 & 32)

Description and Analysis

Recommendation 26

Establishment of FIU as National Centre (c. 26.1)

2.91 Based on Article 96(5) of Law 16/10 of 15 July which gives powers to the Central Bank (BNA) to establish an FIU, the BNA issued Decree 54/2011. This Decree provides for the establishment of an administrative FIU, the Unidade de Informação Financeira. The FIU was effectively set up in April 2011 and started its activities less than one year ago. This explains that in many aspects, it is not yet fully operational, in particular with regard to its core functions of analyzing and disseminating STRs. The functions, organization, bodies and functioning rules of UIF are established under Presidential Decree 35/11. The Decree also provides for UIF to be headed by a Director and establishes the modalities regarding appointment of the Director, term of office and functions. Article 17(1) provides for UIF to be organized in separate organizational units dealing with 1) intelligence gathering, 2) cooperation, 3) strategy development, and 4) communications, without prejudice to any other units that could be created in accordance with its internal regulations.



2.92 The main functions of UIF, as set out in Article 6 of Presidential Decree 35/11 are to: i) receive, centralize, analyze and disseminate information concerning suspected ML/FT activities, including STRs and other relevant information such as CTRs and international transactions above a certain threshold as required by Law 34/11; ii) promote cooperation on AML/CFT matters with other relevant authorities, particularly law enforcement, judiciary/prosecution and supervisory bodies; and iii) cooperate at international level with other FIUs. Article 6(2)(a), in conjunction with Articles 13, 18, 25(2), 30(1) and 37(1) of Law 34/11 provide for the designated entities and Supervisory bodies to report STRs to UIF.

2.93 In terms of Article 7(c-d), the FIU can apply to the court for a court order to freeze assets for a maximum period of 28 days. It can also request a court order to search premises and seize assets.

2.94 According to Presidential Decree 35/11, UIF is composed of two bodies: the Director and the Supervisory Committee, which integrates high level representatives of all relevant authorities, namely the Minister of State responsible for Civil Affairs and Presidency of the Republic, the Minister of Foreign Affairs, the Minister of Interior (who chairs the Committee), the Minister of Finance, the Minister of Justice and the Governor of the BNA. The supervisory Committee has an oversight role vis a vis the FIU, which includes important powers, such as the approval of the annual report, budget, and protocols of cooperation and exchange of information, as well as the definition of high-level strategies and priorities for the work-program of UIF and the evaluation of the effectiveness of UIF's activities.

2.95 In terms of Article 33 of Presidential Decree 35/11, a Task Force was created with the following duties: planning of the phases leading to the process of organizing the system of preventing and combating ML and FT in Angola; facilitating the cooperation between the FIU and all relevant authorities; leading on the contacts with international organizations such as the WB, IMF, FATF or ESAAMLG, in particular as regards the submission of the membership applications to relevant international entities. The task-force is composed of the Director of the FIU and representatives of each Ministry which integrates the Supervisory Committee.

Guidelines to Financial Institutions on Reporting STR (c. 26.2)

2.96 Presidential Decree 35/11 makes a distinction between two sorts of guidelines to supervisory bodies and designated entities: 1) general guidelines; 2) specific guidelines.

2.97 In terms of Article 25(1) of Presidential Decree 35/11, the general guidelines to supervisory authorities shall be issued by UIF and shall cover: (a) appropriate reporting obligations for different types of entities; (b) general acting principles; (c) generic identification procedures; (d) special reporting procedures for PEP, non-face-to-face transactions, transactions with countries subject to additional AML/CFT contra measures, transactions involving banking correspondents in third countries; (e) typologies on emerging trends of criminal activities; (f) other issues.

2.98 The issuance of specific guidelines on reporting STRs is reserved to the supervisory bodies as prescribed in Article 26(a), and the guidelines are destined to designated entities. However, should the supervisor's bodies fail to issue guidelines, the FIU may exceptionally, and after authorization from the Supervisory Committee, issue guidelines on behalf of the supervisory bodies, based on Article 25(2) of the Decree.

2.99 The articulation between general guidelines and guidelines / regulations issued by the BNA is not clear at this stage. As general guidelines are still in the process of being drafted, there are no examples illustrating this articulation.

2.100 According to information provided by the Angolan authorities, general guidelines are in the process of being approved. UIF has currently no plans to issue specific guidelines.

2.101 According to Article 20 of Decree 35/11, UIF should also have a role as regards the suspicion criteria, which have to be elaborated by the supervisory or regulatory bodies, but should be based on the "work of the FIU". In this respect, guidelines containing criteria to identify suspicious transactions and criminal typologies, destined to be used by compliance officers have been elaborated by the FIU and transmitted to reporting entities.

2.102 As regards the information that shall be reported to the FIU, in accordance with Article 19 of Decree 35/11 (namely 1) STRs; 2) Large cash transaction reports; 3) Cross-

border transactions, UIF may issue rules as regards the information that it receives electronically, as prescribed by Decree 35/11 in its Article 21, and implement electronic formats for the transmission of information. In addition, Article 28 of the Decree establishes the obligation for UIF to issue an annual report including the models for the communication of different categories of information.

2.103 Currently, a template for STRs has been communicated to the reporting entities, together with guidelines on how to complete the template. In the future, UIF has planned to circulate STRs electronically through a site that is being developed.

Access to Information on Timely Basis by the FIU (c. 26.3-4)

2.104 Articles 6(2)(b) of Presidential Decree 35/11 and 38 of Law 34/11 prescribe that the FIU should have access to financial, administrative and judicial information, as well as information from police forces, with regard to the persons referred to in the STRs and “other communications”. Article 6(2)(c) of Decree 35/11 empowers the FIU to request additional information from financial institutions, DNFBPs and supervisory bodies, in case it deems it necessary. This includes both situations where UIF may ask information from the entity which has submitted the STR, and other designated entities. It is understood that this can happen indirectly, through the supervisory authority. Article 16 of Law 34/11 establishes that all designated entities must co-operate with the FIU and supervisory bodies.

2.105 In practice however, easy and quick access to existing registries of movable (vehicles, ships and aircrafts) and immovable goods is not a reality. This is because those registries are still mainly manual, not centralized and procedures for access are cumbersome. In addition, due to the lengthy process of registration, there is a considerable proportion of unregistered immovable property, even in the main urban zones, including Luanda. This gap makes it difficult to apply provisional measures and the confiscation of the proceeds of crimes. The Ministry of Justice is currently working on improving the access to these registries by upgrading the information collected and inserting it into centralized electronic databases so as to facilitate quick and reliable access by the relevant authorities.

2.106 Due to the fact that the legal framework for AML/CFT is very recent and has gone through a process of recent modifications, and taking into account that the FIU is not yet fully operational, the assessors could not check whether the FIU is able to effectively access pertinent information on a timely basis.

2.107 The Angolan Authorities have informed the assessors that memoranda of understanding are currently being negotiated with the relevant national authorities, such as the Police, the BNA⁵⁷, the Prosecutors Office, the Custom Services, the National Security Agency (SINSE), the National Directorate of Registers and Notaries, the one stop public office (Guichet Unico), etc., in order to facilitate timely access to information held by domestic competent authorities.

2.108 Decree 35/11 provides the necessary legal basis for UIF to be authorized to obtain additional information from reporting parties in its Article 6 (2) (c). According to the Angolan authorities, since its existence, UIF requested additional information to one banking institution regarding an STR.

57. The Angolan authorities informed the assessment team, when providing comments to this report, that an MoU was concluded with BNA, but did not specify the date or send the signed MoU.

Dissemination of Information (c. 26.5)

2.109 Article 6(2)(f) of Presidential Decree 35/11 lists as one of the main tasks of UIF the dissemination of information to competent authorities. This is also reflected in Article 39 of Law 34/11 on information dissemination, which states that “The financial information unit shall, within its powers and legal competences, as well as the supervisory and inspection authorities as stated in Article 35 of the present Law, issue alerts and convey updated information on known trends and practices, for the purpose of preventing money laundering and financing of terrorism.”

On the basis of Decree 35/11 and Law 34/11, UIF is therefore authorized to disseminate information ex-officio.

2.110 In addition, Article 23(1) of the same Decree determines that UIF is authorized to disclose information concerning suspected ML or FT activities to the relevant domestic authorities for investigation or action. However, according to Article 23(2), the disclosure of information covered by Article 6 (2) (f) should be based on a request by a duly authorized person, who must prove that the requested information is necessary for the investigation of illicit activities or for fulfilling its professional duties.

2.111 It is also specified under Article 23 (3) that the terms and conditions for sharing information shall be defined through memoranda of understanding. According to Article 23(4), the memoranda of understanding should establish the following rules: (a) procedures for requesting information; (b) confidentiality of shared information; and (c) conditions for using the received information. As mentioned in sections above, no MoUs have yet been signed.

2.112 According to Article 22 of the Decree, UIF should cooperate with the following bodies: (a) the Prosecutor’s Office; (b) the police authorities; (c) the intelligence and security agencies; (d) the Tax authorities, (e) the Customs Services; (f) the Immigration Services; (g) the Registries and Notary Services, (h) the Trade Department, (i) the supervisory bodies of the designated entities.

2.113 By the time of the on-site visit in 2011, the FIU had received 7 STRs, requested information from one bank and followed-up on one of the STRs by preparing a report that was sent to the police (DNIIAE) for investigation. The case is still under investigation.

Operational Independence (c. 26.6)

2.114 Article 4(1) of Decree 35/11 states that UIF should perform its duties with independence and technical and functional autonomy.

2.115 UIF exerts its activities under the general oversight of the President of the Republic as prescribed in Article 4(2) of the Decree, and under the oversight of the BNA as prescribed in Article 4(3). This oversight is to ensure that the UIF is operating in accordance with the mandate under the provisions provided by law or other kind of legal act (such as the Decree 35/11). Nevertheless, in order to protect the independence of the UIF, Article 4(4) of the Decree provides that the BNA cannot interfere in the operational management of UIF.

2.116 The budget of the UIF is funded by the BNA. The funding proposal is initially submitted to the BNA by UIF’s Director and subsequently to the Supervisory Committee, after BNA gives its opinion. The budget is approved by the Supervisory Committee of UIF.

2.117 Article 13 of Decree 35/11 prescribes that the Director of UIF is appointed by the President of the Republic, following a recommendation by the Governor of the BNA. The same Article establishes that the Director has a similar category as a member of the board of the BNA. In terms of Article 14(1)(3), the Director of UIF is appointed for a five year term renewable only once and cannot simultaneously be a board member, manager, and in any way representative of any other institutions and cannot have any kind of interests in any of the financial institution or DNFBP. In accordance with Article 14(4), the Director may only be removed from office by the President of the Republic. The removal of the Director can happen in the same conditions as any other member of the board of the BNA, as referred to in Articles 77(1)(2) of Law 16/10, of 15 July (Law of the BNA). According to Article 77(2) of the BNA Law, a member of the board of the BNA can be dismissed by the President of the Republic when he has been convicted to imprisonment in connection with the commitment of a serious crime; has acted with abuse of power in his functions, or with indignity in the exercise of the mandate; lost the trust of the President of the Republic to carry on his mandate or has acted in serious non compliance with his duties. Whereas the use of loss of trust as one element to justify dismissal is not unusual per se, the assessment team is not aware of the existence of any criteria in Angolan Law that can be used to limit the possibility of decisions being taken on the sole condition of loss of trust by the President. The Director of UIF is also subject to the provisions of the Legal Regime of Public Managers, according to Article 16(2) of Presidential Decree 35/11 in conjunction with the regime applicable to the members of the board of the BNA as prescribed in Article 64(2) of Law 16/10.

2.118 The day to day management of UIF is totally left to its Director, who, in conformity with article 15 of Decree 35/11, is responsible for all the management and administration acts, ensures the organizational and operational structure of UIF, undertakes all the operational decisions and represents UIF both at national and international levels in all its activities within the scope of the AML/CFT framework. Despite the absence of explicit powers for the Director to recruit/dismiss personnel, it is understood that these powers can be exercised under Article 15 of the Decree, namely lines a) and f).

2.119 According to Article 12 of Presidential Decree 35/11, the Supervisory Committee of UIF exerts certain powers vis a vis UIF. As explained in the relevant section above, those should however be limited to administrative and financial acts.

2.120 Taking into account 1) the fact that the Supervisory Committee is a body inside UIF; 2) its powers as defined in Article 11 of Decree 35/11; 3) the absence of a clear delimitation of the powers of the Supervisory Committee with regard to the operational management of UIF; and 4) the absence of an established flow of information inside UIF; the assessment team is concerned that this may give rise to interference from the members of the Supervisory Committee into the daily management of UIF.

Protection of Information Held by FIU (c. 26.7)

2.121 Article 32 of Presidential Decree 35/11 states that data and information received and analyzed by UIF are subject to the Data Protection Law (Law 22/11 of 17 of June). Article 32(1) of Law 22/11 refers to confidentiality and Article 32(4) of the same law prescribes that whoever breaks confidentiality can be convicted to a 3 years imprisonment sentence and corresponding fine, without prejudice of civil and disciplinary liability. Article 31 of Law 22/11 prescribes that only authorized persons can have access to information.

2.122 At the time of the onsite visit, UIF had implemented a secure database with restricted access to information reported to it. It had however 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.

2.123 The staff of UIF is subject to a confidentiality duty, and the non compliance with this legal duty implies criminal, administrative and civil liability, according to Article 30 of Presidential Decree 35/11. This legal duty for the UIF staff continues even after their term of office with the UIF has come to an end.

Publication of Periodic Reports (c. 26.8)

2.124 In terms of Article 28 of Presidential Decree 35/11, UIF must issue an annual report which will include the following information:

- Priorities of UIF as defined by the Supervisory Committee;
- Results achieved in the year under review;
- Statistics;
- Number of received STRs;
- Number of cases disseminated for investigation and prosecution;
- Flow of information with other FIUs;
- Model of STRs to be adopted by institutions subject to report STRs;
- Typologies.

2.125 The annual report shall be submitted to the Supervisory Committee by the Director of UIF by 31st January every year, and the Supervisory Committee shall approve the report in 15 days. The first of such reports was submitted to the Supervisory Committee in January 2012. A draft was provided to the assessment team.

2.126 Article 41(3) of Law 34/11 provides for the FIU to publish statistics on ML/FT. However, Decree 35/11 does not establish the obligation for the annual report to be published. The authorities informed the assessment team that they intend to publish the report.

Consideration to Joining the Egmont Group (c. 26.9-10)

2.127 Article 24 of Presidential Decree 35/11 sets out the possibility of exchanging information with other FIUs. However UIF has not yet submitted a membership application to the Egmont Group. UIF has only signed MoUs with the FIC, South Africa and FIC, Namibia.

Adequacy of Resources – FIU (R. 30.1)

2.128 At the time of the onsite visit, UIF was still under resourced to perform its tasks adequately, and had not yet recruited staff to work in the several functional areas, in particular analysts and technical staff to analyze STRs and CTRs. UIF has elaborated job profiles for part of the current staff and is still in the process of recruiting additional personnel. However, the current number of persons working for the FIU (4 in total) is clearly

insufficient to deal with all the tasks attributed to the FIU, mostly anticipating on the future activity generated by expected efforts on the prevention side. UIF has organized several training activities for existing personnel. After the on-site mission, the assessment team was informed, that the FIU Director, together with one staff member, participated in training on technical analysis of information, offered by the World Bank and the Egmont Group, in Kenya. That staff member is now in charge of analyzing STRs, under the supervision of the Director.

2.129 In terms of Article 27(1) of Presidential Decree 35/11, the budget of UIF is funded by the BNA. According to article 27(2), UIF shall submit its budget proposal for the next year by the 1st of September to the Governor of the BNA for discussion by the Board of Directors, who must issue an opinion by the 20th of September. In terms of Articles 27(3),(4), the proposal and the opinion of the BNA are then submitted to the Supervisory Committee for approval, which takes place by the 5th of October.

2.130 According to the annual report provided by UIF, only 10,9% of the budget of AOA 411.982.242,00, for 2011 was used. It does therefore not seem that there is a shortage of financial resources. For the moment, UIF's office can accommodate all employees, including the additional 4 people that still need to be recruited.

Professional Standards and Training – FIU (R. 30.2-3)

2.131 UIF's staff is covered by Law 16/10 in conjunction with Articles 5 and 6 of Law 3/10 of 29 March (Law for public integrity) and is required to maintain high professional standards, to be honest and not to accept money, gifts of any nature that can damage the credibility and authority of the public sector.

2.132 Taking into account that Article 80(2) of Law 16/10 prescribes that the BNA staff is covered under Law 16/10, excluding the regime defined in Decree 33/91 of 26 June, which establishes the disciplinary regime of the public servants, the staff of UIF is subject to the regulations governing the BNA. Article 4 of the Agreement between banking sector employers and employees, (Acordo Colectivo de Trabalho) of which the BNA is part, prescribes that one of the requirements to be admitted as a bank employee is to produce the original certificate of a criminal record with no registration of a sentence of more than 2 years imprisonment.

2.133 In addition, Article 30 of Presidential Decree 35/11 prescribes that UIF staff is bound by confidentiality requirements, which apply during and after the term of their functions.

2.134 According to information provided by the Angolan authorities, UIF's staff attended various training modules, namely on the following issues: (a) analysis principles; (b) risk assessment and priority definition; (c) analysis of available data; (d) analysis; and (e) presentation of achieved results. To get familiarized with the experience of other FIUs, UIF's Director and other staff have visited the following FIUs of the region: Namibia and South Africa.

2.135 At the time of the on-site site visit, the following elements were not yet in place: internal regulations, job profiles for all staff to be recruited, and definition of professional careers and staff remuneration.

Statistics and Effectiveness (R.32.1-2)

2.136 Taking into account its short life, UIF has mostly concentrated on getting ready to undertake its core missions, and to a large extent, staff is still in a learning process. So far, the Director has undertaken most of the core functions of UIF, with assistance of staff, such as the analysis and dissemination of STRs. Due to the novelty of the legal framework dealing with AML/CFT in Angola, there is still weak monitoring of financial transactions by FIs, leading to a very limited number of STRs and the non-regulation so far of the obligation to file CTRs, UIF has not yet been challenged to deliver on its core functions of analyzing and transmitting STRs and other information. UIF has played an important role so far with regard to internal coordination and awareness raising in the framework of its task-force.

2.137 In terms of Article 7(i) of Presidential Decree 35/11 UIF shall keep updated statistics on received STRs, flow of received and analyzed financial information, and achieved goals. The 2011 FIU annual report includes the following statistics, which cover the period from April 2011 to December 2011:

	Received	Under analysis	Disseminated
Received STRs	7	6	1
Information received from other FIUs	6	6	0
Spontaneous reports	2	2	0
TOTAL	15	14	1

2.138 Only 1 report was disseminated.

Recommendations and Comments

Recommendation 26

- Finalize all preparations that are necessary for the UIF to become fully operational within a reasonable timeframe. In particular, the following tasks should be completed as a matter of priority: approve Internal Regulations, implement the organizational structure, finalize the recruitment process, provide for adequate training of technical personnel and set up an IT system to ensure adequate security and confidentiality of the information it receives.
- Revise Presidential Decree 35/11 in order to enhance UIF's operational independence by clearly separating the operational powers attributed to UIF from those attributed to the Supervisory Committee, dealing with general and strategic issues in order to ensure the capability of UIF to develop its activity.

UIF should also:

- Adopt general guidance on the reporting process as required by Decree 35/11. The STR reporting processes should take into account the diversity of the reporting entities and adopt specific guidelines where necessary to maintain consistency.
- Finalize the MoUs currently under negotiation with the relevant authorities in order to facilitate timely access to information held by those authorities, including law enforcement agencies and to improve access to registers. The MOUs should take into consideration the fact that there is a lot of manual record-keeping in most of government agencies.
- Publish annual reports
- Consider submitting application for membership to the Egmont Group when fully operational

Recommendation 30

- Adopt definition of careers and of staff remuneration
- Include a training component in the work program of UIF, with a view to completing the basic training of existing staff, including permanent training and updates, as well as similar actions for staff to be recruited.

In addition to the actions to be undertaken by UIF, the other consideration which can be made is to provide guidance on circumstances in terms of the law upon which the UIF Director can be dismissed due to loss of trust.

Recommendation 32

- Maintain comprehensive and updated statistics on STRs and other relevant information such as CTRs, including their breakdown by type of designated entity, flow of received and analyzed information, and achieved goals.

Compliance with Recommendation 26

	Rating	
R. 26	PC	<ul style="list-style-type: none"> • UIF is not yet fully operational or adequately staffed and organized to be able to fulfill its functions. • Guidance to supervisory authorities has not yet been adopted. • Timely access by the FIU to financial and law enforcement information is not granted as it has not yet concluded MoUs with the relevant authorities. • Taking into account the powers of the Supervisory Committee and the absence of an explicit requirement for the Supervisory Committee not to interfere with the operational management of UIF, the assessment team is not satisfied with regard to UIF's operational independence. • UIF has 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; • Article 41(3) of Law 34/11 provides for the FIU to publish statistics on ML/FT. However, Decree 35/11 does not provide for the annual reports of the FIU to be published. The report includes basic statistics concerning STRs but no information on typologies;
R. 30	PC	<ul style="list-style-type: none"> • UIF lacks the human resources to perform its tasks adequately. • UIF's organizational structure has not yet been implemented. • Training at the FIU has not been sufficiently directed towards the main tasks of the body. • DNIIAE and DNIC are not sufficiently trained to combat ML and FT. • Financial sector supervisors are not sufficiently trained in the new AML/CFT framework.
R. 32	NC	<ul style="list-style-type: none"> • The authorities have not performed a review of the effectiveness of their AML/CFT system. • Comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing have not been collected by all relevant competent authorities. • No institution in the AML/CFT regime is collecting any meaningful statistical information.

2.6 Law enforcement, prosecution and other competent authorities – the framework for the investigation and prosecution of offenses, and for confiscation and freezing (R. 27 & 28)

Description and Analysis

2.139 Despite several requests to the authorities, the assessment team did not meet with judges or prosecutors specialized in ML and FT. This constrains the ability of the team to conduct a full assessment and in particular to reach conclusions on understanding and use of the legal framework, implementation and effectiveness.

Recommendation 27

Designated agency to ensure ML, FT and predicate Offenses are properly investigated (27.1)

2.140 According to Article 210 of the Angolan Constitution, the Angolan National Police (ANP) is the institution that is responsible for carrying out the investigations of crimes and their perpetrators, which includes the investigations of ML/FT offenses.

2.141 The ANP is an autonomous body that is under the direct responsibility of the Ministry of Interior. Inside the administrative structure of the ANP, there are two specialized departments – the DNIAE (National Directorate for Inspection and Investigation of Economic Activities) and DNIC (National Directorate for Criminal Investigations).

2.142 DNIAE and DNIC are the designated law enforcement agencies responsible for investigating ML and FT offenses, but none of them has special units dealing with ML/FT offenses. Their investigative powers derive from Decrees no. 80/81 and no. 20/93. Specific powers to investigate ML/FT are derived from the above mentioned provisions as read with Article 22 (b) (i) (ii) of Presidential Decree no. 35/11.

2.143 Both DNIAE and DNIC perform their functional duties under the direction of the Prosecutor's Office. This is based on the powers granted to the Prosecutor's office as described below and in Article 161 of Law 5/90.

2.144 Pursuant to Article 186 of the Angolan Constitution and the Article 2(c) of Law no. 05/90, the Prosecutor's Office has the responsibility for promoting and carrying out criminal prosecutions before the competent judicial courts. The Prosecutor's Office also has the powers to conduct preliminary investigations designed to verify the existence of crimes, and then send them to the bodies of criminal investigation.⁵⁸

2.145 Although a specialized group of prosecutors dealing specifically with ML/FT cases does not exist yet, the Prosecutor's Office has representatives in most of the law enforcement agencies, at the national and the provincial level and, according to the authorities, at all border entry and exit points.

Ability to Postpone / Waive Arrest of Suspects or Seizure of Property (c. 27.2)

58. According the Article 2(k) of the Law 05/90.

2.146 There are legislative and administrative measures in place in Angola that allow the ANP or the Prosecutor's Office to postpone or waive the arrest of suspected persons and/or the seizure of the money for the purpose of identifying persons involved in such activities or for evidence gathering.⁵⁹

Additional Elements

Special Investigative Techniques, Cooperation, or Information on ML and FT (27.3-6)

2.147 DNIAE and DNIC are considered permanent specialized groups created to deal with financial and narcotic crimes. Based on the provisions from Decrees no. 80/81 and no. 20/93 and on the threshold approach adopted by Law 34/11⁶⁰, it can be considered that all the unlawful conducts that have financial impact and which can constitute a predicate offense of ML can be investigated directly by these special departments.

2.148 According to Articles 32(1) and 33(1) of Decree no. 20/93 and Article 6 of Decree 80/81, DNIAE and DNIC also have powers to work and are able to act at all stages of investigations, including the seizure, freezing and confiscation of proceeds of ML/FT crimes.

2.149 Although an explicit legal act allowing for the possibility of co-operative investigations with appropriate competent authorities in other countries does not exist, co-operative investigations may be undertaken if the principles and rules of Criminal Procedure in force are observed and if conducted in the strict terms of mutual legal assistance agreements signed by Angola.

2.150 Joint actions by the law enforcement agencies, prosecution authorities, and other competent agencies with the objective of reviewing methods, techniques and trends applied in the detection, investigation and prosecution of ML/FT cases have not yet been implemented.

2.151 Article 41 of the Counter-Narcotics Law (Law no. 03/99) provides for the use of the controlled delivery technique in narcotics investigations when the drug is in transit in Angola in direction to another country or countries. In these cases, after an individual authorization by the competent Prosecutor's Office, the ANP and/or Customs Services action is suspended with a view to identifying and prosecuting a larger number of persons involved in the narcotic offense. This action is to be taken in cooperation with transit and destination countries with no prejudice of prosecuting the persons that in accordance to the Angolan law had committed criminal offenses. As regards wiretapping and telephone interception, there is no comprehensive legal system in Angola. Following the provisions of Article 34 of the Constitution of the Republic of Angola, Law 12/02 of 16 August (Law of National Security) is the only legal act which provides for the use of these special techniques. However, it is only allowed for investigations of crimes criminalized in this law, namely terrorism and illicit drug trafficking, as prescribed by Article 1(3)(c) in conjunction with Article 24, both in Law 12/02. In the allowed cases, the wiretapping and telephone interception can be made only

⁵⁹ While the team had not inquired into this power during the onsite visit, the authorities advised the Plenary that law enforcement authorities (the ANP) had indeed the authority to postpone and waive arrest of suspects or seizure of property. However, it should also be considered that this ability is limited to the criminalized predicate offences.

⁶⁰ According Article 60 (4) of the AML/CFT Law, Angola uses a threshold approach that considers predicate offenses to be all unlawful conduct punishable with a prison term of more than 6 months.

under court order. Thus, there is currently no legal basis for using wire interception in investigations of ML/FT offenses.

Recommendation 28

Powers of Production, Search and Seizure

2.152 Pursuant to the Angolan criminal system, law enforcement agencies and the Prosecutor's Office have powers through search and seizure warrants issued by the courts to: a) compel production of; b) search persons or premises for; and c) seize and obtain transactions records, identification data obtained through the CDD process, account files and business correspondence, and other records, documents and information, held or maintained by financial institutions and other business or persons.

2.153 As referred to in section 2.3 of this report, as Law 34/11 does not provide for specific procedures for the application of seizing and freezing of assets, general provisions of the Code of Criminal Procedure and subsidiary legislation such as Law no. 22/92 have to be used.

2.154 Pursuant to Article 3 of Law no. 22/92, the Prosecutors Office and law enforcement agencies responsible for investigating ML and FT offenses [DNIAE and DNIC] are competent authorities to order searches and seizures in a criminal investigation, which includes ML/FT cases.

2.155 Article 20 of Law no. 22/92 also provides for the seizing of transaction records, identification data, account files and business correspondence, as well as other records, documents or information, held or maintained by financial institutions or other credit institutions, under the condition that this information is necessary for a criminal investigation.

2.156 The powers referred to in the previous paragraphs are applicable to freezing and confiscation of proceeds of crime as well as to any investigation of an underlying predicate offense.

Power to Take Witness Statements (28.2)

2.157 According to the general provisions of the Criminal Procedure Code, the ANP and its specialized departments [DNIAE and DNIC] have enough powers to take witnesses statements for use in investigations and prosecutions of ML, FT, and other underlying predicate offenses, or in related actions.

Recommendation 30 (Law enforcement and prosecution authorities only)

Adequate Structure, Resources etc. [police and FIU] (30.1)

2.158 DNIAE and DNIC were originally designated as permanent specialized groups to deal with financial and narcotic cases. Both investigative entities are part of the Angolan National Police and they fall under the General Commander. Although there are no specific units dealing exclusively with ML/FT, considering the nature of their functions [financial and narcotics crimes], and taking into account Article 22(b)(i-ii) of Presidential Decree 35/11, the investigations regarding ML/FT offenses will be conducted by these departments.

2.159 DNIC does not have specialized resources to deal with ML/FT cases, which is a new responsibility, according to Decree 35/11. Investigations on ML/FT will be performed by the same staff which deals with all sorts of crimes. According to information provided to the assessment team after the on-site visit, DNIAE has at its headquarters a small unit dealing with ML offences only⁶¹. From a total of 414 police officers, only 22 members of DNIAE and 6 of DNIC attended training programs related to ML/FT. The assessors' team is therefore of the view that DNIAE and DNIC are not yet properly structured, skilled and staffed to investigate ML/FT cases.

2.160 DNIAE and DNIC are structured as follows:

DNIAE's OPERATIONAL STRUCTURE



INSPEÇÃO	Inspecting Unit
CENTRAL	Central Unit;
INSTRUÇÃO	Investigating Unit;
DFF	Financial and Fiscal Crimes and Investigation Unit;
DCOA	Environmental and Organized Crime Investigation Unit;
ARI	Archives and Data Registration Unit;
DDPI	Unit for Investigation of Crimes against Intellectual Property.

⁶¹ No information was provided by the Angolan authorities as to the number of people working in this unit.

DNIC's OPERATIONAL STRUCTURE



LCC	Criminal Police Laboratory;
GNI	INTERPOL National Office;
DIIC	Criminal Records and Identification Unit;
DTIPMP	Anti precious stones and metals trafficking Unit;
DCCOTP	Unit for Investigation of Crimes against Public Order;
DCCP	Crimes against Persons Investigation Unit;
DPDJ	Juvenile Delinquency Investigation Unit
DCCPR	Crimes against Property Investigation Unit
DCA	Accidents Investigation Unit
DCN	Anti-narcotic Unit
DICPAPF	Unit for Investigation of Crimes Committed in Ports, airports and border entry and exit points.

Confidentiality Rules (R. 30.2)

2.161 According to the applicable laws, there are strict provisions concerning confidentiality and integrity. All public servants have to abide by the terms of conduct set out in Law no. 3/10, including police officers and prosecutors. Decree no. 41/96 provides for the Disciplinary Regulations for the Members of the National Police. The authorities informed the assessors that a considerable number of members of the police have been dismissed due to conduct that are contrary to the disciplinary regulations.

2.162 In terms of Article 12 of Law 3/10, public servants shall use all means to avoid the disclosure of facts and information related to his/her duties and it is prohibited to use such information to his/her benefit or the benefit of other persons. With regard to integrity, Article 5 of the same Law prescribes that public servants shall observe the values of good governance and integrity and cannot ask for or accept, for himself or others, directly or indirectly, any gifts, loans, benefits or any favor that can affect any decision and or the credibility of the Public Administration, its organs and services.

2.163 In terms of Article 5(44) of Decree 41/96, the members of the police services cannot disclose without authorization any fact or information related to their professional activities. Furthermore, according to Article 5(23), members of the police cannot use their position to get unlawful benefits. In term of Article 5(16), they are forbidden to accept gifts and any kind of benefits that can affect their independence.

Professional Standards and Training (R. 30.3)

2.164 Even though efforts are being made by the authorities to provide training for the police officers, DNIAE and DNIC do not appear to be sufficiently trained yet for combating ML and FT, as described in the table below. The information provided by the Angolan authorities as regards this table was not complete, as the list of attendees for each one of the training programs was not provided. Because of this, the possibility that the same people attended these training programs cannot be excluded. On the other hand, the assessors did not receive full information regarding the components of these programs. Because of this, it was not possible to evaluate if these programs covered important issues related the AML/CFT system, as regards the scope of predicate offenses, ML and FT typologies, techniques to investigate and prosecute these offenses, techniques for tracing property to be seized, frozen and confiscated, and the use of information technology and other resources relevant to the execution of their functions.

Training programs attended by DNIAE personnel

Action	Number of attendees
Course on Combating Corruption and ML, from 08 to 11.11.10, in Brasília/Brazil.	3
Seminar on Combating ML/FT, organized by the African Innovation Foundation (AIF), in Luanda, on the 27.06.2011.	2
Course on Combating Corruption and ML, from 08 to 11.11.10, in Brasília/Brazil	8
Course on Combating Corruption and ML, from 27 to 30.09.11, in Natal/Brazil.	8
Workshop on Combating ML/FT, held in Maseru – Lesotho, from 11 to 13.10.2011.	1
Participation in the 5 th session of the Conference of the United Nations on organized crime	4

Training programs attended by DNIC personnel

Action	Number of Attendees
Course on ML/FT, held in Madrid/ Spain;	2
ML & Serious Crimes, held in Luanda, in 2010.	4

2.165 There are 11 prosecutors at the Attorney General’s Office, who have been trained on AML/CFT matters in 2011.

Additional Elements

2.166 Despite several requests by the assessment team to the national authorities to organize a meeting with judges and other members from the Judiciary, this was not possible during the on-site visit and the authorities did not provide any information about the organization and functioning of the Judiciary in relation to the AML/CFT issues. This lack of information on the Judiciary created serious limitations on the team's ability to assess implementation and effectiveness in the Judiciary.

Statistics and Effectiveness (R.32)

2.167 At the time of the on-site visit, there was no register of investigations of ML/FT cases in Angola. Hence it is not possible to carry out any analysis of effectiveness of the structure of the law enforcement agencies and Prosecutor's Office responsible for carrying out investigations and prosecutions of ML/FT offenses in the country.

Conclusions:

2.168 The ANP and Prosecutor's Office do not have sufficient expertise and skills to investigate and prosecute ML/FT offenses. The authorities did not provide clear information on how many members of DNIAE and DNIC have attended training programs on ML/FT and the assessors could not get information on how the Judiciary is structured and prepared to deal with ML/FT issues. This suggests that although tangible efforts have been made by the authorities, the system is not yet effective.

Recommendations and Comments

2.169 The authorities are recommended to:

Recommendation 27

- Implement measures as may be necessary to create legal provisions that provide law enforcement or prosecution authorities with an adequate legal basis for the use of a wide range of special investigative techniques when conducting investigations ML/FT cases and predicate offenses;
- Adopt a comprehensive legal system regarding wiretapping and telephone interception in Angola for ML/FT and relevant predicate offenses; and
- Develop systems to ensure that comprehensive statistics on investigations and prosecutions of ML/FT and predicate offences are kept in such a way that effectiveness and trend analysis can be analyzed.

Recommendation 30

- Provide specific training programs on different types of predicate offences, ML/FT offences, techniques to investigate and prosecute these offences, techniques for tracing property and other topics relevant to ML/FT;
- Continue developing specialized expertise and skills at the ANP Prosecutors Office and judicial branch to deal with ML/FT issues and provide appropriate training to their members.

Compliance with Recommendations 27 & 28

Rating

	Rating	
R.27	LC	<ul style="list-style-type: none"> • No adequate specialized skills within the ANP to investigate ML/FT offenses • No national program in which the law enforcement agencies, prosecution authorities, and other competent agencies can review methods, techniques and trends applied in the detection, investigation and prosecution of ML/FT cases, • No evidence of effectiveness as there were no cases under investigation.
R.28	PC	<ul style="list-style-type: none"> • No specific procedures for the application of seizing and freezing of assets. • No evidence of effectiveness as there were no cases no cases under investigation.
R.30	PC	<ul style="list-style-type: none"> • UIF lacks the human resources to perform its tasks adequately. • UIF's organizational structure has not yet been implemented. • Training at UIF has not been sufficiently directed towards the main tasks of the body. • DNIIAE and DNIC are not sufficiently trained to combat ML and FT. • Financial sector supervisors are not sufficiently trained in the new AML/CFT framework.

Cross Border Declaration or Disclosure (SR.IX)

Description and Analysis

Special Recommendation IX

Legal Framework

2.170 As highlighted in section 1 of this report, Angola has very extensive borders at the north, east and south of the country with the Democratic Republic of Congo, Zambia and Namibia, which places a very heavy challenge on customs and police controls.

2.171 At the time of the on-site visit, the cross border declaration system was regulated by BNA Notice 1/2006, the Foreign Exchange Law n. 5/97 of 27 of June and Article 14 Law 34/11. BNA Notice 1/2006 and the Foreign Exchange Law are relevant for the cross-border declaration system for the reasons explained in the section below.

After the on-site visit, Notice 1/2006 was replaced by Notice 1/12 which entered into force on February 27, 2012.

2.172 The new notice introduces a declaration system with a declaration form and revises the thresholds for the export and import of currency. Overall, the new system maintains the thresholds established by Notice 01/2006 for residents but lowers the threshold for children and non-residents and introduces the possibility for both residents and non residents to carry in and out of Angolan borders small quantities of Kwanzas. The changes brought by the new Aviso are explained in further detail in the sections below.

Mechanisms to Monitor Cross-border Physical Transportation of Currency (c. IX.1)

Export of currency:

2.173 At the time of the on-site visit, BNA Notice 1/2006, based in the Foreign Exchange Law n. 5/97, of June 27, 1997, distinguished between residents in Angola and non-residents for foreign exchange purposes. Angolan residents were allowed to leave the country with amounts up to US\$ 15,000 or the equivalent in other foreign currencies (Article 2(1) of BNA Notice 1/06). The export of domestic currency was prohibited without the authorization of the BNA. Customs officers had powers to retain any domestic currency being transported without authorization.

2.174 For non residents to export more than US\$15,000 or the equivalent amount in foreign currency, a copy of the declaration of entrance in the country of amounts equal or more than the export amount had to be produced according to Article 3(2) of Notice 1/2006.

Import of currency:

2.175 Notice 1/2006 obliged residents to report incoming physical cross-border transportation of foreign currency in excess of US\$ 15,000 and declare its origin (Article 2(2)). Non-residents in Angola were also required to declare, when entering the country, if they held more than US\$ 15,000 or the equivalent amount in another foreign currency (Article 3(1) of the Notice), but they were not obliged to disclose the origin of the funds or their intended use.

2.176 BNA Notice 1/2006 did not establish the obligation to declare or disclose the incoming or outgoing transportation of bearer negotiable instruments exceeding a certain threshold. This obligation is also not provided in Law 34/11.

2.177 However, according to Article 14(1) of Law 34/11, Customs shall report to UIF all attempts to transport currency and bearer negotiable instruments across borders when there are sufficient grounds to suspect that the currency or instruments are related to a ML or FT crime or any other crime. Postal Service Law n. 4/01 forbids the export through the Postal Service of currency and precious objects.

Changes introduced by Aviso 1/12

2.178 The new BNA Notice (Aviso 1/12) stipulates that the threshold amount remains the same (US\$15,000) for adults, but decreases to US\$5,000 per child in accordance with Article 7(2). For non residents the amounts decrease to US\$10,000 (Articles 6 and 8). Based on information provided to the assessment team during the on-site visit, the lower threshold for children is a logical step to prevent those being used by adults to carry high amounts of cash outside Angolan borders and is to be welcomed. As regards the decrease in the threshold for non-residents, it is unclear to the assessment team if this is for reasons related to risk.

2.179 Notice 1/12 also introduces the possibility for both, residents and non-residents to leave or enter the country with domestic currency in amounts not exceeding AOA 50.000 (about 530 USD). This change seems reasonable as the intention is to allow travelers to be able to carry small amounts of cash to pay for immediate expenses.

2.180 As regards the declaration system, it is based on a declaration form to be filled upon entrance or exit of the country. The declaration form requires both residents and non-residents to provide information on amounts, origin and destination of the funds, and

beneficiary owner. This is a positive step as compared to the applicable regime at the time of the on-site mission.

2.181 However, the new Aviso does not change the situation as regards the inclusion of bearer negotiable instruments and the authorities are encouraged to urgently address this area.

Request Information on Origin and Use of Currency (c. IX.2)

2.182 Under Aviso 1/06, when entering the country, residents were obliged to declare the origin of the foreign currency they transport exceeding US\$15,000 or equivalent (Article 2(2)). This obligation is still in force in terms of Article 5 of Aviso 1/12.

2.183 Although the text of both Avisos are not very clear on the need for non-residents to declare the origin of the currency exceeding the established limits, which clearly constitutes a higher risk of ML and FT, the model of declaration includes such information, therefore minimizing the risk.

2.184 Upon discovery of a false declaration/disclosure of currency or failure to declare/disclose foreign currency, in terms of Law 5/97, Articles 14 and 19, an administrative case is opened to get detailed information regarding the origin of the currency and its intended use. The Custom Services open the case and submit to the BNA, which is the Foreign Exchange Authority in the country, and has the legal capacity to instruct the proceedings and take the final decision (Article 25(1)). In terms of Article 25(3), the Governor of the BNA is the person entitled to apply the sanctions for breach of the Foreign Exchange Law and complementary Notices of the BNA.

2.185 In terms of Article 25(2) of Law 5/97, the Customs Services, ANP, Immigration Services, Security Services and Intelligence Services have to report, provide information and take any actions to assist BNA when an investigation on unusual physical cross-border transportation of cash is being conducted.

Restraint of Currency (c. IX.3)

2.186 The amounts transported in breach of BNA Notice 1/2006 (from February 16, 2012 in breach of Aviso 1/12), meaning which exceed the established threshold and are not reported or reported upon false declaration or failure to disclose are seized from the carrier, who has to provide the necessary explanation while the authorities make consultations with the relevant national and international entities. These powers are given to BNA in terms of Article 25(1) of Law 5/97.

Retention of Information of Currency and Identification Data by Authorities When Appropriate (c. IX.4)

2.187 No information on this issue was provided by the Angolan Authorities in the MEQ or during the on-site visit.

2.188 There is no comprehensive and easily accessible database with information on the amount of currency or bearer negotiable instruments declared/disclosed or otherwise detected.

Access to Information by FIU (c. IX.5)

2.189 Any information collected by the Customs regarding the physical transportation of foreign currency and bearer negotiable instruments and the related records must be kept for ten years and be available to the UIF, to the BNA, and the judiciary and police authorities, according to Article 14(3) of Law 34/11.

2.190 However the Angolan authorities did not provide the assessment team with any evidence that the collection of information effectively takes place, as there is no database to manage those data.

2.191 In terms of Article 14(1)(2) of Law 34/11, should the Customs Service have sufficient grounds to suspect that that an incoming or outgoing cross-border operation related to ML/FT or any other crime is taking place or that there is an attempt for it to take place, it must immediately inform the FIU and provide for all the relevant documents and records.

Domestic Cooperation between Customs, Immigration and Related Authorities (c. IX.6)

2.192 According to Articles 90 of Law 16/10 and 25(2) of the Foreign Exchange Law, there is a duty to cooperate with BNA for all relevant competent authorities. MoUs covering national co-operation and assistance between customs, immigration, police, intelligence and security agencies are being discussed but have not been signed⁶².

International Cooperation between Competent Authorities Relating to Cross-border Physical Transportation of Currency (c. IX.7)

2.193 Besides the fact that the authorities did not provide any information regarding international cooperation on these matters, there are no MoUs signed or arrangements in place with respect to the cross-border physical transportation of currency.

Sanctions for Making False Declarations / Disclosures (applying c. 17.1-17.4 in R.17, c. IX.8)

2.194 Breaches of Aviso 1/12 previously provided under BNA Notice 1/06 (during the time of the on-site until replaced by Aviso 1/12 in February 2012) are sanctioned in terms of Article 9 of Aviso 1/12 as read together with Article 20(2) of Law 5/97 (Foreign Exchange Law).

2.195 In accordance with Articles 20(2) and 23 of the Foreign Exchange Law, the BNA can apply fines for the breach of compliance with the BNA Notice from AOA 600,000,000 (USD 6.3 million) to AOA 100,000,000,000 (USD 1 billion) and confiscate the illicit amount transported, when the person involved in the infraction is a recidivist. When the offender has been penalized by the BNA and commits another breach of the law before two years of the application of the penalty the value of the penalty is doubled (Article 21(2) of the Law 5/97). These penalties are extremely high and the assessors do not believe that the authorities are

⁶² The Angolan authorities informed the assessment team after the on-site visit about the creation of an ad-hoc group involving customs, UIF, airlines and the migration services, with a view to enhance cooperation and effectiveness, including on AML/CFT matters. However, no additional information was provided, in particular with regard to the date of creation of this group.

able to execute them, because the decision can contribute for closing up immediately by the involved companies and this situation might open a window for corruption. Therefore the assessors consider that the penalties are disproportionate and not effective to promote the implementation of the regime.

Sanctions for Cross-border Physical Transportation of Currency for Purposes of ML or TF (applying c. 17.1-17.4 in R.17, c. IX.9)

2.196 Should the authorities realize that the transported money is related to ML/FT, the BNA could apply the fines referred above, (in accordance with Article 20 (2) of the Foreign Exchange Law) and confiscate the illicit money in accordance with Article 23 (a) but confiscation of the currency only happens when the person is a recidivist (re-offender).

Confiscation of Currency Pursuant to UN SCRs (applying c. III.1-III.10 in SR III, c. IX.11)

2.197 In accordance with Article 66 of Law 34/11 any goods that may constitute the proceeds of a ML activity aimed at financing terrorism, as defined in the adequate provisions of the Law 34/11, can be provisionally seized by the judiciary authorities. However it is uncertain if Customs can be considered a judiciary authority in Angola.

2.198 The Designation Law no. 1/12 of 12 January provides for a very detailed and comprehensive internal and international designation regime that allows, in general terms, for the implementation of UN Security Council Resolutions 1267 and 1373 aiming at the freezing and confiscation of terrorist assets.

2.199 The confiscation of the funds and economic resources can only be decided after a criminal prosecution regulated by the Criminal Procedure Code, according to Article 21(2) of the Designation Law.

2.200 In addition, the Designation Law provides for an internal designation procedure, of administrative nature, which is applicable to persons and entities involved in terrorism activities, as defined in Article 8 of the Law, for grounds of protection of national security and also when required by international organizations' decisions, such as the UN Security Council Resolutions (Article 6).

Notification of Foreign Agency of Unusual Movement of Precious Metal and Stones (c. IX.12)

2.201 There are control measures on cross-border transportation of gold, which is regulated by the BNA in accordance with the Foreign Exchange Law. Article 5 of Decree 20/92 of 15 May establishes the applicable regime on cross-border transportation of precious metals and stones. Angola is also a member of SARPCCO (Southern African Region Police Chiefs Coordinating Committee), which has control measures in place to deal with illegal cross-border transportation of such metals and stones.

2.202 According to the customs authorities, the main purpose of controlling the importation of gold and precious stones and metals is the payment of custom duties. According to information provided by the authorities, upon detection of unusual cross-border

transportation of gold, precious stones and metals, the Customs Services can immediately seize the proceeds, ask the person to explain the origin, source and intended use, as well as search the person's luggage; after that it contacts the Customs Services of the country of origin to confirm the authenticity of the documents produced by the suspect. Should the luggage be in transit to another country, the Customs Services shall notify that country to monitor the cross-border operation. The Customs Services can also open a court case against the person.

Safeguards for Proper Use of Information (c. IX.13)

2.203 Since the mechanisms for collecting information directly by the Customs are still manual and very inefficient, and also not implemented in all borders, as UIF is not yet fully operational, and the Designation Law is not yet regulated, the assessment team could not examine the safeguards for proper use of information. The assessors were not provided with information on any safeguards to protect the information collected by the Customs and its transmission to UIF and other competent authorities.

Training, Data Collection, Enforcement and Targeting Programs (c. IX.14)

2.204 Since the AML/CFT legal framework is very recent and the Designation Law is not yet in force, appropriate training programs and data collection systems are not yet in place.

Statistics (R.32)

2.205 The information on seizures done on illegal cross-border transportation of cash and bearer negotiable instruments has not yet been compiled in an accessible computerized database for access to all relevant authorities.

2.206 However, the Custom Service provided the assessors team with the following information on seizures done as from January 2010 to September 2011:

PERIOD	USD	EUROS	RANDS	POUNDS	REAIS
January 2010	1,731,088	115,500	0	1,935	159
February 2010	1,406,117	116,410	0	0	544
March 2010	1,634,189	72,375	66,160	20	0
April 2010	1,078,923	61,075	550	0	0
May 2010	1,374,767	63,700	1,830	0	22
June 2010	872,811	493,175	8,710	0	272
July 2010	679,319	23,770	8,630	1,070	602
August 2010	1,142,458	106,397	4,580	100	74
September 2010	673,935	94,635	1,800	0	1,498
October 2010	715,899	129,780	1,970	6,450	84
November 2010	1,411,073	54,710	150	150	0
December 2010	788,338	52,256	1,100	0	746
January 2011	1,028,167	32,439	4,080	0	2,142
February 2011	954,612	94,490	0	6,175	606
March 2011	1,126,848	118,075	0	10	442
April 2011	3,619,231	113,515	7,200	600	1,074
May 2011	693,847	84,795	0	1,090	3,978
June 2011	1,060,770	116,300	0	2,000	0
July 2011	1,831,406	187,170	10,290	0	392
August 2011	614,765	109,580	450	0	381
September 2011	929,653	60,480	1,050	0	354
TOTAL AMOUNT	25,368,216	2,300,627	118,550	19,600	13,370

Adequacy of Resources – Customs (R.30)

2.207 Taking into account the extensiveness of the Angolan external borders, the assessors' team is of the view that existing resources are not sufficient and appropriate to meet all the requirements under SR.IX. The professional and integrity standards are regulated by Presidential Decree n.º 18/11 of 12 January 2011, which contains the code of conduct for Customs' staff, and Decree 33/91, which provides for sanctions to be applied to civil servants. Decree 33/91 also provides for confidentiality rules in its Article 4(5). The Angolan authorities informed the assessment team about the sanctions applied to customs officers in 2010 and 2011. These included 43 and 8 dismissals for both years, respectively.

2.208 There is no easily accessible database in the Customs Services. The assessment team is not satisfied that a substantial proportion of Customs Services staff has attended relevant training programs on ML/FT, based on the information provided by the authorities.

Conclusions:

2.209 Although there are clear legislative measures to ensure the integrity of staff, the extensiveness of the borders and the excessively high penalties established under the Foreign Exchange Law can lead to corruption and substantially reduce the effectiveness of the system.

2.210 The legal framework does not establish a clear regime regarding importation of gold, precious metals and stones in order to combat ML/FT but primarily for custom duties' collection.

2.211 Aviso 1/12 has introduced some improvements in the system of controlling import and export of currency but still needs to be improved, namely by including bearer negotiable instruments.

2.212 There is no information on the practical use of the newly introduced declaration and therefore the assessors are not able to make conclusions in terms of the efficiency of the system.

Recommendations and Comments

- Include bearer negotiable instruments under the regime of the cross-border operations control. Customs should have clear and broad powers of oversight to ask for the origin and intended use of the currency and bearer instruments exceeding the threshold. The cross border regime of precious stones and minerals should also be clearly stated and implemented at all borders.
- Review the sanctioning regime and allow for the immediate seizure of currency and other bearer instruments related with ML and FT activities, independently of the value and of the person being a recidivist.
- Compile the information collected by the Customs Authority into a comprehensive and easily accessible database.
- Establish the mechanisms and arrangements for necessary coordination among customs, immigration and other relevant authorities.
- Establish effective co-operating mechanisms with foreign counterparts with common borders, especially Namibia.
- Enhance the range of sanctions to be applied to persons who make false declaration or disclosure in order to allow for the confiscation of the currency when the person is not a recidivist even if there are grounds to believe that the currency is related to ML and FT.
- Issue regulations to designate terrorist suspects and their funds under the Designation Law.
- Provide sufficient and adequately skilled human resources to meet the requirements of the newly approved Law of Designation and all the aspects of SR.IX.
- Establish cross-border systems for the reporting of transactions to UIF.

- Apply the cross border system at all borders that lack an adequate and effective IT system.
- Raise awareness within customs authorities concerning the requirements of the BNA Notice and Foreign Exchange Law related to the prevention of ML and FT.
- Provide clarification on the mechanisms for confiscating foreign currency related to ML/FT. The regime should be streamlined and the conditions to confiscate the illicit amounts not declared or disclosed when related to ML or FT should be reviewed.
- Safeguards should also be created in order to protect the collection and management of information collected by the Customs and its transmission to UIF and other competent authorities.
- Have in place recruitment procedures of customs officials ensuring high professional and integrity standards. It should also be ensured that, once recruited, customs officials are subject to confidentiality rules and are appropriately trained on ML/FT.
- The collection and recording of the results of the control of cross border movements designed to meet all the requirements of SRIX should be done with the help of adequate IT systems and a computerized easily accessible database.

Compliance with Special Recommendation IX

	Rating	
SR.IX	NC	<ul style="list-style-type: none"> • The declaration system on cross border transportation of foreign currency does not include bearer negotiable instruments. • Upon discovery of a false declaration/disclosure of currency or a failure to declare, the authority can request and obtain further information from the person on the origin of the funds, but only if the person is a resident in Angola and not on its intended use. • The information collected by the Custom Authority is not compiled into a comprehensive and easily accessible database. • No mechanisms and arrangements are in place⁶³ for the necessary co-ordination among customs, immigration and other relevant authorities. • Absence of effective cooperation mechanisms with foreign counterparts with common borders, especially Namibia, taking into account the considerable volume of cross-border trade; • The range of sanctions to be applied to persons who make false declaration or disclosure is not adequate because it does not allow for the confiscation of the currency when the person is not a recidivist even if there are grounds to believe that the currency is related to ML and FT. • The Designation Law is still not effective because it lacks the reference to the authority that should designate the name of the suspect and the funds and

⁶³ The Angolan authorities informed the assessment team after the on-site visit about the creation of an ad-hoc group involving customs, UIF, airlines and the migration services, with a view to enhance cooperation and effectiveness, including on AML/CFT matters. However, no additional information was provided, in particular with regard to the date of creation of this group.

		<p>economic resources to be seized;</p> <ul style="list-style-type: none"> • The available human resources are not sufficient and adequately skilled to meet the requirements of the newly approved Law of Designation and all the aspects of SR.IX. • Systems for the reporting of transactions to UIF are not in place; • There is no evidence that the cash control systems are effectively applied at all borders. Despite the existence of several IT systems, the assessment team is not satisfied as to its effectiveness. • Lack of awareness within customs authorities concerning the requirements of the BNA Notice and Foreign Exchange Law related to the prevention of ML and FT.
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CHAPTER 3. PREVENTIVE MEASURES—FINANCIAL INSTITUTIONS

3.1 Risk of Money Laundering or Terrorist Financing

Risk

3.1 The environment surrounding financial institutions (FI) and supervisory authorities is full of challenges and risks, particularly for money laundering. The following factors make the environment both risky and challenging. They are: the large informal economy, the high level usage of cash, the difficulty of the population to get identification documents, the high possibility of document forgery and fraud, the inefficiency of civil and commercial registries, the near absence of real estate registries, the very low level of income for the majority of the population, the public sector corruption, the lack of control over the exploration of precious stones, the deficiencies of the judiciary system, and vast and porous borders.

3.2 Clearly, FIs and especially banks are at risk of being used and abused to launder funds from illicit origin as well as those funds derived from illicit proceeds originating within Angola or externally. As a result, FIs must be both attentive and watchful of high value and complex operations as well as to the origin and destination of the funds and to verify the identity of the beneficial owner.

3.3 A recent Law (Law 2/2012) governing foreign exchange in the oil sector presents an additional challenge for FIs, who will be handling a higher number of flows, in particular in terms of due diligence, and additional pressure on the authorities to ensure effectiveness and implementation.

3.4 In order to increase trust in financial institutions and to fulfill the important role in the economy and society that financial institutions play, they must promote the integrity of the financial system by avoiding the potential of criminal abuses. Such a concerted institutional policy decision would not only foster trust but could potentially extend banking services to a wider population in light of the fact that only 13.5 percent of the Angolans have access to a bank account.

3.5 ABANC, and banking financial institutions identify the low level of income of the population as well as the difficulty of securing identification documents, as major obstacles in accessing banking services; this also restricts the impact of any ML preventive legislation.

Regulatory Approaches in Angola

3.6 On July 9, 2010, Angola enacted its first preventive AML/CFT law (Law no. 12/10). Due to several important shortcomings, Law 12/10 was repealed and was replaced by Law 34/11, which was adopted on December 12, 2011. The new law continues to impose the same obligations as in the previous one with regard to customer identification including its representatives; due diligence measures; abstention to proceed with the transaction when due diligence measures are not met; record keeping; reporting of suspicious transactions; cooperation with internal and foreign competent authorities; secrecy on reporting suspicious transactions; internal controls; and training of staff. Law 34/11 is more precise in providing the notion of beneficial owner of financial transactions; deals with simplified due diligence for the first time; requires enhanced due diligence for foreign PEPs, identifies precisely UIF as the competent body to receive suspicious transactions; enlarges the duty to report suspicious transactions to UIF; imposes the obligation to report cash transactions in national currency, equal or above US\$15,000 to UIF; and regulates wire transfers. Law 34/11 is applicable to all banking and non-banking financial institutions established in Angola including branches of foreign institutions.

3.7 According to the FI Law the category of non-banking financial institutions include: i) institutions related with currency and credit, such as exchange offices, credit cooperative companies, factoring and financial leasing companies, money market and exchange market mediating companies, microfinance companies, money transfer companies, companies operating payments systems, companies operating clearing houses; ii) institutions related with insurance and social security, such as insurance and re-insurance companies, pension funds and their management companies, and others qualified as such by the law; iii) institutions related to investment and capital market, such as brokers, dealers, venture capital companies, investment companies, wealth management companies, investment fund management companies, securitization management companies, real estate management companies, and other companies classified as such by the law. These FIs need a license from the competent supervisory authority to perform any financial activity in Angola, regular or occasional, and are all subject to Law 34/11.

3.8 Regulations⁶⁴ to implement for Law 34/11 were adopted in April 2012 for the banking and non-banking financial institutions, which was after the assessment period and were therefore not taken into account for the evaluation.

3.9 The Insurance Supervisory Institute (ISS) has not issued any Regulations or Guidelines directed to the companies and funds in the insurance sector. The same applies to the Angolan Commission for Capital Markets (CMC).

3.10 The assessment team considered Law 34/11 as the basis for its analysis of the legal framework for the preventative measures applicable to FIs. However, as the Law only came into force in December 2011, the team assessed implementation and effectiveness in the light of Law 12/10 and Notice 01/2011. It should be noted however that a majority of the provisions of the two AML/CFT laws are similar, with the exception of the notion of beneficial ownership, foreign PEPs, simplified due diligence and wire transfers.

Law / Regulation / Other Enforceable Means

3.11 BNA has sufficient autonomy to adopt regulations without the interference of other bodies. This applies to all areas of its competence (according to BNA Law or when provided by another Law). Notices of the BNA are signed by its Governor and published in the Official Gazette as stated in Article 93(1) of the Central Bank Law (Law 16/10, of 15 of July 2010).

3.12 Notice No. 1/2011 was issued by the BNA in accordance with the powers attributed by Article 93(2) of the Central Bank Law, which confer to the Notices of the BNA a nature and effects similar to an Executive-Decree. During the period the Notice was in force, it could be enforced pursuant to the BNA's formal supervisory and prudential powers. As discussed under the section dealing with Recommendation 29, the BNA has the legal power to monitor the activities of the commercial banks and the non-banking FIs, and to oversee the implementation of the law and regulations applicable to them, to issue recommendations in order to overcome breaches of the law or regulations, as well as deficiencies in their management and capital and also to apply administrative sanctions for non-compliance with the law and regulations (Article 81 of the FI Law). Moreover, Articles 81, 82 and 127 of the FI Law the BNA has authority to sanction violations related to facilitating transactions related to proceeds from criminal activities.

3.13 Therefore, at the time of the on-site visit, the Notice was directly applicable and enforceable in Court, having the force and nature of a legislative act. It should be noted that on the basis of the Angolan Constitution, sanctions have to be provided for in Law and cannot be contained in Notices.

Customer Due Diligence, Including Enhanced or Reduced Measures (R.5 to 8)

Description and Analysis

Legal Framework

3.14 In accordance with Article 3 (1) of Law 34/11, all banking and non-banking financial institutions, with a head office or a branch in Angola are subject to the provisions of the law. This includes all the categories of financial institutions as defined by the FATF.

3.15 The FI Law describes and provides for the concept of financial institutions which comprise banks (considered by the law as financial banking institutions) and other non banking financial institutions (Articles 3, 5 and 2). According to the FI Law the non-banking financial institutions can be related 1) to money and credit and integrated in the banking sector, or 2) included in the insurance sector or 3) related to investment and capital markets.

3.16 Law 34/11 provides that all institutions within its scope be required to identify customers, their representatives and beneficial owners of a transaction during its existence, (Article 5).

3.17 Law 34/11 is applicable to all financial institutions, banking and non-banking referred to in Articles 3 and 5 of the FI Law, which comprises all the categories of financial institutions described above, which are constituted in Angola, as well as branches of foreign companies (Article 36 of Law 34/11).

3.18 The only non-banking financial institutions currently established in Angola are microfinance and money transfer companies, exchange offices, companies operating

payments systems, insurance companies and pension fund management companies, all subject to the requirements of Law 34/11.

Prohibition of Anonymous Accounts (c. 5.1)

3.19 Article 21 (2) of Law 34/11 expressly prohibits all the subject entities from the opening of anonymous accounts or accounts under fictitious names.

3.20 According to the BNA and the banks, there are no numbered accounts in use in the financial system in Angola. The only kind of “special” accounts are those which are only accessible by a restricted number of employees of FIs, but their holders are identified according to the law.

3.21 These “special” accounts, which are differentiated usually by their value and the characteristics of the owner, could carry an accrued risk of ML, imposing ongoing monitoring with the intervention of the compliance officer of the institution. There is no evidence that these “special” accounts and the identification documents and records of the customer and its representatives are available to the compliance officer of the institution to be monitored on a regular basis.

When is CDD required (c. 5.2)

3.22 CDD is required when entering into a business relationship with a financial institution, when performing an occasional transaction of an amount equal or superior, in national currency to US\$15,000 or equivalent, and whenever a suspicion of ML or FT arises irrespective of the amount involved, or when doubts arise on the authenticity or accuracy of the information presented by the customer on identification, according to Article 5(1) of Law 34/11.

3.23 It should be noted that the legal reference to the national currency - the Kwanza- does not imply that the threshold is not applicable to transactions in US dollars or other foreign currencies, when those are possible. Regarding occasional transactions, it is also required to identify the customer when there are several transactions below the threshold of US\$15,000 which seem to be related (Article 5(1) (b) of Law 34/11).

3.24 In what refers to occasional transactions using wire transfers, and independently of the amount of the transfer, the execution of the order by the FI requires the customer producing his/her identity card in the case of an Angolan citizen, or a resident card in the case of a resident citizen of another country, or a passport for a non-resident foreigner, and also providing the date of birth, nationality, address and IBAN, according to Article 8 of BNA Notice 3/2011 of 2 of June.

Identification measures and verification sources (c. 5.3)

3.25 Identification requirements are covered by Article 5(1) of Law 34/11. This article requires the identification of the customer, his representatives when they exist, and also the beneficial owner of the transaction when it is not the same as the customer.

3.26 With regard to banks, the same requirements to identify the customers extend to all the persons intervening in a transaction, meaning the customer, his representatives and the beneficial owners of the transaction when they exist, as stated in Article 5 (1) of Law 34/11.

3.27 Law 34/11 requires the presentation to the financial institution of a valid official document proving the identity of the natural person, bearing his photograph, name, place of birth and nationality (Article 5 (3)). It should be noted that these obligations were already contained in Law 12/10. With regard to effectiveness and implementation of Law 12/10, it should be noted that BNA Notice No. 1/2011 clarifies that the required document bearing the elements above required must be an official public document like the identity card for nationals or a resident card for foreign residents or a passport for foreigners (Article 5(2) of the Notice).

3.28 The Notice also clarifies that the address should be proved by means of an acceptable and valid document and a tax identification document should also be presented by nationals. (Articles 4 and Article 5(2) of Notice No. 1/2011).

3.29 The BNA Notice also requires natural persons provide the following additional information to the FI: their address, profession, if they have one, nature and amount of their income and their tax identification number. Regarding legal persons, they should disclose their denomination, social purpose and finality, address, tax identification number, identity of the shareholders with a share equal or superior to 20 percent of the capital, identification of the representatives of the legal person and documents showing the powers to represent it.

3.30 The assessment team is of the view that customer identification requirements are in general being applied by banks and other FIs. However, there exist major gaps in terms of the identification of the beneficial owner.

Identification of Legal Persons or Other Arrangements (c. 5.4)

3.31 With regard to legal persons, including partnerships, companies, foundations and any type of associations, such as NPOs, the identification process requires production of the original document or a certified copy of the statutes of incorporation or the commercial registration certificate, or a license issued by a public authority and the tax identification number (Article 5 (4) of Law 34/11).

3.32 Banking institutions shall require the number of the commercial registry of the legal person, the minutes of the constituting general assembly/Board of Directors to verify the structure of the distribution of the capital and a declaration made by the legal person certifying who are its representatives. There is no similar requirement outside of banking institutions.

3.33 The non-resident legal persons must present similar documents, original or certified copies, issued by the country of origin (Article 5 (5) of Law 34/11).

3.34 Legal persons must provide FIs with the identification of their representatives and demonstrate that those persons have the legal power to act on their behalf (Article 5 (8) of Law 34/11),

3.35 Legal persons must also disclose their denomination, social purpose and finality, address, tax identification number, and identity of the shareholders or stakeholders with a share, or voting rights equal or superior to 20 percent of the capital (Article 5 (1) (b)).

3.36 In the case of a trust, the legal regime of Angola does not provide for their constitution. However trusts constituted according to a foreign law may be customers of a FI. The identification process of a trust constituted according to foreign law requires the identification and verification of the identity of the trustees, settlors and beneficiaries in the manner referred above (Article 5 (6) of Law 34/11). There is no requirement for access to the trust deed.

Identification of Beneficial Owners (c. 5.5; 5.5.1 & 5.5.2)

3.37 Whenever the FI knows or suspects that the customer is not acting on his behalf, the FI should take appropriate measures to identify the entity on whose behalf the customer is acting, namely as beneficial owner (Article 5(7) of Law 34/11).

3.38 Article 2 (b) of Law 34/11 defines the beneficial owner of a transaction as the natural person who ultimately owns the funds or controls them or on whose behalf the transaction is performed.

3.39 The same legal provision defines the beneficial owner of a legal person as the natural person that holds or controls, directly or indirectly, at least 20 percent of the capital or voting rights of a company, or that, by any other means, has the management control of the legal person.

3.40 To acknowledge who owns or controls a legal person or a foreign trust, it is required that the FI understands the distribution of capital between the shareholders, and the structure and control of the customer (Article 7 of Law 34/11).

3.41 With regard to implementation and effectiveness of Law 12/10, the modalities for identifying beneficial owners were specified in Article 5 (2) (b) of BNA Notice 1/2011 and require the production of the official document confirming his identity, a copy of the fiduciary or partnership agreement or equivalent, the minutes of the general assembly constituting the company as well as the modification of the statute of incorporation, where relevant.

3.42 According to Notice 1/2011, the verification of the identity of the beneficial owner can be done relying on an authenticated document, confirming the identity of the person with a public notary, copy of the fiduciary agreement or partnership agreement or equivalent, minutes of the General Assembly/Board of Directors of the company and other reliable information that might be publicly available (Article 8). Those documents are delivered by the customer to the FI and subject to analysis, considering the high risk of forgery of documents and fraud and the great difficulty to access public commercial registries.

3.43 The identification of a trust constituted according to foreign law and acting as a customer of a FI requires the identification of the trustees, settlors and beneficiaries and also the verification of their identity (Article 5 (6) of Law 34/11).

Information on Purpose and Nature of Business Relationship (c. 5.6)

3.44 Beyond customer identification and verification procedures, FIs are required by Article 7 of Law 34/11 to obtain information on the nature and purpose of the business

relationship, and to obtain information on the origin and destination of the funds, whenever the risk profile of the customer or of the transaction so requires.

Ongoing Due Diligence on Business Relationship (c. 5.7; 5.7.1 & 5.7.2)

3.45 Law 34/11 requires that FIs maintain a continuous monitoring of the business relationship with the customer in order to ensure that his transactions are consistent with the knowledge of the customer obtained by the FI, considering his risk profile, his businesses and if necessary the origin of his funds (Article 7 (1) (d)).

3.46 With regard to implementation and effectiveness of Law 12/10, Notice 1/2011 further specifies that the business relationship with the customer must be monitored during its whole existence. Therefore, depending on the risk presented by the customer, information on the nature of his business, occupation or employment, modification of address, origin of funds and income, initial and continuous income and the relationship between the customer and beneficial owners should be required (Article 9 (1)).

3.47 FIs can ask for additional information to their customers to clarify any doubts considering their transactions, with regard to their evaluation of risk (Article 9 (2) of Notice 01/2011).

3.48 In practice, based on the interviews of the banks during the on-site mission, it is the views of the assessment team that only a few banks have elaborated the risk profile of their customers with regard to ML and FT risks.

Risk—Enhanced Due Diligence for Higher Risk Customers (c. 5.8)

3.49 Article 10 (1) of Law 34/11 requires that FIs apply enhanced due diligence measures to customers and operations, taking in consideration several criteria, such as their complexity, value, unusual pattern, lack of economic justification or suspicion of those being related to a crime.

3.50 Beyond that, certain type of customers and transactions are considered as requiring enhanced due diligence due to their nature. These are the following: non face-to-face operations and namely those that may favor anonymity, operations with foreign PEPs, corresponding banking relationships, and others that may be determined by the supervisory authorities according to Article 10 of Law 34/11. In this respect, no guidance or regulations have been issued.

3.51 In addition, Articles 14 and 15 of Law 34/11 require that banking institutions apply enhanced customer due diligence with regard to private banking relationships, because of higher reputational risk and also for non-profit organizations. For private banking, it is required to provide information on the reputation of the customer, on the purpose of the account, on the activity developed by the customer prior to the account opening and on the origin of the funds. Regarding non-profit organizations, banking institutions should collect information on the structure of the organization, nature of the activity, places where it is operating, as well as the nature of the funds and expenses. Regarding effectiveness and implementation of Law 12/10 for charities and religious bodies without legal personality, it is further specified under Article 15(2) of BNA Notice that FIs must require complete name and address, document authorizing their functioning by the State authorities, nature and purpose of activity, identification of managers or equivalent, and identification of beneficiaries.

Risk—Application of Simplified/Reduced CDD Measures when appropriate (c. 5.9)

3.52 Financial institutions are authorized to apply simplified due diligence, when there is a clear and demonstrated lower risk of ML or FT and there is no suspicion of ML and FT, only when the customer is the Angolan State or a public entity pertaining to the central or local administration whose identity and representatives are publicly known and registered or a public authority following accounting principles of transparency and oversight, according to Article 9 (1) of Law 34/11. Given the concerns over corruption identified in section 1, the assessment team is not satisfied to have public entities categorized as low-risk.

3.53 When applying simplified CDD measures FIs are not required to identify and verify the identity of the customer and to obtain information on the nature and purpose of the transaction, on the structure and control of the legal person, and on the profile of the customer and the origin and destination of the funds related to the transaction.

3.54 FIs are required to demonstrate to the BNA that the institutions to whom simplified due diligence has been applied are entitled to this specific treatment, and to collect sufficient information to demonstrate that the customer may be included in one of the categories referred in the Law according to Article 9 (2).

3.55 FIs shall verify if the customer fulfils the requirements described above, and in addition monitor the business relationship in order to be able to identify complex or large value transactions and operations with apparently no economic purpose or with an illicit purpose (Article 10 (1) of Law 34/11).

Risk—Simplification / Reduction of CDD Measures relating to overseas residents (c. 5.10)

3.56 There are no simplified or reduced measures applicable to overseas residents, no matter the level of compliance of the countries with FATF Recommendations.

3.57 Natural persons may be identified by FIs by means of their passport and legal persons by means of original or certified registry or another public document certified by the competent authorities of the country of origin or the Consulate of Angola in the relevant foreign country.

3.58 In what relates to natural persons, considering the relevant presence of immigrant workers in the country without documentation and the risk implied in the use of clandestine channels of money transfers, it should be considered by the authorities to simplify the identification procedures, relating to small amounts of remittances, allowing for those persons to use the legitimate remittance institutions.

Risk—Simplified/Reduced CDD Measures not to apply when Suspicions of ML/TF or other high risk scenarios exist (c. 5.11)

3.59 The obligation not to apply simplified CDD measures when there is a risk of ML or FT is expressly stated in Article 9 (1) of Law 34/11.

Risk Based Application of CDD to be Consistent with Guidelines (c. 5.12)

3.60 When applying CDD measures, Law 34/11 provides that those measures may be implemented by FIs according to the risk associated to the customer, the business relationship, the type of product, the transaction and origin and destination of the funds.

3.61 This principle is expressly stated in Article 8 (2) of Law 34/11. FIs should demonstrate that when they apply a risk-based approach to customer due diligence, including verification procedures, the measures applied are adapted to the risk associated with the customer, the business relationship, the product, the transaction, and the origin and destination of the funds.

3.62 ISS and CMC have not issued regulations or guidelines in this respect.

Timing of Verification of Identity—General Rule (c. 5.13)

3.63 Financial institutions shall apply customer identification and verify the identity of customers, representatives and beneficial owners when those exist, when they start a business relationship or before they perform any occasional transaction, according to Article 6 (1) of Law 34/11.

Timing of Verification of Identity—Treatment of Exceptional Circumstances (c.5.14 & 5.14.1)

3.64 When FIs assess the risk of ML or FT to be very small, the verification of the identity of the customer, their representatives and the beneficial owner, may be performed after the beginning of the business relationship if there are no suspicions of ML and FT, but the verification procedure must be completed in the shortest possible period according to Article 6(2) of Law 34/11.

3.65 In the case described above, no transactions are allowed after the initial deposit and changes of ownership cannot be performed for the related accounts without the completion of the verification procedures. This extends to the provisions of means of payment (e.g. checks, credit and debit cards) until the verification of the customer's identity is completed (Article 6 (3) of Law 34/11).

Failure to Complete CDD before commencing the Business Relationship (c. 5.15)

3.66 In accordance with Article 11(1) of Law 34/11, FIs should not enter a business relationship or carry out occasional operations when a customer does not produce ID documentation or the documentation of the person on whose behalf the person is effectively acting or the beneficial owner of the transaction.

3.67 In those cases of failure to complete the initial CDD process, if the FI considers that the business relationship or the transaction aborted because there was ML or FT suspicious, they must report the occurrence to the FIU (Article 11(2) of Law 34/11).

Failure to Complete CDD after commencing the Business Relationship (c. 5.16)

3.68 When a FI is not able to verify the identity of its customer or his representatives, it must refuse to initiate the business relationship or the proposed transaction. If the FI has already initiated the business relationship in the exceptional cases where this is legally possible, which are referred in Article 9 of Law 34/11, and is not able to verify the identity of the customer, it must terminate the relationship (Article 11 (1) of Law 34/11)

3.69 In any of the above situations, if the FI—after analyzing the situation—considers that the case was related with an attempted ML or FT activity, it must report the case to the FIU, and if applicable, terminate the business relationship.

Existing Customers—CDD Requirements (c. 5.17)

3.70 The identification of existing customers is mandatory, according to Article 5(9) of Law 34/11. On the other hand, Notice 1/2011 refers that this CDD measure can be implemented by FIs in accordance with the risk of ML and FT presented by existing customers (Article 4 (2)).

3.71 It is also provided in Law 34/11 that the update of the supporting documents and records related to the verification of the identity of existing customers shall be regulated by the supervisory authorities, but until now no implementing regulation has been issued.

According to the BNA, this is under preparation.

Existing Anonymous-account Customers – CDD Requirements (c. 5.18)

3.72 Not applicable because there are no anonymous accounts in the Angolan banking and insurance sectors, according to the information collected from the BNA and all the banks visited.

RECOMMENDATION 6

Foreign PEPs—Requirement to Identify (c. 6.1)

3.73 Article 2 (1) of Law 34/11 provides for a description of foreign PEPs, including natural persons who hold or who have held, up to the previous twelve months, political or public functions, as well as their close family members and persons who are known to have close business or commercial relationships with a given PEP. The assessment team considers that this twelve month requirement for foreign PEPs is in line with Recommendation 6 despite the fact that the recommendation does not mention any specific period. This is based on the reasoning that people qualifying for PEPs cease to be qualified as PEPs at some stage and 12 months appears to be a reasonable period and has been accepted as such by the FATF.

3.74 The categories of PEPs are further specified in the Law, as follows:

a) High political or public functions:

- Head of State;
- Head of Government;
- Members of the Government, such as ministers, secretaries and vice-ministers;
- Members of Parliament and of parliamentary chambers;

- Members of superior courts, and other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;
- Members of the management and auditing boards of central banks;
- Ambassadors and heads of diplomatic missions and consulates;
- High-ranking officers in the Armed Forces and Police;
- Members of the management and auditing bodies of State-owned companies and public limited companies whose capital is exclusively or mainly public, public institutes, public foundations, public establishments, regardless of the respective designation, including the management bodies of companies integrating regional and local corporate sectors;
- Members of the executive boards of international organizations.

b) Close family members:

- The spouse or partner;
- The parents, children and their spouses or partners.

c) Persons known to have close commercial or business type relations:

- Any natural person who is known to have joint beneficial ownership of legal persons or legal arrangements, or any other business relation, with the holder of a political or public function.
- Any natural person who owns the capital or voting rights of a legal person or the property of a legal arrangement, which is known to have as sole beneficial owner the holder of a high political or public function.

3.75 The Law imposes an enhanced due diligence duty concerning business relationships or transactions with non-resident PEPs (Article 10(3) of Law 34/11 and Article 11 of Notice 1/2011).

Foreign PEPs—Risk Management (c. 6.2; 6.2.1)

3.76 The enhanced due diligence requirements set out in Article 10 (5) (a) of Law 34/11 include the requirement for FIs to have adequate risk-based procedures to determine if the new or existent customer, representative or beneficial owner, if applicable, can be considered as a PEP.

3.77 According to Article 10 (5) (b) of Law 34/11, the relationship with a PEP depends on the previous authorization of the board of the FI.

3.78 Risk management procedures to verify whether a customer is PEP do not exist yet in the majority of financial institutions.

Foreign PEPs—Requirement to Determine Source of Wealth and Funds (c. 6.3)

3.79 Article 10 (5) (c) of Law 34/11 requires FIs to take the necessary measures so as to determine the source of the wealth and the funds involved in the business relationship or in the occasional transactions.

Foreign PEPs—Ongoing Monitoring (c. 6.4)

3.80 Article 10 (5) (d) of Law 34/11 requires FIs to conduct an enhanced on-going monitoring of the business relationship with a foreign PEP. When the customer ceases to be categorized as PEP, enhanced monitoring continues to be applied as the customer is considered to still represent a risk of ML or FT (Article 10 (6) of the Law 34/11) due to their previous profile or the nature of their transactions.

Domestic PEPs—Requirements (Additional Element c. 6.5)

3.81 There are no rules applicable to domestic PEPs.

Domestic PEPs—Ratification of the Merida Convention (Additional Element c. 6.6)

3.82 Angola ratified the UN Convention against Corruption in 2006, by means of Resolution 20/06.

RECOMMENDATION 7

Requirement to Obtain Information on Respondent Institution (c. 7.1)

3.83 The specific enhanced due diligence duty established under Article 23(2) of Law 34/11 requires FIs to gather sufficient information about the respondent institution in such a way as to understand the nature of its activity, to evaluate its internal control procedures with respect to AML/CFT risks, and to evaluate its adequacy and effectiveness, on the basis of publicly available information, its reputation and the characteristics of its supervisory framework.

Assessment of AML/CFT Controls in Respondent Institution (c. 7.2)

3.84 According to Article 23(2) of Law 34/11, the correspondent financial institution must evaluate the internal control procedures of the respondent institution with respect to AML/CFT risks and assess their adequacy and effectiveness, and assess its reputation and the type of its supervision on the basis of publicly available information.

3.85 In addition, Article 12 (1) of Notice 1/2011 requires the correspondent bank to acknowledge the risk of ML and FT of the country where the respondent institution is located, namely if it has suffered any sanctions applied by international organizations, if the country is known as presenting high levels of criminality and corruption and lacks legislation to prevent ML and FT.

3.86 The correspondent bank must also check if the respondent bank does not allow for the use of anonymous accounts or accounts under fictitious names, and whether it has internal policies in practice to prevent ML and FT (Article 12(1) of the referred Notice).

3.87 The correspondent bank must require a valid document with the purpose of demonstrating the physical location of its headquarters (Notice 1/2011 –Article (11) (4)).

Approval of Establishing Correspondent Relationships (c. 7.3)

3.88 The bank must obtain senior management approval before establishing correspondent relationships and document in writing the responsibilities of each institution, according to Articles 23 (3) and (5) of Law 34/11 and Notice 1/2011- Article 12 (5).

3.89 Correspondent banks should undertake a periodic review of the procedures to open correspondent accounts and improve those measures (BNA Notice Article 12(3)) continuously.

Documentation of AML/CFT Responsibilities for Each Institution (c. 7.4)

3.90 The correspondent bank must document in writing the respective responsibilities of each institution, before establishing the correspondent relationship (Article 23 (5) of Law 34/11).

Payable Through Accounts (c. 7.5)

3.91 When the correspondence relationship involves payable-through accounts, the correspondent bank must confirm that the identity of the customer who has direct access to the account has been checked by the respondent institution, and that due diligence is carried out by the respondent institution, ensuring as well that these elements can be provided upon request to the correspondent bank when required (Article 23(-4) of Law 34/11).

3.92 The notion of payable-trough accounts is referred in article 2(f) of Law 34/11 and corresponds to the notion in the Glossary of FATF Recommendations.

Misuse of New Technology for ML/FT (c. 8.1)

3.93 Article 8(3) of Law 34/11 requires that financial institutions adopt policies or measures in order to avoid the abusive usage of new technologies which facilitate ML or FT activities. However, these measures are not presently applied by a majority of financial institutions.

Risk of Non-Face to Face Business Relationships (c. 8.2 & 8.2.1)

3.94 The risk of this type of business relations in non-face to face transactions is provided in Article 10 (2) of Law 34/11, and in Article 13 of BNA Notice 1/2011. For those transactions, enhanced due diligence is required.

Considering the fact that non-face to face transactions are still in an incipient stage in Angola and mainly consist of access to existing bank accounts via the internet, it appears that the risks are fairly limited at the moment and could mainly emerge in situations of unauthorized access to a bank account by a person that is not the bank customer. For that reason FIs should implement policies to manage those risks.

3.95 Analysis of Effectiveness

3.96 The AML/CFT framework is relatively new, even taking into account implementation of the previous AML/CFT Law- law 12/10, which came into force in July 2010. The AML/CFT framework has undergone significant changes recently and, as a result,

supervisory bodies have not yet issued all the needed regulations and recommendations or sufficiently raised the awareness of the subject entities as regards the needs and obligations for ML and FT prevention. The delay in issuing regulations and raising awareness has limited the adoption of adequate preventive measures by FIs.

3.97 Obligations to gather information on basic customer identification and verification procedures of the direct customer and their representative is broadly complied with by major private banks and insurance companies as this was also required under the Law 34/11 and the Notice 1/2011. However, provisions related to foreign PEPs, identification of beneficial owners of legal persons and foreign trusts and ongoing monitoring of existing customers are not effectively applied by the majority of FIs. It is the perception of the assessment team based on interviews of banks and other FIs during the on-site visit that only a few banks have elaborated the risk profile of their customers having regard to ML and FT risks.

3.98 According to the authorities and to ABANC, the two main problems limiting participation in the formal banking systems are the low levels of income for the population and the lack of required identification documents needed to open an account even in microfinance institutions. Addressing identification gaps will require an active and joint action from the Ministries of Justice and Finance and other public authorities to put in place an easy and inexpensive system to obtaining personal identification documents necessary for opening a bank account.

3.99 A similar collaborative approach among ministries is needed in order to have real estate and commercial registries functioning in an effective way, which is fundamental to easily access the identification of legal persons, including partnerships, companies, foundations and associations.

3.100 Lastly, risk management procedures to verify whether a customer is a PEP or not do not currently exist in the majority of financial institutions.

Recommendations and Comments

Issue regulations and guidelines to facilitate the implementation of Law 34/11 and ensure that the Law and existent and future regulations are being effectively applied in all FIs.

Recommendation 5

Strengthen the CDD process by modernizing the identification system such as introducing a national identification card.

Enforce and ensure that the identification and verification of customers is applied by all financial institutions

- Ensure that the identification and verification of the identity of beneficial owners is being applied by financial institutions.
- Enforce verification and understanding of the legal structure and control of customers that are foreign trusts.
- Raise awareness of the provisions of Law 34/11 among financial institutions. In particular, each supervisory body should issue regulations and /or recommendations facilitating the implementation of Law 34/11. Implementation of the law requires the prompt attention and action of the supervisory authorities of each area of the financial sector.

- Regulate the implementation of simplified due diligence requiring that FIs must be convinced that the transaction has no risk of ML or FT and the beneficial owner is identified before applying simplified CDD.
- Issue regulations and recommendations facilitating the implementation of Law 34/11 to non-banking financial institutions related to money and credit operating in the country, such as microfinance companies, exchange offices and money transfer companies.
- ISS and CMC should undertake actions aimed at raising awareness regarding the obligations contained in Law 34/11.

Recommendation 6

- Ensure that risk management systems are in place at all financial institutions to enable the identification of foreign PEPs
- Consider extending enhanced due diligence procedures to domestic PEPs.

Recommendation 8

- Ensure that all FIs are implementing relevant policies to manage the risk of non-face to face transactions

Compliance with Recommendations 5 to 8

	Rating	
REC 5	PC	<ul style="list-style-type: none"> • Despite the fact that Law 34/11 complies with all the essential criteria in Recommendation 5 with respect to customer due diligence, the assessment team considers that the following deficiencies remain with regard to effectiveness and implementation: • The CDD process relies on ID documentation that is currently difficult to obtain for an important share of the population, which limits the effectiveness of the system as a whole. • There are important deficiencies with regard to implementation: • There is no evidence that the identification and verification of the identity of beneficial owners is being applied by financial institutions. • There is no evidence that verifying and understanding the legal structure and control of customers that are foreign trusts is applied. • Financial institutions do not have established risk profiles of customers with reference to ML and FT risks and do not apply enhanced CDD to higher risk customers or transactions. • There is no evidence that the CDD and KYC obligations are being implemented in the insurance sector.
REC 6	PC	<ul style="list-style-type: none"> • There is no evidence of risk management systems in place at financial institutions to enable the identification of foreign PEPs, with the exception of a few private banks. • There is no implementation of the legal rules regarding PEPs.

	Rating	
REC 7	C	<ul style="list-style-type: none"> The relevant provisions in Law 34/11 are in accordance with Recommendation 7 and are being applied by FIs
REC 8	LC	<ul style="list-style-type: none"> FIs are not implementing relevant policies to manage the risk of non-face to face transactions.

Third Parties and Introduced Business (R.9)

3.101 Currently, there are no third parties introducing businesses and performing some parts of the CDD process for financial institutions in Angola, because this procedure albeit allowed by Law 34/11 has not been made possible in practice due to the lack of the necessary implementing regulations provided under Article 22 of Law 34/11.

Description and Analysis

3.102 Article 22 of Law 34/11 provides for financial institutions, with the exclusion of exchange offices and money transfer companies, to be allowed to have part of their CDD process to be performed by third parties, but only after issuance of implementing regulations by the competent supervisory authorities, which has not occurred.

3.103 If this issue is regulated in the future, FIs may be allowed to use third parties to perform certain parts of the CDD process, but under the condition that those will continue to be responsible for the accuracy of the CDD elements collected by third parties and that they have immediate access to the information and data collected, through agreements with those entities, which must be documented.

Legal Framework

Recommendations and Comments

- If implementing regulations are issued in order to authorize third parties introducing businesses, the regulations should require that the third parties are regulated and supervised, as required by FATF Recommendations, and have measures in place to comply with CDD requirements referred in Recommendations 5 and 10.
- When issuing future implementing regulations authorizing CDD to be performed by third parties in foreign countries, supervisory authorities must take into account if those countries are effectively implementing AML/CFT requirements.

Compliance with Recommendation 9

	Rating	
REC 9	NA	<ul style="list-style-type: none">• There are no third parties and introduced businesses operating in Angola.

3.2 Financial Institution Secrecy or Confidentiality (R.4)

Description and Analysis

Legal Framework

3.104 Article 59 of the FI Law contains provisions on banking secrecy stating that the board and auditing bodies of financial institutions and their employees, regardless of the type of contract, are obliged to maintain secrecy regarding information on their customers' accounts. This obligation relates to information to which FIs or their employees may have access in the course of the business relationship, namely names, deposit accounts and their movements, and any banking transactions. This obligation of secrecy rests after the expiring of the contract that related the person to the financial institutions.

3.105 A similar secrecy obligation can be found in the Central Bank Law, covering deposits, credits, guarantees, external relationships, and information on the organization and functioning of the BNA (Article 96(1)). However, the same provision refers that the secrecy provision is without prejudice to the legislation on ML (Article 96-4), and therefore Law 34/11 prevails over this secrecy.

3.106 Article 28 (1) of Decree No. 63/04, of 28/9, which contains the Regime of the Institute of Insurance Supervision (ISS) also provides for an obligation of professional secrecy with regard to all the information received by the ISS in the performance of its duties, which is applicable to the members of the Board of the ISS and also to its employees, regardless of the contract. However the ISS has the legal capacity to co-operate internally and internationally with other supervisory authorities performing similar functions.

3.107 Article 36(1) of Decree No. 9/05 of 18/3, which creates and regulates the Securities Market Commission (CMC), also contains an obligation of professional secrecy that is applicable to the members of the Board and all its employees and service contractors, regardless of the nature of the contract. According to this obligation, such persons should not disseminate or benefit from any information acquired in the course of performance of their duties in the Commission. However, the CMC has the power to exchange information with other domestic or foreign competent supervisory authorities in the financial sector, in accordance with Article 10 of the referred Decree.

3.108 Law 34/11 expressly overrides the professional secrecy of the above institutions and others by stating that all the reports, information and documents transmitted to the FIU and competent authorities, according to the requirements of Law 34/11, do not breach any rule of professional secrecy, imposed by law, regulation or contract and do not give rise to any kind of liability of administrative, civil or criminal nature (Article 18).

Inhibition of Implementation of FATF Recommendations (c. 4.1)

3.109 Law 34/11 and Decree 35/11 include several provisions imposing the duty to report suspicious transactions to UIF and supervisory authorities and to provide cooperation with UIF, the police and the judiciary authorities, overriding secrecy laws applicable to banks, insurance companies and capital market companies.

3.110 Law 34/11 provides for the reporting of suspicious transactions to UIF in a very broad manner, when FIs know, suspect or have reasons to suspect that a transaction that has been executed or attempted could be related to ML or FT (Article 13).

3.111 Supervisory authorities are also obliged to report promptly to UIF any suspicious activity related to ML or FT that they may be able to detect in the framework of their activities (Article 37(1) of Law 34/11).

3.112 Law 34/11 places on all financial institutions subject to AML obligations a duty of collaboration with UIF, the police and judiciary authorities. In particular, it requires FIs to provide information on customers and on transactions, which may be necessary to understand and investigate suspicious transactions, and gives UIF the power to request and access, in due time, the financial, administrative, judicial and police information (Articles 16 and 38 of Law 34/11).

3.113 According to Article 6(2) (c)) of Presidential Decree No. 35/11, FIs and supervisory authorities are also obligated to provide additional information directly to UIF, should UIF make the request.

3.114 Under Article 23(4) of Law 34/11, in case of correspondence relation involving transfer payable-through accounts, the banking institution shall confirm the identity of the client who has direct access to the account was verified and that such information can be provided to another financial institution upon request. Further, under Article 23(5) of Law 34/11, banking institutions are required to put in writing correspondent banking agreements entered into with a correspondent banking institution.

3.115 In addition, according to Law 34/11, FIs must have systems in place allowing them to respond promptly to certain requests of the FIU and other competent authorities. Such requests might include information on, whether they had in the previous 5 years any business relationships, and their nature, with certain customers (Article 24 of Law 34/11).

3.116 The duty of FIs to provide information on suspicious transactions to the FIU is covered by Article 18 of Law 34/11, which also states that no responsibility coming from any secrecy law can be applicable to the members of the institution or employees that have reported the suspicious transaction to the FIU.

3.117 This protection does however not cover the police and judiciary authorities that need a judicial mandate to override the professional secrecy protecting the information on the customers of the FIs.

3.118 Notwithstanding the secrecy provisions, the BNA has the capacity to co-operate with the ISS and the CMC in all matters related to its attributions and also with foreign competent

authorities performing similar functions, through the signing of MoUs to be subject to the principle of reciprocity (Article 62(1) (a) and (d) of the FI Law).

3.119 The same applies to the ISS, according to Article 28(2) of Decree No. 63/04.

3.120 The Commission of Capital Markets (CMC) has the legal capacity to co-operate internally and internationally with other supervisory authorities performing similar functions, according to Article 10 of Decree 9/05.

Effectiveness

3.121 Although the AML/CFT laws are recent, a few STRs were presented by FIs to UIF and no obstacles have been noticed. No obstacles were noticed either on obtaining information from FIs, by the FIU.

3.122 There are only two MoUs on exchange of information relating to AML/CFT prevention signed with Namibia and South Africa, which is a good start, but not enough to ensure broad international co-operation.

Recommendations and Comments

- International Cooperation with foreign competent authorities should be enhanced to ensure that no obstacles exist to the exchange of the relevant information to investigate ML and FT.
- The Law on the Securities and Market Commission should expressly provide for internal and international cooperation with supervisory and other competent authorities when inquiring or investigating suspicious transactions related to ML or FT.

Compliance with Recommendation 4

	Rating	
REC 4	LC ^{63(a)}	<ul style="list-style-type: none"> • There are 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.

^{63(a)} The Task Force of Senior Officials at its Plenary Meeting in Maputo, Mozambique in August 2012, after considering a report done by the Chairperson of the Expert Review Group (ERG) in consultation with the Committee set up by the Task Force Plenary at its Arusha Meeting in April 2012, was of the view that the over-riding secrecy provision in Article 18 of Law 34/11 is limited in scope. The Plenary agreed with the observations made in the Report by the ERG Chairperson that Article 18 of Law 34/11 overrides secrecy provisions with respect to obligations set in Article 13 of the same Law. It further noted that Article 18 is limited to sharing of information related to transactions between the FIU and reporting institutions whereas R. 4 goes beyond that as it covers information sharing between financial institutions and supervisory agencies, etc. The Plenary also noted that information sharing required under R. 4 also goes beyond obligations to report STRs and cash transactions provided in Article 13. In that regard Article 13 created serious limitations to exchange of information added by the requirement that FIs can submit information at their own initiative and that the information can only be used for criminal proceedings. The Task Force Plenary further noted that this negatively affected the upgrading of the Rating to LC, which had been agreed during the Plenary Meeting in Arusha.

3.3 Record Keeping and Wire Transfer Rules (R.10 & SR.VII)

Description and Analysis

Legal Framework

3.123 Financial institutions subject to the FI Law are, in general, obliged to maintain documents and elements pertaining to their transactions for a period of ten years, from the moment when the transaction is performed (Article 150 of the FI Law).

3.124 Law 34/11 requires financial institutions to keep copies, in paper or microfilm, of customer identification documents and others collected in the CDD process, as well as of their representatives and beneficial owners for ten years after the termination of the business relationship (Article 12(1) (a)) together with Articles 5 (1) and (9)).

Record-Keeping & Reconstruction of Transaction Records (c. 10.1 & 10.1.1)

3.125 According to Article 12 of Law 34/11, the obligation to keep records of transactions applies for a period of ten years after the date the transaction was conducted or after the end of the business relation. Financial institutions must keep registers and copies of documents of each transaction in order to provide, where necessary, evidence within the scope of criminal proceedings (Article 12 (1) (b) of Law 34/11 and Article 19(2) (b) of Notice.1/2011). Therefore, Law 34/11 goes beyond the standard of the period to keep the documents and records of *at least five years* required by the Recommendation. However, the law does not provide for any flexibility to the competent authorities to extend the period beyond 10 years.

3.126 Transactions that allow for their Record-Keeping for Identification Data, Files and Correspondence (c. 10.2)

3.127 Financial institutions must keep documents related to the process of identification and verification of identity for ten years after the termination of the business relationship, and also a copy of all the business correspondence with the customer (Article 12 (1) (a) and (c) of Law 34/11 and Article 19(2)(a) and (c) of Notice 1/2011). Nevertheless the law does not provide for any flexibility to the competent authorities to extend the period beyond 10 years.

Availability of Records to Competent Authorities in a Timely Manner (c. 10.3)

3.128 All the information recorded and kept must be available to the FIU and other competent authorities (Article 12 (2) of Law 34/11 and Article 19(2) (b) of Notice 1/2011).

3.129 However, the relevant provisions do not state that this information should be readily available to the competent authorities.

Obtain Originator Information for Wire Transfers (applying c. 5.2 & 5.3 in R.5, c.VII.1)

3.130 Currently, wire transfer services are performed by banks and transfer value companies. The legal obligations applicable to wire transfers are contained in Article 27 of

Law 34/11, which distinguishes between domestic and cross-border wire transfers regardless of their amount.

3.131 As regards domestic wire transfers (between institutions located in Angola), they shall be accompanied by the number of the account of the originator or a unique reference number, when the account does not exist, if the FI of the originator is able to deliver the full identification of the originator to the FI of the beneficiary, or to other competent authorities, upon request, within 3 working days (Article 27 (4) and (5)).

3.132 Otherwise, the transfers must be accompanied by the full identification elements of the originator, including its full name and address.

3.133 Regarding cross-border wire transfers, the wire message must include the full name of the originator, the account number, the address and when necessary the name of the originator's FI (Article 27 (1)), and these elements must accompany the wire transfer throughout the payment chain until it reaches the beneficiary (Article 27 (6)).

3.134 The information on the originator's address may be substituted by the originator's date and birth place, the number of his ID card, or his identification number (Article 27 (2)).

3.135 When the originator does not have an account in the ordering FI, the transfer must be accompanied by a unique reference number (Article 27 (3)).

Inclusion of Originator Information in Cross-Border and Domestic Wire Transfers (c. VII.2 and VII.3)

3.136 The message accompanying domestic and cross border wire transfers must include the full name of the originator, the account number, the originator's address and when necessary the name of the originator's FI (Article 27 (1)), and these elements must accompany the wire transfer throughout the payment chain until it reaches the beneficiary's FI (Article 27 (6)).

Maintenance of Originator Information ("Travel Rule") (c.VII.4):

3.137 FIs having a simple intermediary role in the chain of wire transfers must collect all the information accompanying the transfer and transmit it to the next FI in the payment chain (Article 27 (6)).

Risk Based Procedures for Transfers Not Accompanied by Originator Information (c. VII.5)

3.138 According to Article 27 (9), FI must take risk-based measures in order to deal with the lack of identification information required by law, namely taking into consideration the amount of the transaction, the origin and destination of the funds and the missing identification elements.

3.139 Ultimately, the FI must reject the wire transfer if it is not accompanied by identification elements required under Article 27 of Law 34/11 (Article 27 (10)).

Monitoring of Implementation (c. VII.6)

3.140 BNA is the supervisory authority in charge of verifying the compliance of FIs with the requirements of Article 27 of Law 34/11, in accordance with Article 35 (19) (a) of the same law.

3.141 However, taking into consideration the novelty of the law, the BNA has not monitored or supervised yet the compliance with the wire transfer legal regime.

Application of Sanctions (c. VII.7: applying c.17.1 – 17.4)

3.142 BNA is also the authority with the power to initiate proceedings and apply administrative sanctions for lack of compliance with the above-mentioned obligations and the non maintenance of documents and records of wire transfer messages, in accordance with Article 27 of Law 34/11, as referred in Articles 51, 35 and 48 (1) (j) and (t) of Law 34/11.

3.143 The sanctions provided for in Law 34/11 consist of penalties ranging from US\$25,000 to US\$2,500,000 for legal entities, and also ancillary sanctions applicable to physical persons going from warnings to the prohibition of the exercise of functions in the FI, according to Articles 49 (1) (a) (i) and 50 of Law 34/11.

3.144 The administrative legal regime of sanctions seems to be adequate, effective and dissuasive. However, no sanctioning procedures have been initiated and no sanctions have been applied so far.

Effectiveness

3.145 The assessors are satisfied that subject institutions in the financial sector are complying with their legal obligations with regard to record keeping, despite the lack of monitoring so far from the supervisory authorities.

3.146 With regard to the domestic and cross border wire transfers regime, which was not included in Law 12/10, it was still not applicable at the time of the on-site visit.

Recommendations and Comments

Recommendation 10

- The authorities should consider amending the law to provide flexibility to the competent authorities to extend the period of record keeping beyond 10 years.
- Clarify in the law or in a regulation that the information and records maintained by FIs should be readily available to the competent authorities, supervisory or judiciary.
- Effectively monitor the implementation of the law and regulation as regards the obligations on record keeping

SR VII

- Effectively monitor the implementation of the law and regulation as regards the obligations on wire transfers.

Compliance with Recommendation 10 and Special Recommendation VII

	Rating	
REC 10	LC	<ul style="list-style-type: none"> • There is no requirement for FIs to keep records beyond the statutory period upon request by a competent authority.

		<ul style="list-style-type: none"> It is not clarified in the law or in a regulation that the information and records maintained by FIs should be readily available to the competent authorities at their request.
SR VII	PC	<ul style="list-style-type: none"> At the time of the onsite visit even though FIs in Angola were using SWIFT for international transfers, they were not required under Law 12/10 to apply SR VII obligations.

3.4 Monitoring of Transactions and Relationships (R.11 & 21)

Description and Analysis

RECOMMENDATION 11

Legal Framework

3.147 This issue is dealt with in Articles 10 (1) and (2) of Law 34/11, and requires specific attention by FIs as regards certain types of transactions and imposes obligations to request additional information from customers so as to clarify the purpose of the transaction and record it in writing.

Special Attention to Complex, Unusual Large Transactions (c. 11.1)

3.148 Article 10(1) of Law 34/11 requires that financial institutions apply enhanced due diligence measures to customers and operations that are complex, or of large value, or that have an unusual feature and lack economic justification or that may be related to a crime.

Examination of Complex & Unusual Transactions (c. 11.2)

3.149 Financial institutions must exert enhanced due diligence on these transactions, and require more information on the origin and destination of the funds, and record their findings in writing, in accordance with Article 10(2) of Law 34/11.

Record-Keeping of Findings of Examination (c. 11.3)

3.150 Under Articles 10(2) and 19 of Law 34/11, financial institutions are required to record the outcome of their examination of the large, unusual and complex transactions, as well of those lacking economic justification or for which there are suspicions of them being related to a crime. The outcome of this analysis must be kept for a period of ten years and be available to the competent authorities and auditors when requested.

RECOMMENDATION 21

Special Attention to Countries Not Sufficiently Applying FATF Recommendations (c. 21.1 & 21.1.1)

3.151 Under Article 25(1) of Law 34/11, financial institutions must dedicate special attention to business relationships and transactions with customers from countries that do not apply or insufficiently apply international standards on preventing and combating ML/FT. They should also put their findings in writing form.

3.152 Article 16 of BNA Notice 1/2011 also refers that the risk assessment of the customer should also include the place where the customer lives or comes from and exerts its activities.

3.153 There are no measures in place ensuring that FIs are warned about deficiencies in the AML/CFT systems of other countries.

Examinations of Transactions with no Apparent Economic or Visible Lawful Purpose from Countries Not Sufficiently Applying FATF Recommendations (c. 21.2)

3.154 Article 25(2) of Law 34/11 as read with Article 10(1) of Law 34/11, does require FIs to examine transactions that lack economic justification and come from jurisdictions with regard to which countermeasures are applied. Specifically, paragraph 2 of Article 25 refers to examining “operations that indicate special risk of money laundering or financing of terrorism, namely transactions from countries subject to countermeasures” and Article 10 provides a broader requirement as follows: “reporting entities shall apply enhanced due diligence measures to clients and operations in function of their nature, complexity, volume, unusual character, lack of economic justification or possibility to fit into a type of legal crime”.

Ability to Apply Counter Measures with Regard to Countries Not Sufficiently Applying FATF Recommendations (c. 21.3)

3.155 There is no provision in Law 34/11 or other law that provides authority to impose counter measures on countries not sufficiently applying FATF Recommendations.

Analysis of Effectiveness

3.156 The BNA or other supervisory authorities have not applied any countermeasures.

Recommendations and Comments

Recommendation 21

- Supervisory authorities should monitor the implementation of the law, namely regarding the implementation of enhanced due diligence to transactions from countries that are not applying FATF recommendations and that lack economic justification or may be considered to be of a criminal nature.
- Supervisory authorities and/or UIF should provide grounded information to FIs on countries that do not apply or insufficiently apply ML or FT measures.
- The BNA or other supervisory authorities should be provided with the authority to impose counter measures.

Compliance with Recommendations 11 & 21

	Rating	
REC 11	LC	<ul style="list-style-type: none"> There is no evidence that the legal obligations referred to in Law 34/11 on enhanced due diligence are being implemented by FIs.
REC 21	PC	<ul style="list-style-type: none"> Supervisory Authorities have not yet implemented any measures to transmit information to FIs with regard to the deficiencies in the AML/CFT systems of other countries. There is no authority to impose counter measures.

3.5 Suspicious Transaction Reports and Other Reporting (R.13-14, 19, 25 & SR.IV)

Description and Analysis

Legal Framework

3.157 Law 34/11 requires that all reporting entities report to UIF all suspicious operations that may be related to ML /FT or any other crime (Article 13(1)). It provides as follows: “Reporting entities shall, at their own initiative, immediately inform the Financial Information Unit, whenever they, know, suspect or have reasonable grounds for suspecting that an operation which is likely to be associated with the crime of money laundering or financing of terrorism or any other crime took place, is taking place or was attempted”. Still, despite the fact that all FIs are covered for reporting purposes, not all proceeds of predicate offences are covered owing to the deficiencies under R 1.3.

3.158 Supervisory authorities must also promptly report to UIF any facts that they know or suspect may be related to ML or FT and that they become aware of in the exercise of their functions (Article 37 (1) of Law 34/11).

Requirement to Make STRs on ML and FT to FIU (c. 13.1 & IV.1)

Covered institutions

3.159 FIs covered by Law 34/11 comprise banks, and non-banking institutions in all the financial sectors, such as microfinance companies, money transfer companies, exchange offices, insurance companies, and pension fund management companies. Therefore, all types of financial companies that exist and carry out business in Angola, through a head office, an affiliate or a branch, are covered.

3.160 However the FI Law is broader and is meant to cover entities that can be established in the future and that may carry out all the financial activities referred to in Article 5 of the FI Law which comprises, in general, all the type of financial activities considered in the FATF Glossary.

Scope of obligation

3.161 Financial institutions must report to UIF whenever they know, suspect or have sufficient grounds to suspect that an operation that might be related to money laundering, terrorism financing or any other crime occurred, is occurring or was attempted (Article 13(1) of Law 34/11).

Test for suspicion (objective / subjective)

3.162 The reporting duty is based in both criteria. In the case of the subjective criterion, the suspicion can be based on the elements in possession of a member of staff or on the analyses that he performs and also when there are sufficient objective grounds to create a suspicion that an illicit act is being committed.

3.163 Suspicious transactions should be detected by financial institutions on the basis of their knowledge of the customer and their informed experience from other previous cases, as well as the examples of recommendations and regulations issued by supervisory authorities.

STRs Related to Terrorist Financing (c. 13.2)

3.164 Suspicious transactions that may be related to terrorism, international terrorism and terrorism financing, as defined in Articles 62 to 64 of Law 34/11 must also be reported to UIF (Article 13(1) of Law 34/11). The crime of terrorist financing covers all the actions intended to provide funds to be utilized on behalf of a terrorist organization, to commit acts of terrorism and international terrorism, by an individual terrorist or a terrorist organization.

Attempted transactions and no Reporting Threshold for STRs (c. 13.3 & IV.2)

3.165 Attempted transactions are covered as well and there is no threshold for the reporting of suspicious transactions which may be related to ML and FT or other crimes (Article 13(1) Law 34/11).

Making of ML and FT STRs regardless of Possible Involvement of Tax Matters (c. 13.4, c.IV.2)

3.166 There are no exclusions to the reporting obligation when the suspicious funds may be related to a tax offense.

Additional Element - Reporting of All Criminal Acts (c. 13.5)

3.167 Financial institutions must report all suspicious transactions that they know, suspect or have reasons to suspect that may be related to ML or FT or any other crime (Article 13(5) of Law 34/11).

3.168 The obligation to report suspicious transactions that may be related to “any crime” in Article 13 of Law 34/11 appears to be too broad, because it extends to crimes that are not predicate offenses to ML or FT and therefore strays outside the scope of ML and FT

prevention. This may bring unintended consequences, such as lack of focus on fighting ML/FT, promoting the dispersion of the analyses in FIs and giving rise to reporting to the FIU of crimes that are not supposed to be reported to it thereby creating more work for the scarce human resources that could be directed to the analysis of ML, FT and respective predicate offenses. However, not all predicate offenses under Recommendation 1 are criminalized under the Angolan Criminal Code.

Protection for Making STRs (c. 14.1)

3.169 The entities subject to the legal duty of reporting suspicious transactions to UIF are protected from all types of liability, including criminal, disciplinary or civil, and the reporting in good faith does not constitute any breach of secrecy imposed by law or contract (Article 18 of Law 34/11).

Prohibition against Tipping-Off (c. 14.2)

3.170 Financial institutions and their board, employees, regardless of the type of contract, are forbidden to reveal to the customer or a third person that an STR has been made or that a criminal investigation is underway (Article 17 of Law 34/11).

3.171 The breach of this requirement is sanctioned by an administrative penalty and when the perpetrator is a natural person, the penalty goes from the equivalent of US\$12,500 to US\$2,500,000 in national currency and ancillary sanctions that go from warnings to the withdrawal of the authorization to perform his financial activity (Article 49 and 50 of Law 34/11).

3.172 The breach of the requirement by a financial institution is subject to penalties that double the value above referred (Article 49 (1) (a) (i)). Considering the level of income in Angola, these penalties are considered adequate and dissuasive. In addition and with the aim of protecting staff of reporting entities, Law 34/11 provides a criminal sanction of a maximum of 3 years imprisonment, which is applicable to anyone who reveals or facilitates the disclosure of the identity of the reporting person (Article 59 of Law 34/11).

Additional Element—Confidentiality of Reporting Staff (c. 14.3)

3.173

3.174 Law 34/11 states that it is forbidden to reveal the identity of the person that reported the suspicious transaction to UIF (Article 13(3) of Law 34/11).

Consideration of Reporting of Currency Transactions Above a Threshold (c. 19.1)

3.175 Under Article 13(2) of Law 34/11, all currency/cash transactions that are equal or above an equivalent amount of US\$15,000 in national currency must be reported to UIF.

Additional Element—Computerized Database for Currency Transactions above a Threshold and Access by Competent Authorities (c. 19.2)

3.176 The implementation of this measure has not been considered by the Angolan authorities.

Additional Element—Proper Use of Reports of Currency Transactions above a Threshold (c. 19.3)

3.177 The implementation of this measure has not been considered by the Angolan authorities.

Guidelines for Financial Institutions with respect to STR and other reporting (c. 25.1)

3.178 UIF has not yet issued any guidelines for reporting STRs, beyond the templates that have been sent out. According to the Angolan authorities, the guidelines are currently under preparation.

3.179 No other supervisory authority has issued any guidelines for the transmission of data or information on ML and FT cases.

Feedback to Financial Institutions with respect to STR and other reporting (c. 25.2)

3.180 UIF is required to provide feedback to the reporting institutions regarding the results of its examination and consequent follow-up, and also to provide information to the supervisory authorities in this respect (Article 40 of Law 34/11).

3.181 There is no evidence that any other supervisory authority has provided feedback to FIs on the outcome of its transmission of information, in order to assist them to better comply with the requirements of the Law.

Statistics (R.32)

3.182 UIF is required to provide feedback to the reporting institutions regarding the results of its examination and consequent follow-up, and also to provide information to the supervisory authorities in this respect (Article 40 of Law 34/11).

3.183 UIF is also required to collect and publish statistical data on STRs received and the result of its work, as well as any other data collected on ML and FT prevention (Article 41(1) and (3)). Since it was established, the UIF has received 7 suspicious transaction reports and all were made by the banking sector.

Effectiveness

3.184 The reporting requirement is yet not effective as the FIU is still in an incipient stage of development and has just started to collect this information. There is no evidence that the banks and other subject entities are reporting effectively.

Recommendations and Comments

Recommendation 13 and SR IV

- UIF should prepare guidelines directed to FIs providing guidance on how to prepare and report suspicious transactions. Other supervisory authorities should also issue guidelines for the transmission of information on ML and FT situations and provide feedback to the FI on the cases transmitted to assist them to apply the AML/CFT framework.
- UIF should consider how to manage CTRs to be received.
- Consider the feasibility of providing access to the CTRs by other competent authorities for AML/CFT purposes.
- UIF and other competent authorities should ensure that the report of large currency transactions is done in a manner that ensures the use of this information for AML/CFT purposes only.
- Ensure that all predicate offences required under Recommendation 1 are subject to the reporting requirement

Recommendation 25

- The UIF should ensure that it provides the necessary feedback to reporting institutions on the STRs it receives from such institutions
- Other supervisory authorities should issue guidelines to institutions under their supervision along the same lines as the BNA has done.

Compliance with Recommendations 13, 14, 19 and 25, and Special Recommendation IV

	Rating	
R.13	PC	<ul style="list-style-type: none"> • The FIU has not prepared guidelines directed to FIs providing guidance on how to detect and report suspicious transactions. • Not all predicate offences under Recommendation I are covered in the Angolan Criminal Code. • The assessment team is not satisfied that the system is fully effective as only a few STRs have been filed.
R.14	C	The provisions on tipping-off in Law 34/11 are fully compliant with Recommendation 14
R.19	C	<ul style="list-style-type: none"> • The Recommendation is fully met.
SR.IV	LC	<ul style="list-style-type: none"> • The assessment team is not satisfied that the system is fully effective as no STRs on FT have been filed. • There is no evidence of supervision and enforcement of the obligation to report suspicious transactions.

	Rating	
R.25	NC	<ul style="list-style-type: none"> • The FIU has not yet issued guidelines for reporting STRs and has not provided feedback to the reporting entities. • No other supervisory authority has issued guidelines for the transmission of information on ML and FT situations. • No other supervisory authority has provided feedback to financial institutions to assist them in applying the AML/CFT framework. • No guidelines have been issued to AML/CFT prevention to facilitate implementation of reporting obligations.

Internal controls and other measures

3.6 Internal Controls, Compliance, Audit and Foreign Branches (R.15 & 22)

Description and Analysis

RECOMMENDATION 15

Legal Framework

3.185 Law 34/11 requires all financial institutions to have risk-management policies and procedures as well as audit and internal control procedures, in order to verify the compliance with the AML/CFT requirements. They are also required to have adequate internal procedures in order to ensure the implementation of rigorous criteria when recruiting employees, with a view to ensuring that they are able to comply with the requirements of Law 34/11 (Article 19).

3.186 With regard to implementation and effectiveness of Law 12/10, Articles 17 and 18 of BNA Notice No. 1/2011 require that these institutions have internal controls and adequate risk-management systems in order to deal with ML and FT prevention. These systems should, at least, involve the appointment of a compliance officer for each FI, the existence of internal rules of procedure on compliance issued by the Board, a strategy for the FI to prevent ML and FT, risk-management policies applied to the prevention of ML and FT, and also training programs for employees and strict and rigorous recruitment procedures.

3.187 According to the BNA Notice, a compliance officer is a key person with the power and autonomy to develop his functions, adequate resources, access to all relevant information in order to check if the situations detected by employees are related to ML or FT. He should also have access to all financial information on the customer, his representatives and beneficial owners, to the elements defining the transaction, to previous records and information related to other accounts of the same customer and to previous reports on the customer (Article 18). The main functions of the compliance officer in a FI should be the monitoring of compliance of internal policies and procedures, with the objective of preventing and detecting ML and FT situations, managing and checking internal control and risk management systems, centralize and analyze all the reports received internally, report suspicious transactions to the FIU and other competent authorities, receive requests from the FIU and other authorities and provide, if applicable, the requested information and prepare an

annual report assessing the effectiveness of the internal control system and risk management of the FI with regard to ML and FT prevention (Article 18).

3.188 The BNA has informed the assessors that in 2012 it will ensure that all banks will have a compliance officer working effectively.

Establish and Maintain Internal Controls to Prevent ML and FT (c. 15.1, 15.1.1 & 15.1.2)

3.189 The requirement for FIs to have risk-management policies and procedures and audit and internal control procedures, in order to allow for the comprehensive implementation of the AML/CFT framework are contained in Article 19 of Law 34/11.

3.190 With the exception of some major private banks, the assessment team is not satisfied that the audit and control systems are effective in preventing ML and FT. The majority of banks are still in the process of creating and putting in place their compliance departments and the remaining FIs are even more delayed in this process.

3.191 Therefore, these requirements are still not implemented in general and are not yet being fully supervised by the BNA.

Independent Audit of Internal Controls to Prevent ML and FT (c. 15.2)

3.192 Taking into consideration Article 19 of Law 34/11 and Article 84 of the FI Law, it should be understood that the independent audits in the FI Law should include AML/CFT policies and measures of banks and financial institutions in general, that are subject to the FI Law. Article 19 does not extend the requirement of having adequate internal control systems to branches and subsidiaries of foreign banks operating in Angola.

3.193 However only a few of the major private banks have extended their independent audit of internal controls to AML/CFT.

Ongoing Employee Training on AML/CFT Matters (c. 15.3)

3.194 Members of the board, directors and employees of FIs must be adequately educated to be prepared to comply with all the legal and regulatory requirements in order to prevent ML and FT, as it is expressly required in Article 20 of Law 34/11. The training also covers issues with respect to prevention and countering of ML and TF. FIs should maintain copies of documents and registries related to the training provided to the members of the board, directors and employees. It provides as follows: “Reporting entities shall maintain, for a period of five years, copies of documents or records of training given to their employees and managers”.

3.195 However, in practice, only a few larger banks have provided training to their employees and management.

Employee Screening Procedures (c. 15.4)

3.196 There is a legal requirement in Article 19 of Law 34/11 directed to FIs to establish rigorous and adequate recruitment procedures of employees. This legal principle should be completed by general procedures of each FI, with a view to ensuring the selection of employees based on their professional capacity, experience and personal and professional integrity to exercise their functions. In the assessment team's view, this appears to be implemented by the banks.

RECOMMENDATION 22

Application of AML/CFT Measures to Foreign Branches & Subsidiaries (c. 22.1, 22.1.1 & 22.1.2)

3.197 As referred in Chapter I, Angolan banks have foreign branches and affiliates abroad, namely in Portugal, Brazil, Cape Verde, S. Tome and Principe and South Africa. Article 26 of Law 34/11 requires that the general principles stated in Article 4 of Law 34/11, such as: customer identification and verification, due diligence, not engage in transactions when customer identification has not obtained, record keeping, reporting suspicious transactions to UIF, cooperation with competent authorities, audit and control and training of staff, are applied mutatis mutandis in foreign countries by branches of Angolan institutions and affiliates of Angolan FIs that have a control position in the foreign institution.

3.198 According to the FI Law there is a control position over an institution when a physical or legal person has: i) the majority of the voting rights on the institution; ii) the power to appoint or remove more than half of the members of the management or auditing boards of the institution; iii) can exercise a dominant influence over the board by contract or the articles of association; iv) is a shareholder and controls alone the majority of the voting rights pursuant to an agreement with the other shareholders of the institution; v) holds a participation of more than 20 percent of the capital and exercises a dominant influence over the institution or the holder of the capital and the institution have the same management (Article 2 (17) of the FI Law). Financial institutions should also communicate to their supervisory authorities the policies and procedures in place for the auditing, assessment of risk management policies and internal controls aimed at preventing ML and FT in the branches and affiliates that they control in foreign countries.

Requirement to Inform Home Country Supervisor if Foreign Branches & Subsidiaries are Unable to Implement AML/CFT Measures (c. 22.2)

3.199 This requirement is stated in Article 26(2) of Law 34/11, and in that situation, FIs must take additional measures to deal with it and also inform their supervisory authority accordingly. The assessment team is not satisfied that these requirements are being implemented.

Effectiveness

3.200 The majority of all Angolan banks, including the ones that are state owned, do not have yet a compliance officer and department dedicated to the AML/CFT prevention.

3.201 Only a few of the private major banks have extended their audit and internal control systems to prevention of ML and FT.

3.202 Only a few of the major private banks have extended their independent audit of internal controls to ML and FT issues.

Recommendations and Comments

Recommendation 15

- Adequately enforce the obligation to have a compliance function in all FIs
- Adequately enforce the obligation to have audit and internal control systems which also apply to AML/CFT.
- The authorities should ensure that branches and subsidiaries of foreign banks operating in Angola are covered under Article 19 of Law 34/11
- BNA, ISS and CMC should ensure that the risk management policies and procedures, and audit and internal procedures have been implemented by FIs and that they are effective.
- FIs, state owned and private ones should extend their independent audit of internal controls to ML and FT issues.
- FIs should provide training to their employees and management on a continuous basis on AML/CFT preventive measures and requirements.
- FIs should establish rigorous and adequate recruitment procedures of employees, ensuring that the selection of employees is based on their professional capacity, experience and personal and professional integrity to exercise their functions.

Recommendation 22

- Supervisory authorities should monitor effectively compliance with the legal and regulatory requirements for Angolan banks that have foreign branches and affiliates abroad, namely in Portugal, Brazil, Cape Verde, S. Tome and Principe and South Africa.

Compliance with Recommendations 15 & 22

	Rating	
REC 15	PC	<ul style="list-style-type: none"> • Financial institutions, with few exceptions, have not implemented policies, systems and measures in order to reduce AML/CFT risks and install audit and internal controls systems necessary to ensure compliance with the AML/CFT framework. • There is no evidence of enforcement by the supervisory authorities of financial institutions of the requirements to implement policies, systems and measures in order to reduce AML/CFT risks.
REC 22	LC	<ul style="list-style-type: none"> • There is no evidence of implementation of this recommendation,

3.7 Shell Banks (R.18)

Description and Analysis

Legal Framework

3.203 Shell banks are regulated by Article 28 of Law 34/11.

Prohibition of Establishment Shell Banks (c. 18.1)

3.204 According to the above-mentioned Article, shell banks are expressly forbidden in Angola.

Prohibition of Correspondent Banking with Shell Banks (c. 18.2)

3.205 According to the same Article, it is also prohibited that banks maintain correspondent relationships with shell banks (Article 28).

Requirement to Satisfy Respondent Financial Institutions Prohibit of Use of Accounts by Shell Banks (c. 18.3)

3.206 In the same way, FIs are required to take measures so as to be satisfied that their correspondent banks do not use accounts related to shell banks.

Recommendations and Comments

- Supervisory authorities should initiate monitoring actions in order to ensure compliance by FIs with the prohibition against maintaining correspondent relationships with shell banks and the obligation to be satisfied that their correspondent banks do not use accounts relating to shell banks.

Compliance with Recommendation 18

	Rating	
REC 18	LC	<ul style="list-style-type: none">• Prohibition against maintaining correspondent relationships with shell banks and the obligation to be satisfied that their correspondent banks do not use accounts relating to shell banks is not monitored and the assessment team is not fully satisfied that they are being effectively implemented by FIs.

Regulation, Supervision, Guidance, Monitoring and Sanctions

3.8 The Supervisory and Oversight System—Competent Authorities and SROs. Role, Functions, Duties, and Powers (Including Sanctions) (R. 23, 29, 17 & 25)

Description and Analysis

3.207 According to Article 5 of the FI Law, the Angolan financial system is supervised by the National Bank of Angola (BNA), which focuses on banking and non-banking financial institutions related to currency and credit, the Institute of Insurance Supervision (ISS), whose responsibility lies with insurance undertakings, and the Commission of Capital Markets (CMC) which has the legal power to regulate and supervise securities markets and securities companies. The CMC is not yet active.

3.208 The BNA is the Central Bank of Angola and its main roles consist the maintenance of the value of the currency and the participation in the formulation of the monetary and exchange policies, and also the implementation of these policies and the management of the payment system (Article 3 of the Central Bank Law).

3.209 The BNA also has the power to authorize the establishment and to regulate and supervise the following financial institutions: banks in general, exchange offices, credit cooperative companies, factoring and financial leasing companies, money market and exchange market mediating companies, micro-credit companies, money transfer companies, payment systems management companies, and other types of financial institutions created by law and included in the banking sector (Articles 20 and 21 of the Central Bank Law and Articles 5(1) and 81 of the FI Law).

3.210 The banking sector consisted at the time of the visit of 22 commercial banks, being 3 state owned banks, and 7 affiliates and branches of foreign banks, mostly Portuguese and of South African origin.

3.211 The BNA also supervises the following non-banking financial institutions related to money and credit, currently operating in Angola: 1 micro-credit company, 1 money transfer company, and 32 currency exchange offices.

3.212 The BNA has the legal power to monitor the activities of the commercial banks and the non-banking FIs referred above, and to oversee the implementation of the law and regulations applicable to them, to issue recommendations in order to overcome breaches of the law or regulations, as well as deficiencies in their management and capital and also to apply administrative sanctions for non-compliance with the law and regulations (Article 81 of the FI Law).

3.213 The ISS is the special administrative entity with the power to supervise the insurance activity and functions under the superintendence of the Ministry of Finance (Article 1(2) of the Decree 63/04, the Organic Law of ISS and Article 5 of the FI Law).

3.214 The insurance sector is currently composed of 10 insurance companies that are authorized and registered with the ISS to provide life and non-life business services. There are also 4 pension fund management companies managing more than 20 pension funds, 21 insurance brokers companies and 284 individual brokers.

3.215 The ISS provides mandatory advice to the Minister of Finance in the process of authorization of insurance, re-insurance companies, pension funds and their management companies and is required by Law to present to the Ministry of Finance a duly audited regular report of the insurance sector and also has the right of initiative as regards legislative proposals (Article 4 of the Organic Law of ISS).

3.216 The ISS also has powers to oversee the activity of all the companies operating in the insurance sector in order to check the technical, financial and legal activity of those companies and initiate sanctioning procedures in case of non compliance with laws and regulations relating to the sector (Article 4 of the Organic Law of the ISS).

3.217 The competence of the ISS for applying administrative sanctions in general is regulated by Decree 7/02 of 9 of April and is shared between the ISS and the Ministry of Finance. The Ministry of Finance has the power to apply the most serious sanctions, such as the suspension of activity or the withdrawal of the license to operate. The ISS on the other hand has the competence to apply the other penalties referred in the Decree, such as fines and revoke the license to the members of the board of the company.

3.218 However, the power to initiate and instruct the administrative proceedings always lies with the ISS.

3.219 The CMC (Securities and Exchange Commission) is a public entity under the power of the Ministry of Finance with administrative and financing autonomy.

3.220 The CMC has the legal powers to regulate, monitor and supervise the securities market, and to authorize access to the market by intermediaries and securities companies in general as well as the activities of the stock exchange.

3.221 At present, there is no activity in the securities market, and the CMC is in the process of re-structuring in order to start operations.

3.222 In the field of AML/CFT, all the three supervisory authorities in the financial system have explicit powers to regulate, supervise, initiate administrative proceedings and apply sanctions directly, without the intervention of the Ministry of Finance, as stated in Articles 35(1), 36 and 51 of Law 34/11.

3.223 According to Article 36 of Law 34/11, supervisory authorities have the following explicit legal powers: a) to regulate the implementation, obligations of information and clarification, as well as the mechanisms, instruments and means of implementation of the obligations stated in Law 34/11; b) Oversee the compliance with the provisions of Law 34/11 and regulation issued by supervisory authorities; c) open and instruct procedures to sanction the non-compliance with Law 34/11; d) co-operate and share information with other competent authorities and provide assistance in investigations, administrative proceedings and judicial procedures related to ML, FT or predicate offenses.

3.224 In addition, Article 21 of BNA Notice 1/2011 states that the BNA can inspect the banks' ML and FT prevention systems, whenever it deems it necessary.

3.225 However, considering the novelty of Law 34/11, the BNA has only performed one inspection to the five major commercial banks to assess the CDD process as well as compliance mechanisms; the report concluded that only two major banks had control systems in place in accordance with the requirements of Law 12/10.

The FIU as AML/CFT regulator

3.226 UIF has the ability to issue general recommendations targeting financial entities in accordance with Article 7 (h) of Decree 35/11, of 15 of January.

3.227 According to the terms of Article 7 (h) of the Decree, the scope of this power seems very wide and general. Consequently, when using it, UIF should seek to avoid conflict with supervisory or oversight authorities inside or outside the financial sector.

3.228 UIF should use its powers to guide FIs on the proper manner to report STRs and CTRs, clarifying the elements it needs to conduct its functions effectively. According to UIF, this guidance is in preparation. However relating to CDD and KYC rules, the supervisory and oversight authorities are the best placed to issue guidelines on this subject.

Banking and Financial Institutions

3.229 As outlined in section 1, the banking sector comprises private and state-owned banks, and also branches and affiliates of foreign banks, mostly Portuguese and South African. In order to be granted a banking license, it is necessary, amongst other conditions, to have a minimum capital of AOA 600 million (US\$6.3 million), submit to the BNA a study on the financial and economic viability of the entity, and to disclose the identity of the shareholders.

Non-bank Financial Institutions

3.230 Non-banking financial institutions comprise one micro-credit company, one money transfer company and 32 exchange offices. Micro-credit companies are regulated by Presidential-Decree No. 28/2011 of 2 February, and their activity consists of the concession of micro-loans to natural persons or groups, with no collateral attached and little bureaucracy, based on social solidarity. These companies must have a minimum capital of AOA 5 million (US\$50,000) for credit cooperatives and AOA 2.5 million (US\$25,000) for micro-credit to be financed by credit operations, and are not authorized to receive deposits from the public. They are regulated and supervised by the BNA, in accordance with Article 5(1) of the FI Law.

3.231 Money transfer companies are authorized to perform money transfer services exclusively and must have a minimum capital of USA \$250 000, to be deposited in a banking institution in Angola before initiating its activity, and also the necessary IT infrastructure to carry on the activity on a regular basis. They are subject to the regulation and supervision of the BNA, in accordance with Law No. 5/05 of 29/7, which regulates the payment system and BNA Notices No. 1/2002 of 1 November 2002 and 3/2011, of 2 June 2011.

3.232 Angola's recent economic growth has turned the country into an attractive place for immigrants, from border and distant countries, such as Brazil and other Latin American countries and also Europe and China. All these movements imply important remittance of funds from Angola to the country of origin of the immigrants and considering that many immigrants are illegal and therefore do not use the formal remittance system based on the commercial banks and remittance companies, it is likely that there is in Angola an important informal and parallel system used to export and import foreign currency. This problem needs to be acknowledged in depth by the authorities for adequate measures to be taken, such as simplified CDD for low risk transactions, in order to avoid the proliferation of illegal remittance channels

3.233 Exchange offices are only authorized by the BNA to carry on the activity of buying and selling foreign currency and travelers' checks. They are required to hold a minimum capital of AOA 10 million (US\$100,000) according to the BNA Law and its Notice No. 14/03 of 17/10. Currently, there are 32 exchange offices established in Angola.

Insurance sector

3.234 The insurance sector comprises now of ten insurance companies, authorized to perform life and non-life insurance. The sector comprises also of 4 pension fund management companies, managing 20 pension funds.

3.235 ISS prepares the process needed to authorize the access to the market of insurance companies and pension fund management companies, gives its opinion and submits the process and its opinion for decision by the Ministry of Finance. It also maintains the registry of all authorized companies in the insurance sector, and regulates and supervises all the companies in the insurance sector, including insurance brokers.

Competent authorities - powers and resources: Designation of Competent Authority (c. 23.2); Power for Supervisors to Monitor AML/CFT Requirement (c. 29.1); Authority to conduct AML/CFT Inspections by Supervisors (c. 29.2); Power for Supervisors to Compel Production of Records (c. 29.3 & 29.3.1); Adequacy of Resources – Supervisory Authorities (R.30)

National Bank of Angola (BNA)

3.236 The BNA is a public authority, with administrative, financial and real estate autonomy, carrying out its activity independently. The Governor and the Vice-Governors of the bank are appointed by the President of the Republic, and can be removed from office by the President of the Republic on the grounds of a serious breach of their legal duties occurring, and loss of confidence.

3.237 The staff of the Bank amounts to 1920 persons distributed into 18 Departments, amongst which is the Supervisory Department of Financial Institutions (DSI), which has the capacity to monitor and supervise FIs accounts; it currently employs 80 persons, of which 67 are technical staff.

3.238 The staff is subject to strict secrecy obligations with regard to data and information acquired in the exercise of their functions.

3.239 The Bank has the power to regulate, monitor and supervise banking and non-banking financial institutions referred to in Articles 3 and 5 of the FI Law, which currently includes the banks, micro-credit and money transfer companies and exchange offices.

3.240 The Bank has issued Notice 1/2011, which is an important Regulation on CDD and KYC procedures for banks.

3.241 The BNA has the power to inspect FIs and to collect the documents and records it needs to carry-on its activities and also to initiate administrative procedures against all supervised institutions for non-compliance with Law 34/11 and Notice 1/2011, as well as to directly apply sanctions to them, according to Articles 35(1) (a), 36 and 51 of Law 34/11 and Article 81, 82 and 127 of the FI Law.

3.242 BNA has the capacity to undertake on-site inspections for FIs subject to its supervision, to enter their premises, inquire any entity or go to any place where there is suspicious activity taking place, such as non-authorized banking or monetary activity, and can also consult files, books, records and obtain documents, agreements, contracts, and any other documents that it may deem necessary (Articles 83 (2) and (3), 85 and 86 of the FI Law).

3.243 The Bank seems to be sufficiently resourced in expertise and technology to deal with future AML/CFT prevention challenges, which does not exclude the need to hire people with specific expertise for this area of activity.

Insurance Commissioner - General Insurance

3.244 The Supervisory Insurance Institute (ISS) is a public authority, with administrative, financial and autonomy, which carries out its activity under the oversight of the Ministry of Finance.

3.245 The ISS has powers to regulate, monitor, and supervise insurance companies, as well as pension fund management companies and pension funds, in accordance with Articles 4 (f) of Decree 63/04, of 28 September and 15 (3) and (4) of Decree No. 7/02 of 9 April.

3.246 The ISS prepares the process and provides an opinion to the Ministry of Finance before the authorization by the Minister of Finance of any establishment of insurance companies and pension funds management companies in Angola.

3.247 The ISS staff is subject to strict secrecy obligations in regards to data and information acquired in the exercise of their functions and is subject to the legal regime of public officials. Technical staff comprises around 30 people, which seems to be clearly inadequate to fulfill its functions.

3.248 ISS has not issued any regulations so far in the field of ML and FT prevention.

3.249 The ISS has also the capacity to conduct on-site inspections to the entities it supervises, and to obtain the information it needs for the exercise of its functions (Article 4 (f) of Decree 63/04, of 28 September).

3.250 The ISS may also seize documents and values and request the presence of the Police to implement its sanctioning powers (Articles 15 (3) and (4) of Decree No. 7/02 of 9/4).

3.251 Regarding ML and FT prevention, the ISS has the power to initiate administrative procedures against the institutions it supervises, for non-compliance with Law 34/11 and directly apply sanctions to them, according to Articles 35(1) (a), 36 and 51 of Law 34/11.

3.252 The assessors consider the ISS lacks human resources, expertise and IT systems, to cope with their supervisory obligations on ML/FT prevention and inspection.

Securities Commission

3.253 The Securities Exchange Commission (CMC) is a public entity under the power of the Ministry of Finance with administrative and financing autonomy. According to Article 7(3) of Law 12/05 of 23/09 (Securities Law) it is financed with funds received from the general budget and supplemented by regulation, registry fees and penalties applied.

3.254 According to Articles 7(1) and (3), (9), (12), (14), (19), (20) and (67) of the Securities Law 12/05, of 23/9, the CMC has the legal powers to regulate, monitor and supervise the securities market, and to authorize access to the market by intermediaries and securities companies in general as well as the activities of the stock exchange .

3.255 Article 129 of the Securities Law states that FIs in the securities market are required to prevent and combat ML and take specific actions with that purpose, such as: a) to obtain and keep information on the identification of entities that are the beneficial owners of transactions; b) record on a form prepared by the CMC large value transactions which amount or frequency are different from the normal market pattern; c) comply on a reasonable term with the requests from the authorities concerning the referred information. This provision also deals with the need to train staff in order to prevent ML and requires that financial intermediaries be subject to an external audit in order to monitor their compliance with these provisions.

3.256 The CMC can also request information, examine books, records and documents, interview certain persons when necessary, request the co-operation of the police to effectively fulfill its functions and even intervene in the activity of securities management companies and brokers when their activity may cause disruptions in the market, according to Article 16 of the Securities Law 12/05, of 23/9.

3.257 The CMC is at the moment not active and there is currently no capital market in Angola therefore it is not possible to evaluate their human or IT resources to carry on their future activity.

Sanctions: Powers of Enforcement & Sanction (c. 29.4); Availability of Effective, Proportionate & Dissuasive Sanctions (c. 17.1); Designation of Authority to Impose Sanctions (c. 17.2); Ability to sanction Directors & Senior Management of Financial Institutions (c. 17.3): Range of Sanctions—Scope and Proportionality (c. 17.4)

3.258 The BNA, the ISS and the CMC all have the capacity to initiate administrative proceedings against the institutions they supervise for non-compliance with the AML/CFT Law and for banks also with BNA Notice No. 1/2011, and directly apply sanctions to them, according to Articles 35(1)-(a), 36 (c) and 51 of the AML/CFT Law, without the intervention of the Ministry of Finance.

3.259 The administrative sanctions which are applicable in case of non-compliance with the provisions of Law 34/11 are the following: when the responsible entity is a legal person, applicable fines range from the equivalent of US \$ 25 000 to 2 500 000, 00 and when the responsible entity is a natural person, fines range from US\$12,500 to US\$1,250,000 according to Article 49(1) of Law 34/11.

3.260 There are also ancillary sanctions that can be applied to the liable natural person, ranging from warnings to the definitive exclusion of the professional activity, in accordance with Article 50 of Law 34/11.

3.261 The administrative liability can be imposed both to the financial institution and to the members of the board, directors or employees of the FI that has breached the law or regulation (Articles 43(2) and (3) and 47 of Law 34/11).

3.262 Ancillary sanctions can be applied to FIs beyond the penalties referred to in Article 49 of Law 34/11, and on very serious and continuous breaches of Law 34/11 and those sanctions range from warnings to the banning of the exercise of the financial activity, with the withdrawal of the respective license by the supervisory authority (Article 50 Law 34/11). Beyond that, it should be noted that there is a *time of limitations* regime in Law 34/11 according to which any administrative procedure to sanction a breach of Law 34/11 should be initiated no later than 5 years after the occurrence of the facts. As soon as the procedure starts *and is communicated* to the defendant another term of 5 years starts as a maximum time-frame to conclude the proceedings. The assessment team is of the view that this regime of time of limitations does not prejudice the effectiveness of the sanctions regime, because this period of time appears to be sufficient to initiate and conclude the administrative proceedings. Time of limitations regimes are common practice for virtually all crimes and not inconsistent with FATF standards, as FATF standards do not refer to any incompatibility.

Criminal sanctions

3.263 There is a criminal sanction of a three year term of imprisonment applicable to anyone who discloses or facilitates the disclosure of the identity of a person that reports a suspicious transaction to the competent authorities, in accordance with Article 59 of Law 34/11.

Civil Sanctions

3.264 In terms of the civil liability law and also under the broad terms of *Article 43 of Law 34/11*, when *prejudices arise from the* breach of Law 34/11 or regulations, civil responsibility may be claimed from the liable staff and FI.

3.265 The BNA, the ISS and the CMC all have the capacity to initiate administrative procedures against the institutions they supervise, without the intervention of the Ministry of Finance, for non-compliance with Law 34/11 and BNA Notice No. 1/2011 (for banks only), and directly apply sanctions to them according to Articles 35(1) (a), 36 (c) and 51 of Law 34/11.

3.266 The administrative sanctions which are applicable in case of non-compliance with the provisions of Law 34/11 are the following: when the responsible entity is a legal person, applicable fines range from the equivalent of US\$25,000 to US\$2,500,000 and when the responsible entity is a natural person, fines range from US\$12,500 to US\$1,250,000 according to Article 49(1) of Law 34/11.

3.267 It should be noted that the sanctions referred to in Notice 1/2011 were only applicable until the entry into force of Law 34/11. This is because the sanctions referenced in the Notice were those provided in Law 12/10. During the period that Law 12/10 was in force, the sanctions provided for in that Law could be applied for violation of the requirements under Notice 1/2011, pursuant to the formal powers under Article 93 of the Central Bank Law. Further, there were also ancillary sanctions that could be applied to liable natural persons, ranging from warnings to the definitive exclusion of its professional activity, in accordance with Article 50 of Law 34/11.

3.268 According to Articles 43(2) and (3) and 47 of Law 34/11, the administrative liability can be imposed both to the financial institutions and to the members of the board, directors or employees of FIs that have breached the law or regulation.

3.269 Ancillary sanctions can be applied to FIs beyond the penalties referred to in Article 49 of Law 34/11, and on very serious and continuous breaches of Law 34/11, ranging from warnings to the banning of the exercise of the financial activity, as referred in Article 50 of Law 34/11.

3.270 Law 34/11 provides for a set of administrative sanctions directly applicable by supervisory authorities to FIs and staff and management that can be applied in a proportionate, effective and dissuasive way, considering the breach and the value of the infraction to deter breaches of Law 34/11.

3.271 No administrative proceedings on breaches of the previous law and Notice 1/2011 have been initiated or sanctions applied.

Market entry: Fit and Proper Criteria and Prevention of Criminals from Controlling Institutions (c. 23.3 & 23.3.1); Licensing or Registration of Value Transfer/Exchange Services (c. 23.5); Licensing of other Financial Institutions (c. 23.7)

3.272 The FI Law states in its Article 26(1) that only persons whose suitability and availability ensure sound and prudent management can be part of the board and auditing body of a banking financial institution, taking into account in particular the safety of the funds provided to the institution.

3.273 This principle of suitability should be measured against general criteria such as: the manner in which the person usually carries on his business and professional activity, particularly as regards any aspects which show an inability to make wise and judicious decisions, or a tendency not to meet obligations punctually or to behave in a manner that is incompatible with maintaining the confidence of the market (Article 26 (2) of the FI Law).

3.274 The following situations are considered to be examples of cases where there is a lack of suitability to be appointed as a member of the board or of the audit body of a FI:

- When a person has been declared, by a national court or abroad, to be insolvent or bankrupt or responsible for the insolvency or bankruptcy of a company that has been under his direction, or where he has been an administrator, director or manager;
- The person has been sentenced, in the country or abroad, for theft, abuse of trust, robbery, embezzlement, extortion, malicious insolvency, intentional or not premeditated bankruptcy, forgery, false declarations, exchange infractions, non provisioned checks or other economic crimes;
- The person has been sentenced, in the country or abroad, for violation of legal and regulatory principles governing financial banking and non-banking institutions, insurance activity or the securities market, when the violation is serious enough or committed in a recurring basis.

3.275 When a financial institution presents a request to the BNA, to be authorized to undertake its activity, the identification of the founding shareholders (with the amount of capital to be subscribed by each of them), as well as documentation demonstrating their suitability for the exercise of functions are required, as well as an initial deposit of 5% of the capital of the institution to be created or a banking guarantee of the same value, amongst other elements and documents, according to Articles 17(1), 17 (2) of the FI Law.

3.276 Holders of qualified shares in FIs are also subject to the same requirements, according to Articles 22 and 23 of the FI Law. A qualified participation is defined as the holding of 10 percent or more of capital or voting rights in the institution, directly or indirectly, based on Article 2(15) of the FI Law.

3.277 In the process of acquisition of a qualified participation of a FI supervised by the BNA, the BNA must be aware of the source of the funds and the true identification of the holder of those funds, and when that holder is a natural person, he should comply with the suitability criteria stated in Article 26 of the same Law.

3.278 The FI Law also requires that the members of the board and the auditing body have adequate management experience of FIs, which is presumed when the person has already had relevant working experience in the financial sector, according to Article 27 of the FI Law.

3.279 The lack of professional experience to manage financial institutions and the lack of suitability of the members of the board and auditing body are sufficient conditions for the BNA to deny the authorization of appointment to the board or auditing body of the FI, as referred to in Article 20(1) (f) of FI Law.

3.280 The above-mentioned fit and proper criteria do not apply to the Directors of FIs.

3.281 Money transfer companies, microfinance companies and exchange offices, at present operating in Angola and also other non-banking companies related to currency and credit, covered in Article 5 of the FI Law, such as credit cooperative companies, factoring and financial leasing companies, money market and exchange market mediating companies, payment systems management companies, and other types of financial institutions created by law and included in the banking sector are subject to the authorization of the Bank are registered by the BNA before initiating their activity, in accordance with Articles 5, 93 and 104 of the FI Law.

3.282 In the process of authorization of an insurance undertaking or a capital market company, the identification of the founding shareholders (with the amount of capital to be subscribed by each of them) as well as documentation demonstrating their suitability for the exercise of functions are also required, according to Article 93 (2) of the FI Law. Holders of qualified shares in insurance undertakings and capital market companies are also subject to the same legal requirements (Articles 94 (2) and 23 (2) of the FI Law).

3.283 The ISS or the CMC must also be aware of the source of the funds and the true identification of the holder of those funds when authorizing a FI, according to Articles 94 (2) and 23 (2) of the FI Law.

3.284 The insurance undertakings and capital market companies are prohibited to carry on their activities before being registered with their supervisory authorities (Article 104 of the FI Law). This also applies to banking and non-banking financial institutions.

Ongoing supervision: Regulation and Supervision of Financial Institutions (c. 23.1); Application of Prudential Regulations to AML/CFT (c. 23.4); Monitoring and Supervision of Value Transfer/Exchange Services (c. 23.6); AML/CFT Supervision of other Financial Institutions (c. 23.7); Guidelines for Financial Institutions (c. 25.1)

3.285 Each of the three supervisory authorities in the financial sector - the BNA, the ISS and the CMC - have the legal authority to regulate and supervise all their subject entities on a continued basis and initiate administrative proceedings for non compliance with Law 34/11

or regulations, in accordance with Articles 36 (b) and c) of Law 34/11 and Article 22 of BNA Notice 1/2011.

3.286 Supervisory authorities have also the power to issue detailed Regulations on aspects of implementation of Law 34/11, as referred in Article 36(a) of Law 34/11.

3.287 However, at the time of the on-site visit, only the BNA had issued implementing Regulations under Law 12/10 -Notice 1/2011, which is exclusively directed towards banking institutions-.

3.288 No supervisory authority has issued guidelines based on law 34/11 in order to assist FIs to implement and comply with AML/CFT requirements.

Effectiveness

3.289 The assessment team is not satisfied that BNA and ISS have a complete understanding of the identity of the natural persons who are the owners of every qualified shareholding of a FI, in particular banks, because beneficial owners are not effectively identified.

3.290 The assessment team considered that there is no evidence that the BNA and ISS took all the necessary measures to satisfy themselves that the members of the boards and audit bodies of FIs have the adequate suitability and integrity to perform their functions.

3.291 Although all supervisory authorities have clear legal powers to open administrative proceedings to adequately sanction the non-compliance with Law 34/11 and regulations, no effective monitoring of legal obligations has been performed and no administrative proceedings have been opened so far.

3.292 It is not clear if the BNA and other supervisory authorities have a comprehensive notion of the beneficial owners of all the financial institutions established in Angola, despite the fact of having the power and the legal duty to ask for that information.

Recommendations and Comments

Recommendation 23

- The BNA and ISS should have a more proactive stance in understanding the structure of legal persons and the source of the funds invested in the acquisition of FIs in order to clearly understand the natural persons who ultimately control the capital in the acquired FIs.
- The BNA should issue regulations and guidelines facilitating the implementation of Law 34/11 to all non-banking financial institutions such as microfinance companies, money transfer companies and exchange offices, which fall under its supervision.^{63(b)}

^{63(b)} According to the Angolan authorities the regulations and guidelines were under preparation.

- All supervisory authorities should verify, through inspections whether the designated institutions in each of the sectors have in place policies, procedures and measures that will enable the effective implementation of obligations required under Law 34/11 and regulations. These actions should be undertaken in a reasonable timeframe.
- Supervisory authorities should consider applying fit and proper tests also to directors of FIs and not only to the members of the board and auditing body.
- The criteria of suitability and professional experience required to manage and audit banking financial institutions should be extended to non-banking financial institutions.
- The supervisory authorities should investigate how the informal and parallel remittance systems work and develop measures to minimize the cost of formal remittances and simplify the verification of the identification of the customer in situations of low risk, in order to attract people to use the formal remittance system.

Recommendation 29

- ISS and CMC should undertake actions destined to raise awareness regarding the obligations contained in Law 34/11, for instance through publications, seminars and workshops directed to their subject institutions.
- ISS and CMC should also issue regulations and recommendations clarifying and facilitating the effective implementation of Law 34/11, for instance providing examples of types of transactions that usually imply higher risk of ML and FT.
- The monitoring and supervision programs and actions of all the supervisory authorities directed to ML and FT prevention should be strongly reinforced.
- The supervisory technical structure and IT systems of the ISS and CMC should be reinforced to deal with the supervisory functions related to ML and FT prevention.
- The ISS and the CMC should apply rules of suitability and experience to members of the board, the auditing body or the directors of the institutions that they supervise.
- Considering that supervisory authorities are the best placed to know their subject entities, their activities, products, their evolution and dynamics in their respective sectors, the assessment team considers that these authorities should also be the best placed to regulate matters related to ML and FT prevention, as well as to issue implementing regulations or recommendations. Therefore, the ability of UIF to issue regulations targeting financial entities should be strictly limited to its core functions, which are to receive, analyze, and disseminate STRs or to take the role of supervisory /oversight authorities should those not fulfill their role, in accordance with the powers granted to it by Article 25 (2) of Decree 35/11.

- When revising Presidential Decree n° 35/11, the authorities should establish clear lines between the competences of each supervisory and oversight authority and UIF.

Compliance with Recommendations 17, 23, & 29

	Rating	
REC 17	PC	<ul style="list-style-type: none"> • There is no enforcement of the sanctions regime in Law 12/10 and therefore no effectiveness.
REC 23	PC	<ul style="list-style-type: none"> • BNA does not require 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. • There are no regulations in place for implementation of Law 34/11. • The supervision activity of the AML/CFT system is still weak, as only one inspection by the BNA to the 5 major commercial banks to evaluate the KYC and compliance system has been done. ISS has not taken any action to supervise the enforcement of AML/CFT rules⁶⁴.
REC 29	PC	<ul style="list-style-type: none"> • Only BNA has carried out one on-site inspection. Other supervisory authorities have not initiated or planned any actions on-site inspections or others- directed to verifying the level of compliance of FIs with the AML/CTF prevention system. • ISS and CMC lack human resources, expertise and IT systems to cope with their supervisory obligations on ML/FT prevention and inspection. • There is a very low level of understanding of the AML/CFT system in FIs, with the exception of a limited number of some major private banks. • As enforcement is weak, the system is not effective.

3.9 Money or Value Transfer Services (SR.VI)

Description and Analysis (Summary)

Legal Framework

3.293 The provision of payment services is regulated by Law 5/05 of July 29, 2005 (the Payment Systems Law), which deals in general terms with the management, performance and control of the payment systems in Angola and also by Law 5/97, of 27 6 June (the Foreign Exchange Law), and BNA Notices No. 1/2002 of 1 November and No. 3/2011, of 2 of June.

3.294 Money or value transfer services can be performed by banking institutions, credit cooperatives, financial companies authorized to perform this service, the Postal Administration and non financial legal persons expressly authorized to perform the service according to the FI Law (Articles 4(1) (f) and 5(1) (g) and Article 6 of BNA Notice 01/2002, of 1/11). At present this service is only performed by banks (often in partnership with global money transfer companies such as Western Union) and one money transfer company.

Designation of Registration or Licensing Authority (c. VI.1)

3.295 The licensing authority for all banking and non-banking FIs authorized to

⁶⁴ CMC is not yet operational and there is currently no capital market in Angola.

perform payment services in Angola is the BNA, which registers and licenses all these institutions.

Application of FATF Recommendations (applying R.4-11, 13-15 & 21-23, & SRI-IX) (c. VI.2)

3.296 Banking institutions and money transfer companies are subject to the legal obligations imposed by Law 34/11 (Article 3(1) (b)).

Monitoring of Value Transfer Service Operators (c. VI.3)

3.297 The regulation, monitoring, and supervision of money service operators are attributed to the BNA in accordance with the FI Law and Law 34/11 (Article 35(1) (a) and 36 (b) of Law 34/11).

List of Agents (c. VI.4)

3.298 At present, there is no regulation covering agents. According to information provided by the Angolan authorities, regulation is being prepared by the BNA, concerning the obligation for money transfer companies to maintain a list of agents and to communicate it to the supervisory authority.

Sanctions (applying c. 17.1-17.4 in R.17) (c. VI.5)

3.299 The non-compliance with the AML/CFT provisions may be investigated through administrative proceedings by the BNA, and sanctions can be applied for failure to comply with AML/CFT obligations. Possible sanctions include: fines ranging from the equivalent of US\$25,000 to US\$2,500,000 when the entity liable is a legal person, and fines ranging from US\$12,500 to US\$1,250,000 when the responsible is a natural person, in accordance with Article 49(1) of Law 34/11.

3.300 Ancillary sanctions may also be applied to the responsible natural person, ranging from warnings to the definitive exclusion of the professional activity, in accordance with Article 50 of Law 34/11.

3.301 Based on the high amounts of the fines, the sanctions appear to be adequate and dissuasive in the Law. However, sanctions are not being enforced and most importantly, beyond applying sanctions, there is a need to tackle the problem of illegal channels by simplifying the creation of money remittance companies, easing the CDD process in low risk situations, and promoting more competition in the remittances market so that prices can decrease and those services become affordable for more people.

Adequacy of Resources

3.302 Despite the fact that the BNA is, in general, well-staffed, taking into consideration the need to monitor more intensively the compliance with AML/CFT obligations in the future, coupled with the new role of the BNA in this field, the assessment team is of the opinion that current staff may be insufficient.

Recommendations and Comments

- The BNA should issue implementing regulations requiring the maintenance of a list of agents and the obligation to communicate it to the BNA.
- The technical structure of the BNA dealing with the implementation of AML/CFT monitoring and compliance should be reinforced.
- Strong efforts by the BNA and other competent authorities are needed to increase the number of money remittance companies, to simplify customer identification procedures in low risk situations and to promote the lowering of the cost of remittances, in order to allow more people, mainly immigrants of low income level, to use the formal money remittance channels, avoiding important ML and FT risks.

Compliance with Special Recommendation VI

	Rating	
REC VI	PC	<ul style="list-style-type: none">• The BNA has not issued any regulation requiring the maintenance of a list of agents and the obligation to communicate it to the BNA.• The technical structure of the BNA dealing with the implementation of AML/CFT monitoring and compliance is not adequate, considering its new roles and the challenges put by the informal money remittance services.• The BNA has not planned any supervisory actions to ensure the compliance with the AML/CFT requirements for money value transfer services.

CHAPTER 4. PREVENTIVE MEASURES – DESIGNATED NON-FINANCIAL BUSINESS AND PROFESSIONS

General

4.1 As described in Section 1.4, the DNFBP sector in Angola includes casinos, real estate agents, constructors selling their own real estate, dealers in precious metals and stones, dealers in high value goods, operators awarding betting or lottery prizes, lawyers, notaries, accountants, auditors, and company service providers.

4.2 DNFBPs are subject to the same requirements of Law 34/11, including CDD record-keeping requirements and filing STRs, as financial institutions. There are some obligations which are specific to DNFBPs and are provided for under Chapter IV of Law 34/11, such as those applicable to the legal privilege of lawyers, the identification procedures in casinos, the operators awarding betting or lottery prizes, and the oversight of real estate companies.

4.3 Law 12/10 was also applicable to some DNFBPs, namely casinos, lawyers and other independent legal professions, notaries and accountants. In spite of, that the awareness of these professions and activities about AML/CFT requirements was almost non-existent.

4.4 Some of the DNFBPs or their oversight authorities were not consulted in the process of preparation of the new Law 34/11, regulating their activities and were unaware of the new provisions they must comply with.

FATF Designated Non-Financial Business and Professions in Angola

	Legislation	Authorized/Registered by
Casinos	Law 34/11	Gaming Supervision Institute (ISJ)
Lawyers	Law 34/11	Bar Association
Notaries	Law 34/11	Ministry of Justice
Accountants	Law 34/11	Ministry of Finance
Operators awarding betting or lottery prizes	Law 34/11	Gaming Supervision Institute (ISJ)
Dealers in precious metal and precious stones	Law 34/11	National Directorate for Geology and Mining (DNM)
Real Estate	Law 34/11	National Housing Institute(INH)
Dealers in high value goods	Law 34/11	DNIIAE
Trust and company service providers	Law 341/11	None

Note: It should be considered that this table includes three types of businesses and professions that have been added voluntarily by the Angolan Authorities to the category of DNFBPs, because they are considered to also be vulnerable to ML, such as operators awarding betting or lottery prizes and dealers in high value goods, and entities building real estate to sell directly in the market, which will be considered in detail in Recommendation 20.

4.1 Customer Due Diligence and Record-keeping (R.12) (applying R. 5, 6 and 8 to 11) Description and Analysis

4.5 In accordance with Law 34/11, DNFBPs are subject to the same requirements of CDD and record keeping as financial institutions. Some specific rules are also provided under Chapter IV of Law 34/11, such as those applicable to the legal privilege of lawyers, the identification procedures in casinos and the oversight of real estate companies.

Legal Framework

4.6 In accordance with Articles 29, 5 and 20 of Law 34/11, the provisions of the Law are applicable in general to DNFBPs.

4.7 The specific provisions applicable to lawyers, gaming concessionaries in casinos, operators awarding betting or lottery prizes, and real estate agents are provided for in Articles 30 to 34 of Law 34/11.

4.8 No regulations or recommendations have been issued by the supervisory or oversight authorities directly to DNFBPs, which are currently only subject to the provisions of Law 34/11.

4.9 As the DNFBP sector is quite heterogeneous, CDD provisions do not apply to all DNFBPs in the same manner. For instance, simplified CDD rules or rules referring to continued CDD are not applicable to casinos, or to entities exploring betting and lottery games or to instant transactions on precious stones or precious metals.

4.10 Apart from those differences derived from the nature of the relationship between the DNFBP and its customer, the provisions applicable to DNFBPs are not different from those applicable to financial institutions.

CDD Measures for DNFBPs in Set Circumstances (Applying c. 5.1-5.18 in R. 5 to DNFBP) (c. 12.1)

4.11 DNFBPs are required to identify their customers, and their representatives or beneficial owners when they exist, to verify their identity, when establishing business relationships, or occasional transactions in cash equal or above USA\$15 000 or an equivalent amount in national currency, to keep a copy of the identification documents for ten years after the transaction or the termination of the business relationship and to also keep the records of transactions, in the same manner as financial institutions.

4.12 DNFBPs are required to apply the same identification and CDD rules as regards legal persons or legal arrangements and to know the control structure of the customer.

4.13 When there is a durable relationship with the customer, CDD measures must be applicable during the whole period of the relationship. DNFBPs are required to refrain from carrying out any suspicious transaction and report it to UIF.

4.14 The rules on enhanced and simplified CDD are also applicable to DNFBPs, taking into account the type of relationship considered.

4.15 There are specific provisions applicable to the identification of customers of casinos. They must be identified and their identity verified whenever they enter in game premises or when they buy chips or tokens which are equal or superior to the value of US\$ 2,000. The identity of the customer must be registered as well. Casinos are forbidden to issue checks in exchange of chips or tokens. They can only issue checks to customers that have won a prize and these must be specifically identified (Article 31 (1) of Law 34/11). Therefore the legal regime is in accordance with the CDD requirements, however no evidence exists that the regime is being implemented in the existing casinos.

4.16 Operators awarding betting or lottery prizes are also required to follow identification procedures in specific circumstances, such as when paying prizes of a value equal or superior to US\$ 5,000 (Article 32 of Law 34/11).

4.17 In practice, the assessment team is not satisfied that CDD and KYC measures are being applied by DNFBPs, in particular because all the sectors visited during the on-site mission were still not aware of their obligations according to Law 34/11.

CDD Measures for DNFBPs in Set Circumstances (Applying Criteria under R. 6 & 8-11 to DNFBP) (c.12.2)

4.18 The provision of Articles 10 (3) and (5) of Law 34/11 requiring enhanced due diligence measures on foreign PEPs are legally applicable also to DNFBPs, as expressly stated in Article 29 of the Law 34/11.

Effectiveness

4.19 In practice, not even the provisions of Law 12/10 were being applied by DNFBPs because there is no awareness of the CDD, KYC and other requirements of the legal framework in general, even regarding lawyers, accountants and casinos, which were already subject to the provisions of Law 12/10.

4.20 The information on the identification of PEPs is not available to DNFBPs or to their supervisory or oversight authorities.

4.21 It is the view of the assessment team that the high degree of informality in Angola and the cash-based nature of the economy makes the total lack of awareness and implementation, a major effectiveness gap in Angola. The conditions are not met for the effective application of the CDD and KYC requirements of Law 34/11 to DNFBPs due to the lack of understanding of the legal requirements of the Law by the oversight and supervisory authorities themselves.

Recommendations and Comments

- Supervisory and oversight authorities, namely in the real estate sector, in the high value goods and precious stones market, and lawyers, which provide the main services to undertakings, associations and foundations must have their legal framework in place and initiate the raising of awareness of their professionals on ML/FT prevention.
- Strong efforts to raise awareness of the requirements of the legal framework, namely Law 34/11, directly related to DNFBPs are needed from the FIU and the supervisory and oversight authorities in each sector of activity. Supervisory and oversight authorities must raise awareness of the AML/CFT provisions to their subject entities and issue regulations or recommendations on the implementation of AML/CFT provisions and effectively oversee their implementation.
- Information on foreign PEPs should be immediately available to DNFBPs, either from their supervisory or oversight authorities or from the Government, allowing for the prompt implementation of the legal provisions, namely to lawyers, accountants, real estate agents and constructors selling their own constructions and companies service providers.

Compliance with Recommendation 12

	Rating	
R.12	NC	<ul style="list-style-type: none"> • The weaknesses identified in Recommendations 5, 6, and 8-11 are also applicable to DNFBPs covered by Law 34/11. • Not all entities subject to Law 34/11 are aware of their requirements which shows that the legal framework is not being applied by those entities. • Some oversight authorities are not aware of their legal obligations in the preventative field. • Oversight authorities have not issued any regulations or guidelines facilitating the implementation of the AML/CFT framework.

4.2 Suspicious Transaction Report (R.16) (applying R.13-15, 17 & 21)

Description and Analysis

Legal Framework

4.22 According to Law 34/11, DNFBPs are required to apply enhanced due diligence to operations which by their own nature, complexity, unusual character, or taking into account amounts involved, the absence of apparent economic justification, or the possibility of those being considered of criminal nature may represent a high risk of ML (Article 10(1) of Law 34/11).

4.23 When DNFBPs detect a transaction that they know, suspect or have reasons to suspect that it is related with ML or FT, they must report it to UIF and they are required to fully cooperate with UIF, the supervisory or oversight authorities and other competent authorities in order to investigate the transaction (Articles 13 and 16 of Law 34/11).

4.24 DNFBPs are also forbidden to disclose to the customer or third parties that they have filed a report to UIF or that a ML or FT investigation has been initiated (Article 17 of Law 34/11).

4.25 Specific sanctions are applicable to DNFBPs that do not comply with their legal duties. They can be subjected to administrative sanctions referred in Article 49(1) (b) of Law 34/11, which are the following: in the case of a legal person, applicable fines range from the equivalent of USD 5,000 to USD 500,000; in the case of a natural person, fines range from USD 2,500 to USD 250,000 (Article 49(1)(b) of Law 34/11).

4.26 There are also ancillary sanctions that can be applied to natural persons, ranging from warnings to the definitive exclusion of their professional activity, in accordance with Article 50 of Law 34/11.

4.27 The administrative liability can be imposed both to the DNFBP itself, when the breach of the law has occurred during the exercise of its functions or in its name and behalf, and to the members of the board, directors or employees that are in breach of the law (Article 43(2) and 3 and 47).

4.28 DNFBPs are not obliged to provide special attention to business relationships and transactions from countries which do not apply or insufficiently apply the FATF Recommendations.

Internal control requirements for DNFBP (applying R.15)

4.29 DNFBPs are obliged to have internal procedures and controls in place, namely risk assessment and audit policies and measures to prevent ML and FT, and also strict criteria for hiring employees to allow them to comply with Law 34/11 (Article 19 of Law 34/11).

4.30 There is also a specific provision of Law 34/11 which clarifies that in the situation where the natural person exercises functions as an employee of a legal person, the entity responsible for the training is the legal person (Article 34).

Effectiveness and Statistics (R.32)

4.31 The assessment team is not satisfied that Law 12/10 has been applied by casinos, lawyers and other independent legal professions, notaries and accountants.

4.32 In general, there is a lack of awareness about the obligations of DNFBPs with regard both to Law 12/10 and Law 34/11.

4.33 DNFBPs do not have internal control policies and measures in place to allow them to detect ML or FT suspicious operations. Besides that, staff has not been trained to apply the provisions of the law. No regulations or recommendations have been issued by the

supervisory and oversight authorities clarifying how the Law should be applied in concrete terms.

4.34 No STRs have been reported to UIF by DNFBPs. This clearly shows a lack of implementation and effectiveness, taking into account the risks described in chapter I concerning some of the entities in the DNFBP sector, such as real estate.

Recommendations and Comments

- Implementation regulations or guidelines should be issued by the oversight authorities in order to raise awareness and help DNFBPs to comply with their AML/CFT obligations, as required under Law 34/11.
- Entities responsible for carrying out the oversight of DNFBPs should undertake efforts to comply with their obligations: INH should carry out the oversight of real estate agents, DNM of dealers in precious metals and stones, DNIAE of the entities buying and selling high value goods, the Bar association of lawyers, the Ministry of Justice of notaries and the Association of Accountants.
- Entities in charge of DNFBPs’ oversight or UIF as appropriate should prepare guidelines to assist DNFBPs in complying with their AML/CFT obligations.

Compliance with Recommendation 16

	Rating	
R.16	NC	<ul style="list-style-type: none"> • The weaknesses identified in Recommendations 13-15 and 21 are also applicable to the DNFBPs covered by Law 34/11. • Entities subject to reporting duties are not aware of their obligations and adequate internal control systems for DNFBPs are not in place. • Oversight authorities have not issued any regulations or guidelines facilitating the implementation of the previous AML/CFT Law or Law 34/11.

4.3 Regulation, Supervision, and Monitoring (R.24-25)

Description and Analysis

Legal Framework

4.35 The regulation, supervision and monitoring of AML/CFT obligations applicable to DNFBPs operating in Angola are based on Law 34/11.

4.36 With regard to the diamond sector, its organization is regulated by Executive Decree No. 255/11, which requires that all small diamond explorers must sell all precious stones they

find to a state company, Sodiam (the Central Buyer and Seller of Diamonds in Angola SARL) a subsidiary of Endiama (the National Diamond Company of Angola). This company is state-owned and has exclusive rights to buy and sell rough diamonds in Angola. The Executive Decree also requires that the activity of producing diamonds and precious stones be subject to a concession contract delivered by Endiama and that all precious stones produced by companies or natural persons must be sold to Sodiam for resale within Angola and abroad. According to this regime, the precious stones should be sold to the state owned enterprise-Endiama- to avoid illicit transactions such as smuggling or the laundering of the proceeds of crimes. Endiama, when selling the precious stones by an amount equal or superior to US\$15,000 in cash is obliged to comply with Law 34/11 and is subject to the oversight of the National Directorate for Mining (DNM). However, the assessment team realized during the on-site mission that DNM was not aware of their obligations with regard to either Law 12/10 or 34/11, which clearly indicates that the law is not being implemented in this sector.

4.37 With regard to lotteries, those are regulated by Decree No. 39 K/92, which grants the National Lottery Company, a state-owned enterprise, the “power to exclusively undertake this activity.” However there are no lotteries in place in Angola at present.

Regulation and Supervision of Casinos (c. 24.1, 24.1.1, 24.1.2 & 24.1.3)

4.38 No law has been approved to regulate the activity of casinos despite the fact that Article 36 (2) (a) assigns oversight responsibilities and powers to the Gaming Supervision Institute (ISJ).

Monitoring Systems for Other DNFBPs (c. 24.2 & 24.2.1)

Real Estate Agents

4.39 Oversight of real estate agents by the INH is not being carried out. INH is still waiting for the approval of its new legal regime that will include AML/CFT prevention. In addition, there is no statistical data available on this sector despite the pace of growth of new residential and commercial properties in and around Luanda. Real estate registries are not working effectively and an important proportion of real estate transactions are not registered in the name of their owners. The informality on buying and selling real estate is very high, which appears to be an important risk of money laundering. A law on real estate intermediation companies is under discussion in Parliament.

Dealers in Precious Metals and Stones

4.40 Dealers in precious metals and stones are regulated and supervised by the National Directorate of Geology and Mining, within the Ministry of Mines. AML/CFT oversight of dealers in precious metals and stones by the DNM is not being carried out.

Lawyers and Accountants

4.41 While the oversight of lawyers and accountants is covered by Law 34/11, no oversight is taking place as the respective self-regulating organizations responsible for lawyers and accountants were unaware that their members were subject to AML/CFT reporting obligations. The Angolan Bar Association was established in 1996 and represents all Angolan lawyers. The Bar Association is the sole entity responsible for overseeing and applying disciplinary sanctions to lawyers that are found to be non-compliant with their statutory obligations. The Association of Accountants, which has disciplinary powers over their members, was established in 2010 but is still in a process of organization and will not be operational until the end of 2012.

Guidelines for DNFBPs (applying c. 25.1)

4.42 There are no guidelines issued by the supervisory and oversight authorities directed to raise awareness and regulate AML/CFT activities by DNFBPs as required by Law 34/11. As a result, DNFBPs lack awareness of ML/FT risks and requirements. Some of the DNFBPs met during the mission were unaware that they were subject to the provisions of Law 34/11.

4.43 For those entities for which there is no supervisory authority, UIF indicated that they are preparing guidelines to assist DNFBPs and their supervisors in complying with AML requirements. At the time of the on-site visit, general understanding of these requirements was very low.

Adequacy of Resources – Supervisory Authorities for DNFBPs (R.30)

4.44 The National Directorate of Geology and Mining, even with the cooperation of the National Police, does not have the human and material resources to effectively oversee dealers in precious metals and stones given the large territorial extension of the most important mining provinces in the northeast of the country and the large number of natural persons operating in this sector (more than 90,000).

4.45 The Gaming Inspection Unit (Instituto Nacional de Jogos) is under-resourced and lacks adequate human and material resources to perform its factual oversight role, particularly over casinos.

4.46 The Bar Association was unaware, at the time of the on-site visit, of its legal duties even considering Law 12/10 and therefore no resources had been allocated for AML/CFT prevention.

4.47 The Housing Institute (INH) is still waiting for the Law attributing legal powers to act in the field of AML/CFT prevention and consequently no resources yet were allocated to this area.

4.48 Overall, two situations can be found with regard to the oversight of the DNFBP sector: 1) either there is still no oversight authority designated to perform oversight, as it is with the real estate sector, or 2) the oversight authority is not aware of its legal obligations or does not have sufficient resources to oversee the activity as it is with the National Directorate of Mines (DNM), the Gaming Authority (INJ), the Bar Association and the DNIIAE.

Recommendations and Comments

4.49 The authorities are recommended to:

- Enhance the resources, in particular staffing of the National Directorate for Mines, so that it is able to adequately oversee the activities of extracting, buying and selling of precious stones and precious metals.
- Operationalize the oversight authorities on gaming, real estate intermediation and accountants and provide them with sufficient resources.
- Ensure the effective application of AML/CFT preventive measures by DNFBPs, initially targeting the most vulnerable sectors with regard to ML/FT, such as the buying and selling of precious stones, the intermediation of real estate, lawyers and other service company providers, through adequate oversight and enforcement.
- Establish mechanisms to disseminate without delay the list of UNSCSR designated persons to DNFBPs that are subject to law 34/11.
- Provide adequate resources, human, financial and on IT for the relevant oversight agencies.

Compliance with Recommendations 24 & 25 (criteria 25.1, DNFBP)

	Rating	
R.24	NC	<ul style="list-style-type: none"> No law has been approved to regulate the activity of casinos or to assign oversight responsibilities and powers to the Gaming Supervision Institute (ISJ). There is no legal regime applicable to the intermediation of real estate. No oversight of real estate agents by INH is yet in place. The oversight of AML/CFT obligations by dealers in precious metals and stones is not being carried out by the responsible body -the National Directorate of Geology and Mining (DNM). There is a lack of awareness among some of the DNFBPs, such as the Bar Association and the association of accountants, about their AML/CFT obligations according to both laws 12/10 and 34/11.
R.25	NC	<ul style="list-style-type: none"> No implementing regulations or guidelines have been issued by the relevant oversight authorities, as required by Law 34/11, on casinos, lotteries, real estate intermediation, lawyers, accountants or any other DNFBPs, in order to help them to comply with their AML/CFT obligations. The oversight authorities do not have the human resources, expertise and adequate IT resources to comply with their legal obligations on AML/CFT prevention.

4.4 Other Non-Financial Businesses and Professions—Modern-Secure Transaction Techniques (R.20)

Description and Analysis

4.50 The Angolan authorities voluntarily added to the list of DNFBPs the following entities: companies involved in building and selling real estate directly, operators awarding betting or lottery prizes of an amount equal or superior to US\$5,000, and dealers in high value goods, when the payment is done in cash on a value equal or superior to US\$15,000 (Articles 3(2) (b), (c), (f), 32 and 33 of Law 34/11). This decision is based on the rationale of the risks presented by those activities. .

4.51 The entities building real estate and selling directly to the market are required to send information regarding the initiation of their activity as well as their regular activities to the the National Housing Institute, every six months. They are required to provide information on their businesses and contracts, means of payment used by the customers, identification of the customer, and identification of the real estate sold, in accordance with Article 33 of Law 34/11.

4.52 All these activities are subject to Law 34/11 and were not provided in Law 12/10.

4.53 As pointed out previously in this Section, entities constructing and selling real estate directly will be subject to the oversight of the National Housing Institute, whose legal regime is still awaited. Operators awarding betting or lottery prizes that are not authorized yet will be regulated and overseen by the Gaming Inspection, and dealers in high value goods are subject to the oversight of the DNAIIE.

4.54 In practice, the only activity for which oversight could be implemented at present is the activity of dealers in high value goods.

4.55 However as Law 34/11 was enacted after the on-site mission, the effectiveness of these measures could not be assessed.

Other Vulnerable NFBPs (applying R. 5, 6, 8-11, 13-15, 17 & 21 c. 20.1)

4.56 The above referred activities are subject to the general provisions of Law 34/11 and to specific provisions applicable to these activities, such as Articles 32 and 33 of Law 34/11, which are applicable to operators awarding betting or lottery prizes that pay prizes of an amount equal or superior to US\$5,000. These provisions concern the identification of the winner of the prize and verification of his identity, and for entities building real estate and selling it directly to the market, complying with the information requirements to be sent to the National Housing Institute.

4.57 Institutions performing these activities are obliged to identify and verify the identity of the customer, to use enhanced due diligence namely with foreign PEPs and to report suspicious transactions to the UIF. Additionally, currency transactions in an amount equivalent to US\$15,000 shall be reported to the FIU. Lastly, measures and systems within the FIU should be in place to identify suspicious transactions of ML and FT.

4.58 The oversight authorities referred above have legal powers to oversee the implementation of Law 34/11, and to issue regulations and guidelines needed to streamline the implementation of the legal provisions in accordance with Articles 35 and 36 of Law 34/11.

4.59 No implementing regulations or guidelines on AML/CFT have been issued by the relevant oversight authorities.

Modernization of Conduct of Financial Transactions (c. 20.2)

4.60 As referred previously, the Angolan economy uses cash mostly and only 13.5 percent of the population has a bank account. There is therefore a clear need to provide better access by the population to modern means of payment, such as debit and credit cards, credit transfers and direct debits.

4.61 The Angolan authorities, in particular the BNA, have undertaken important efforts to modernize their payment systems. Law 5/05, of 29 July regulates the payment system in Angola and recognizes the need to expand cashless means of payment and to increase the security, efficiency, and transparency of the means of payment. The Angolan payment system relies on three payment instruments – cheques, credit transfers and debit cards – that are less vulnerable to ML. The Multicaixa system for cards has been operating since 2004 and is the national debit cards scheme. Despite the efforts by the BNA, there is margin for improvement, in particular with regard to access, as a majority of transactions is still carried out in cash or cheques. The recently implemented automated clearing house for electronic

transactions (starting with credit transfers and payment cards and expanding to direct debits and electronic cheques) is an important step in the right direction.

Recommendations and Comments

- Competent supervisory authorities should issue implementing regulations and/or guidelines to facilitate the implementation of the legal provisions and establish oversight programs to verify the compliance of the subject entities.
- Angolan Authorities in cooperation with FIs should improve the reach of payment systems nationwide, also with the aim to improve the traceability of payments and thereby prevent ML and FT.

Compliance with Recommendation 20

	Rating	
R.20	PC	<ul style="list-style-type: none"> • No implementing regulations or guidelines have been issued to implement Law 34/11 with regard to the following activities: dealers in high value goods, operators awarding betting on lottery prizes, and entities building real estate and selling directly to the market. • Large amounts of cash are still used in Angola and the proportion of cashless payments is very low.

CHAPTER 5. LEGAL PERSONS AND ARRANGEMENTS AND NON-PROFIT ORGANIZATIONS

5.1 Legal Persons—Access to Beneficial Ownership and Control Information (R.33)

Description and Analysis

Legal Framework

Measures to Prevent Unlawful Use of Legal Persons (c. 33.1)

5.1 Legal persons are created in accordance with current civil law. Law no. 12/05 provides for three types of legal persons: associations, foundations and companies.

5.2 Associations and foundations are registered at the Ministry of Justice and companies are registered at the commercial registries, under the supervision of the Ministry of Justice. The registries contain information related to the shareholders, the type, quantity and distribution of shares, sector of activity and exercise of control of legal persons. The public at large can access registers against payment of a fee, whereas competent authorities can have access free of charge. However, access in general is cumbersome as registers are mainly manual and online access is not possible⁶⁵. In the case of changes in ownership and control information relating to legal persons, those only produce legal effects when registered at the relevant registry. These updates will be mostly registered manually. In the case of inaccurate or false declarations, no sanctions are provided but possible fraud can be prosecuted in the criminal courts.

Access to Information on Beneficial Owners of Legal Persons (c. 33.2)

5.3 According to information obtained during the on-site visit, the information contained in the Angolan registries of legal persons is not sufficient to allow for the clear identification of the beneficial ownership, or who exerts control over the asset(s). The Angolan registries only contain information regarding the shareholders, the type, quantity and distribution of shares, sector of activity and exercise of control of legal persons.

5.4 Articles 38 and 67 of Law 34/11 provide that competent authorities can have full access to the registries records of legal persons. However, the way by which the national competent authorities will have full access to such information has to be implemented by means of MoUs. As regards the sharing of information with foreign competent authorities, such as requested information related to the shareholding of foreign companies that are shareholders of Angolan companies, this matter also has to be regulated by bilateral and multilateral agreements signed by Angola.

5.5 At the time of the on-site visit, there was no easily accessible electronic database containing all the details about the registries of legal persons. Moreover, the information available in the registries is not sufficient to allow for the competent authorities to quickly

⁶⁵ As regards the efforts made by the Ministry of Justice on improving the access to these registries, please see section above (c. 33.1)

identify and trace information on the ownership, beneficial ownership, or who exerts control over the asset(s). As mentioned by the Angolan authorities during on-site visit, the Ministry of Justice is currently working on improving of the access to the registries of legal persons by upgrading the information collected and inserting it into electronic databases so as to facilitate quick and reliable access by the relevant authorities.

5.6 There is a recently-created public service named “Guichet Único da Empresa” (Single Companies’ Counter - GUE) established in 2003 in order to facilitate the process of creation, modification and extinction of companies in Angola. The GUE is regulated by Decree no. 48/03 and concentrates on physical representations of all other public institutions involved in the creation and registration/ licensing of a company in the country. According to the information provided by the Angolan authorities during the on-site visit, a company can be created using the GUE in a single day.

5.7 The GUE from the date it started operating holds information on all companies registered with it in an electronic database (approximately 15,000 companies). The computerized system of the GUE contains the information regarding the shareholders, the type, quantity and distribution of shares, sector of activity and exercise of control of all the companies through quick and easy access. However, it is still necessary to carry out certain improvements to enable competent authorities to have a quick and easy access to data about companies that may be involved in ML/FT cases.

Prevention of Misuse of Bearer Shares (c. 33.3)

5.8 Under Article 301 of Law no. 12/05, corporations are able to issue nominal and bearer shares. The contract that creates the corporation should specify the number of shares, their categories and the corresponding rights to them.

5.9 According to Article 353 of Law no. 12/05, legal persons have to write in the register's book how the company's capital is divided. However, the registers of transmissions of shares (nominatives and bearer) are not mandatory, leaving to their owners the initiative to voluntarily subject them to the registry system. The Angolan authorities did not provide any information as to the percentage of bearer shares that are used in practice.

Recommendations and Comments

The authorities are recommended to:

- Ensure that the national system of registries contains all the relevant information allowing for the clear identification of the beneficial owners, or persons who exert control over the asset(s);
- Create an easy mechanism to access the information contained in the registries of legal persons, allowing for the quick tracing of information by the competent authorities;
- Implement procedures to allow competent authorities to have full access to the information contained in the registries of legal persons;
- Similarly, implement the sharing of information about the registries of legal persons with foreign competent authorities, such as requested information related to the shareholding of foreign companies that are shareholders of Angolan companies;

- Take appropriate measures to register the transmissions of bearer shares, ensuring that they are not misused for the practice of ML offenses and that the principles set out in criteria 33.1 and 33.2 above are effectively applied.

Compliance with Recommendations 33

	Rating	
R.33	NC	<ul style="list-style-type: none"> • The information contained in the Angolan registries of legal persons is not sufficient to allow for the clear identification of the beneficial owners or who exerts control over the asset(s). • Angola does not have yet an easy way to access the information contained in the registries of legal persons, allowing for the quick tracing of information by the competent authorities. • Angola has not implemented the procedures for full access of information contained in the registries on legal persons by the relevant authorities. • Similarly, Angola did not implement the sharing of information about the registries of legal persons with foreign competent authorities. • Angola has not yet taken the appropriate measures to register the transmissions of bearer shares, ensuring that they are not misused for the practice of ML offenses and that the principles set out in criteria 33.1 and 33.2 above are effectively applied.

5.2 Legal Arrangements—Access to Beneficial Ownership and Control Information (R.34)

Description and Analysis

Legal Framework

Measures to Prevent Unlawful Use of Legal Arrangements (c. 34.1) and Access to Information on Beneficial Owners of Legal Arrangements (c. 34.2)

5.10 The current Angolan legislation does not provide for the creation of legal arrangements. Due to the fact that they are not prohibited by law, express trusts and other legal arrangements created abroad can de facto operate in Angola. According to information provided by the Angolan authorities, there are indeed express trusts or other legal arrangements currently operating in Angola. Moreover, as inferred during the on-site visit, Angola does not have any kind of supervision of the people who act on behalf of these legal arrangements.

Recommendations and Comments

- Conduct an analysis of whether and how trusts can engage into business relationships with financial institutions or DNFBPs, who are the intermediaries and what are the risks;
- Consider the risks of express trusts operating in Angola and take action, if necessary, to ensure that there are not abused for criminal activities.
- Ensure that either as a result of the CDD undertaken by FIs or DNFBPs⁶⁶, or the requirements of CDD on the intermediaries representing the trust, competent authorities do have timely access to beneficial ownership information.

Compliance with Recommendation 34

	Rating	
R.34	NC	<ul style="list-style-type: none"> • The Angolan competent authorities do not have the capacity to access in a timely fashion the adequate, accurate and current information on the beneficial ownership and control of legal arrangements.

R.34	NC	<ul style="list-style-type: none"> • The Angolan competent authorities do not have the capacity to access in a timely fashion the adequate, accurate and current information on the beneficial ownership and control of legal arrangements.
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5.3 Non-Profit Organizations (SR.VIII)

Description and Analysis

5.11 In Angola, there are three types of non-profit organizations. These are:

- Associations constituted as Non-Governmental Organizations (NGOs), which are independent from the government and typically pursue some wider social aim;
- Associations constituted as religious organizations, which are constituted around members of a similar faith; and
- Foundations, which are a legal categorization of non-profit organizations that will typically either donate funds and support to other organizations or provide the source of funding for its own charitable purposes.

5.12 All three categories of NPOs share the characteristic of using surplus revenues to achieve their social, religious or charitable goals rather than distribute them as profit or dividends.

5.13 According to the authorities, there are 307 associations and 13 foundations operating in Angola. Of the associations, 192 are domestic NGOs, 88 are foreign NGOs, and 27 are

66. See recommendations under R5 and R12.

religious organizations. NGOs active in Angola, both foreign and domestic, collectively managed approximately USD 177 million in 2010 according to information provided by the authorities. Information on the financial resources controlled by religious organizations and foundations was not available.

Type of NPO	Registered at time of on-site visit	Legislation	Registered by
Non-governmental organizations	192 domestic/ 88 foreign	Law 14/91, Decree 84/02, and Articles 167 and 184 of the Civil Code	Ministry of Justice
Religious organizations	27	Law 14/91, and Articles 167 and 184 of the Civil Code	Ministry of Justice
Foundations	13	Article 157 of the Civil Code and Presidential Decree 204/11	Ministry of Justice

Legal Framework

5.14 In order to carry out their activities in Angola, NPOs must be constituted as either *associations* or *foundations*. Articles 167 and 184 of the Angolan Civil Code and Law 14/91 apply regarding the establishment of associations, which include NGOs and religious organizations. Article 157 of the Civil Code and Presidential Decree 204/11 apply for foundations.

5.15 Associations, under Article 3 of Law 14/91, can be national, regional, or local depending on the scope of their activities. According to Article 12 of Law 14/91, a minimum membership of 7 individuals is required to constitute an association at the regional or local levels whereas a minimum of 15 individuals is required to constitute an association at the national level.

5.16 Associations may be constituted only for specific purposes (i.e. professional, scientific and technical, cultural or recreational, educational, social solidarity, social promotion, environmental protection, community development, political action, or international solidarity) according to Article 8 of Law 14/91. Associations can be declared a public utility under Article 20 of Law 14/91 if they are altruistic in nature or are carrying out state functions in collaboration with the government, particularly in the area of community development.

5.17 Non-governmental organizations (NGOs) are categorized as a specific type of association according to Presidential Decree 84/02. This decree defines NGOs as an association constituted to provide social benefits independently of the government in the areas of: (i) humanitarian assistance, health, nutrition, food security; (ii) protection and promotion of human rights; (iii) teaching, education and culture, sport and recreation, science and technology; (iv) environmental protection; (v) international solidarity ; (vi) de-mining; (vii)

community development ; (viii) recuperation and preservation of historical or cultural patrimony; (ix) dissemination of information or public polling; and (x) emergency disaster assistance

5.18 Presidential Decree 84/02 establishes specific regulations governing the registration and oversight of foreign and domestic NGOs, as well as the standards and procedures for constituting or modifying foundations, which are outlined in the sections below.

Registration

5.19 Registration is a necessary step for constituting an association according to Article 13 of Law 14/91. To register, associations must adopt a statute that contains information on who owns, controls or directs its activities as members of the association's governing bodies, including members of the board of directors and its agents. The statute must also state the association's purpose and objectives.

5.20 Following the constitution of an association under the terms of the aforementioned civil laws, associations must present a copy of their statute to the Ministry of Justice (for national associations) or a Provincial Commissioner (for regional or local associations) in order to acquire status as a legal entity.

5.21 The association's statute must then be taken to the Attorney General's Office or to the Provincial Prosecutor depending on the geographical scope of the association. At this stage there is an evaluation of the statutes and purpose of the association. If they are not in compliance with the existing legislation or the purpose of the association is contrary to public order or social morality, there will be a judicial declaration extinguishing the association.

5.22 The procedure for registering foreign associations is different. Foreign associations must first register with the Ministry of Foreign Affairs through the nearest Angolan embassy, which is responsible for confirming the non-profit status of the entity in its home country. The embassy then refers the foreign association's application for registration to the Ministry of Justice for processing under the aforementioned steps.

5.23 Once legally constituted, an association must present its credentials as issued by the Ministry of Justice along with a copy of its statute, program of activities, and authorization from the Attorney General's Office or Provincial Prosecutor to the Technical Unit for Coordination of Humanitarian Assistance (UTCAH) within the Ministry of Assistance and Social Reintegration according to Article 16 of Presidential Decree 84/02. This finalizes the registration process.

5.24 Regarding implementation, it should be noted that although the requirements for information at the point of creation and registration of the NPO are quite extensive, there is very little that takes places to maintain and ensure the adequacy of the information over the life of the NPO. There are no official requirements for updates to the authorities unless there is a specific request for information on a case-by-case basis or if some of the registration information regarding directors or purpose of the NPO were to change. These updates are registered with the Ministry of Justice. The relevant oversight authority, in this case UTCAH, has no direct role in keeping information on NPOs current or requiring periodic updates on activities.

Oversight

5.25 Non-Governmental Organizations, which are 87.5 percent of the total of non-profit organizations in Angola, are overseen by the Ministry of Assistance and Social Reintegration (MARS) through the Technical Unit for Coordination and Humanitarian Assistance (UTCAH) according to Article 4 of Presidential Decree 84/02.

5.26 UTCAH has the authority to oversee NGO activities and audit financial statements under Article 6 of Presidential Decree 84/02. UTCAH is also responsible for monitoring and verifying the consistency of NGO activities with their initially declared purpose. However, it has shared with the assessor's team that it is materially unable to do so. UTCAH has produced an overview of respective NGOs activities in Angola, which found that domestic NGOs represented 25 percent of the funds under management, whereas international NGOs represented 75 percent.

5.27 Law 14/91 mandates the formulation of specific regulations governing religious organizations. However, at the time of the on-site visit, these regulations had not been put in place. As a result, it was not clear which entity, if any, oversees religious organizations as there are no specific regulations in place granting authority to a specific overseeing agency.

5.28 There is no specific legislation stating which agency has oversight responsibility for foundations.

Enhanced Due Diligence

5.29 Even though NPOs are not considered designated entities by the AML/CFT Law, Notice 1/11 states that NPOs are to be considered high-risk customers for financial institutions and therefore adequate monitoring of their transactions, with a view to detecting suspicious transactions, should be carried out by the financial institution where the account is located. The opening of a bank account is one of the requisites of Decree 84/02 in its Article 21 (1) (g).

5.30 Notice 1/11 establishes enhanced due diligence measures when opening the account of non-profit organizations with regard to, among others, the gathering and recording of information regarding their:

- a) location;
- b) organizational structure;
- c) the nature of donations and volunteerism;
- d) the nature of the funds and expenses, including basic information of the beneficiaries

5.31 In addition, in the specific case of charitable institutions without legal status, or organs of the church, banks are obligated to obtain, at a minimum, the following information:

- a) name of address of the responsible individual
- b) evidence of its legal status issued by the relevant government authority;
- c) the nature and purpose of the organization;
- d) names of managers or equivalent; and,

- e) names or classes of beneficiaries.

5.32 With the implementation of the new Designations and Sanction Law making United Nations Security Council Resolution 1267, all persons and entities operating within Angola will be subject to its provisions, including NPOs. This will allow the government to freeze the funds and other financial assets or economic resources of designated individuals and entities as well as to prevent the entry into or transit through its territory by designated individuals. However, at the time of the on-site visit, the authorities had not taken any steps to raise awareness, train, or equip the NPO sector to implement the provisions of the Designations and Sanction Law.

Review of the Domestic Non-Profit Sector (c. VIII.1)

5.33 To date, no review of the adequacy of domestic laws and regulations that relate to non-profit organizations has taken place. UTCAH has produced an analysis of the types of activities, size, and other relevant features of the non-profit sector, but has not applied this information for the purpose of identifying the features and types of non-profit organizations that are at risk of being misused for terrorist financing by virtue of their activities or characteristics. UTCAH also does not conduct periodic reassessments of the sector's potential vulnerabilities to terrorist activities.

Protecting the NPO Sector from Terrorist Financing Through Outreach and Effective Oversight (c. VIII.2)

5.34 In terms of outreach to the NPO sector, UTCAH has circulated a memorandum explaining the objectives and requirements of Law 34/11. This is the only outreach or awareness raising activity that had taken place with regards to protecting the sector from terrorist abuses by the time of the on-site visit.

Supervision or Monitoring of NPOs that Account for Significant Share of the Sector's Resources or International Activities (c. VIII.3)

5.35 UTCAH has conducted a study, which was provided to the assessors during the on-site visit, to establish which NGOs account for a significant portion of the financial resources under control of non-profit organizations. According to this study, NGOs in Angola (both foreign and domestic) manage approximately USD 178 million in project funds. Of this, 75 percent (USD 133 million) of the funds are controlled by international NGOs licensed to operate in Angola and the remaining 25 percent (USD 44.5 million) is controlled by local NGOs. The assessment team was unable to meet with representatives of the NGO community, both domestic and international, to ascertain the degree to which the figures provided in the study by UTCAH we shared by practitioners in this sector.

Information maintained by NPOs and availability to the public thereof (c. VIII.3.1)

5.36 The initial registration information is publicly available through the relevant Registry at the Ministry of Justice or through UTCAH (as regards NGOs). Under article 21(1) (t) of Decree 84/02, NGOs are required to send to UTCAH an annual report of the purpose and objectives of their stated activities, including financial information, and notification of any changes in the identity of the person(s) who own, control or direct their activities, including senior officers, board members and trustees. However, in practice officials at UTCAH informed assessors that the required annual reporting was not taking place.

Measures in place to sanction violations of oversight rules by NPOs (c. VIII.3.2)

5.37 UCTAH has the authority to de-certify, de-license, and de-register NPOs operating in Angola according to Decree 84/02. In addition, Article 32 of Decree 84/02 states that the authorities may order inquiries, investigations and inspections of non-profit organizations whenever deemed necessary. NPO's status may be revoked by a court order or prohibited from operating if it is established that its objectives or means are illegal or immoral. NPOs may also be suspended if there is evidence of engaging in activities deemed to be illegal or harmful to the sovereignty and integrity of Angola. Pursuant to the provisions in Law 14/91, individuals associated with NPOs found guilty of engaging in activities deemed to be illegal or harmful to the sovereignty and integrity of Angola may be criminally, civilly and administratively liable. Lastly, as stated in the legal framework section, the recently passed Designation and Sanctions Law implementing UNSCR 1267 will be applicable to all persons and entities operating within Angola, which includes NPOs.

Licensing or registration of NPOs and availability of this information (c. VIII.3.3)

5.38 NPOs are registered through the Ministry of Justice under Law 14/91 for associations and under Article 157 of the Civil Code for foundations. A copy of the registration information is filed with the Ministry of Justice and maintained by UTCAH in manual form. This information is available to the competent authorities.

Maintenance of records by NPOs, and availability to appropriate authorities (c. VIII.3.4)

5.39 Under Presidential Decree 84/02, UTCAH has the authority to audit NGOs accounts and to verify that funds have been spent in a manner consistent with the purpose and objectives of the organization. According to Article 21 (1) of Presidential Decree 84/02, NGOs are required to provide requested information to "official entities."

5.40 Notice 1/11, which categorizes NPOs as high-risk clients for banks, also requires all NPOs to maintain and disclose information regarding the location, organizational structure, nature of donations and volunteerism, and nature of the funds and expenses, including basic information of the beneficiaries. In addition, banks are required to collect the name and address of the director and managers, the nature and purpose of the organization; and the

names or classes of beneficiaries. Moreover, banks are required to maintain records of transactions by NGOs.

Measures to ensure effective investigation and gathering of information (c. VIII.4)

5.41 According to Article 21 (1) (p) of Decree 84/02, NGOs are required to provide law enforcement and other authorities with information to assist in investigations. Law enforcement and other authorities can also obtain access to registration information held at UCTAH and associations records held at the Ministry of Justice.

Domestic cooperation, coordination and information sharing on NPOs (c. VIII.4.1-3)

5.42 Domestic cooperation, coordination and information sharing on NPOs of potential terrorist financing concern is taking place between UCTAH, the FIU, and law enforcement agencies, according to the authorities albeit in an ad hoc manner due to the absence of memoranda of understanding institutionalizing contacts between relevant competent authorities. Access to information on the administration and management of a particular NPO (including financial and programmatic information) may be obtained during the course of an investigation by UCTAH or other “official entities” on a case-by-case basis according to Presidential Decree 84/02, but is not maintained by UCTAH in the absence of a request for additional information.

5.43 Mechanisms for prompt sharing of information among all relevant competent authorities in order to take preventative or investigative action when there is suspicion or reasonable grounds to suspect that a particular NPO was being exploited for terrorist financing purposes appeared insufficient given that there are no MoUs between the relevant authorities and that all records are kept in manual form. Furthermore, staff working at UCTAH informed assessors that they lacked the capacity to verify all the information that they retain on NPOs.

Responding to international requests regarding NPOs - points of contacts and procedures (c. VIII.5)

5.44 International requests for information regarding particular NPOs that are suspected of terrorist financing or other forms of terrorist support are channeled through the Ministry of Foreign Affairs, which refers the case to the Ministry of Assistance and Social Reintegration for processing by the UCTAH. Based on the requests, UCTAH processes the information and remits it back to the Ministry of Foreign Affairs, which then passes the information to the original requestor if an agreement exists to share information of this nature. As the authorities do not maintain comprehensive statistics on the number, nature, and type of response to international requests for information regarding particular NPOs that are suspected of terrorist financing or other forms of terrorist support, the ability of assessors to determine the degree of effectiveness is constrained.

Recommendations and Comments

- Conduct a review of the adequacy of existing laws and regulations that relate to NPOs.
- Review the degree of ML and FT risk in the NPO sector and to develop a risk-based approach based on this review in order to better target scarce resources where they would be most useful.
- Ensure that UTCAH has sufficient resources to properly fulfill its oversight mandate for the purpose of identifying the features and types of NGOs at risk of being misused for FT by virtue of their activities or characteristics.
- Establish clear oversight responsibility over foundations.
- Conduct regular outreach with the NPO sector to discuss the scope and methods of abuse of NPOs, emerging trends in FT, and new protective measures. Provide advisory papers, conferences, workshops, and other useful resources regarding FT prevention.
- Take effective measures to ensure that NPO registration information is easily accessible to the appropriate authorities by creating an effective and integrated information gathering and sharing mechanism in order for competent authorities to be able to investigate and take prompt action when required.
- Increase capacity of UTCAH to collect and make available information maintained by NPOs including records of domestic and international transactions to verify that funds have been spent in a manner consistent with the purpose and objectives of the organization.

Compliance with Special Recommendation VIII

	Rating	
SR.VIII	NC	<ul style="list-style-type: none"> • No review of the adequacy of existing laws and regulations relating to NPOs that can be abused for FT. No assessment of the non-profit sector for the purpose of identifying NPOs at risk for terrorist financing. • No 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 does not have the resources to update or verify the accuracy of information it maintains on the purpose and objectives of NPO's stated activities and the identity of the persons who own, control or direct their activities. • There are no MoUs between the relevant authorities in order to ensure effective cooperation. • No adequate mechanisms are in place to ensure prompt information sharing among all levels of appropriate authorities or organizations that hold relevant information on NPOs of potential FT concern.

CHAPTER 6. NATIONAL AND INTERNATIONAL COOPERATION

6.1 National Cooperation and Coordination (R.31 & R.32)

Description and Analysis

Recommendation 31

Legal Framework

6.1 Specific legal obligations supporting the cooperation of national competent authorities and other public bodies in the field of AML/CFT are contained in Law 34/11 and in Decree 35/11.

6.2 Law 34/11, in its Article 36 d) provides for the national authorities relevant to AML/CFT to “cooperate and share information with other competent authorities and assist in judicial procedures and criminal proceedings related to money laundering, terrorist financing or their predicate offenses”.

6.3 In Decree 35/11, Article 22 requires UIF to cooperate with the following bodies: (a) the Prosecutor’s Office; (b) the police authorities; (c) the intelligence and security agencies; (d) the Tax authorities, (e) the Customs Services; (f) the Emigration Services; (g) the Registries and Notary Services, (h) the Trade Department, (i) the supervisory bodies of the designated entities. However, such cooperation should be implemented by means of MoUs, which had not been signed at the time of the on-site visit⁶⁷.

6.4 Beyond these two legal acts, the Financial Institutions Law, in its Article 62 (1) (a), also requires the supervising entities in the financial sector to exchange information in the course of performing their duties, which includes ML/FT prevention.

6.5 Similar obligations of cooperation between supervisors stem from Article 6(1) of the Organic Statute of the ISS (Decree 63/04, of September 28, 2004), which states that the ISS shall cooperate with the national authorities in their field of competence, especially with the BNA, in order to ensure the effective global supervision of the financial system⁶⁸.

6.6 CMC has the power to exchange information with other domestic or foreign competent supervisory authorities in the financial sector, in accordance with Article 10 of Decree 09/05 of 18 March. .

Mechanisms for Domestic Cooperation and Coordination in AML/CFT (c. 31.1)

67 The Angolan authorities informed the assessment team when sending their second round of comments to this report that UIF is close to concluding an MoU with BNA.

68 The Angolan authorities have informed the assessment team when sending the second round of comments to this report, that BNA and ISS had signed an MoU, but did not specify when and did not clarify whether it includes AML/CFT matters.

6.7 UIF's Supervisory Committee, which has been set-up in accordance with Article 9 of Decree 35/11, has played a central role in promoting national cooperation in the field of AML/CFT between the relevant bodies. It brings together high level representatives of the main ministries (Minister of State responsible for Civil Affairs and Presidency of the Republic, Minister of Foreign Affairs, Minister of Interior -who chairs the Committee-, Minister of Justice, Minister of Finance and Governor of the BNA). These ministries have under their responsibility (a) the police and the immigration (Ministry of Interior); (b) the Customs Services and National Tax Directorate (Ministry of Finance); (c) any questions related to the state security and intelligence agencies (Minister of State responsible for Civil Affairs and Presidency of the Republic); and (d) the Courts and National Directorate of Registries and Notaries (Ministry of Justice).

6.8 According to Article 12 of Decree 35/11, the Supervisory Committee has been granted important powers as regards the definition of AML/CFT policies, namely the powers to discuss and approve high-level strategies and priorities for the work-program of UIF and to discuss mechanisms to protect economic sustainability and the integrity of financial markets.

6.9 At a more operational level, there is a task-force composed of the Director of UIF and representatives of each Ministry integrating the Supervisory Committee, which according to the terms of Articles 33 and 34 of Presidential Decree 35/11, undertakes the following tasks: i) defining the steps leading to the development of the systems for preventing and combating ML/FT; ii) ensuring effective cooperation between UIF and the other relevant entities in respect of i); and iii) leading on the contacts with international organizations such as the WB, IMF, FATF or ESAAMLG, in particular as regards the submission of the membership applications to relevant international entities. This task-force has been so far the main vehicle for the cooperation between most stakeholders involved in the prevention and combating of ML/FT in Angola. However, coverage of the task-force does not extend to some of the DNFBPs or their supervising entities.

6.10 UIF is in the process of negotiating and signing MoUs on the exchange of information related to AML/CFT matters with other competent authorities, namely the BNA, the General Prosecutors Office, DNIIAE, Custom Services, SINSE, the National Directorate of Registers and Notaries and the one stop public office ("Guichet Unico").

6.11 MoUs have been concluded between the BNA and ISS⁶⁹ but not with CMC, as this institution is at present not operational. BNA has also organized several consultations involving other competent authorities including on Notice 1/11 of May 26, 2011 prior to its issuance.

6.12 As Angola has signed the Protocol on Finance and Investment of SADC, it has taken a commitment, in terms of Article 9 of the Annex 12 (SADC Anti-Money Laundering) to establish a National Committee composed of representatives of the Government departments, LEA and regulators, which should coordinate and facilitate processes enabling Angola to meet its obligations in terms of the Annex.

69. The MoU between BNA and ISS was not provided to the assessment team, which could therefore not check its applicability in terms of AML/CFT matters.

Recommendation 30 – Resources (Policy Makers)

6.13 Overall, financial resources do not appear to be a binding constraint for UIF and LEA. However, UIF and LEA lack training and relevant expertise to properly carry out their functions. The authorities are recommended to use the resources at their disposal to ensure that UIF and LEA are staffed by individuals with the appropriate skills and expertise.

6.14 BNA seems to have sufficient resources to deal with the regulation and supervision requirements of Law 34/11 but ISS lacks sufficient expertise and technology to perform its functions and the CMC is still not operational.

6.15 The above-mentioned entities seem to have reasonable operational independence and autonomy⁷⁰. However, the customs services and entities supervising numerous DNFBPs lack the appropriate resources to address ML and FT risks in their areas.

6.16 Staff of most competent authorities is required to maintain reasonable professional standards including confidentiality and integrity standards. However, most of the staff of competent authorities is not yet appropriately trained or skilled to deal with AML/CFT matters.

Measures to review the effectiveness of systems for combating ML and FT (applying R.32)

6.17 As the AML/CFT system in Angola is still in its infancy, there has been no review of the effectiveness of the system.

6.18 On the basis of Law 34/11 and Decree 35/11, UIF and other competent authorities are required to maintain statistics on their activities on combating ML/FT but in practice this is not taking place apart from some statistics on STRs collected by UIF and seizures done on illegal cross border transportation of cash by Customs.

6.19 According to Article 28 of Presidential Decree 35/11, UIF must come up with an annual report detailing the number of STRs received, the number of cases disseminated for investigation and prosecution, the flow of information with other FIUs and other relevant statistics.

6.20 In terms of Article 40 and 41 of Law 34/11, UIF is also required to give appropriate feedback to the supervisory authorities and subject entities on the results achieved based on the reported suspicious information.

6.21 In terms of Article 41(2) of Law 34/11, judicial authorities, through the Minister of Justice, as well as police forces, are required to submit annually to UIF all data related to ML/FT, namely the number of investigated cases, prosecuted and convicted persons, as well as the amount of frozen, seized and confiscated assets.

⁷⁰ With regard to UIF, as stated in section 2.5, there are specific concerns with regard to its operational independence.

Recommendations and Comments

- UIF’s Supervisory Committee or another appropriate body should perform a comprehensive overview of the main gaps still existing in the Angolan AML/CFT system and consider the establishment of a detailed action plan to overcome the gaps.
- The authorities should develop appropriate mechanisms to review the effectiveness of the systems for combating ML/FT.
- UIF should, as soon as possible, complete MoUs with national relevant authorities and continue to develop its operational and regular cooperation with the other competent authorities in the field of preventing and combating ML/FT.
- The cooperation between the BNA, ISS and CMC should be formalized through the conclusion of MoUs.
- The supervisory authorities in the financial system should consider the establishment of a formal task-force to deal with the preparation of regulation and guidelines on AML/CFT issues, to be consulted on technical transversal issues of interest to all the supervisory authorities, to exchange knowledge and experience between them, to prepare warnings and information on ML/FT issues, which would also assist in avoiding potentially conflicting positions.
- The authorities should continue their efforts to ensure that relevant entities involved in combating ML/FT, such as UIF, law enforcement agencies, courts, notaries and registries, the Ministry of Justice in general, Customs, the ISS and CMC have sufficient and adequate human, financial and IT resources to effectively perform their duties.

Compliance with Recommendation 31 & 32 (criterion 32.1 only)

	Rating	
R.31	PC	<ul style="list-style-type: none"> • Despite the existence of informal mechanisms destined to facilitate the co-operation and exchange of information between national entities involved in combating ML/FT (which however do not extend to all the authorities), UIF has not finalized the signing of the necessary MOUs⁷¹ 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 FIU Director and representatives of relevant ministries do not extend to some of the DNFbps or their supervising entities. • The Angolan Authorities informed the assessment team that BNA and ISS have signed an MoU, but did not provide the date of signature and did not confirm if the MoU is applicable to AML/CFT matters. The assessment team was not provided with the MoU. There are no MoUs concluded between the BNA or ISS and CMC.

71. The Angolan authorities have informed the assessment team that an MoU between BNA and UIF is in the process of being signed.

R. 32	NC	<ul style="list-style-type: none">• The authorities have not performed a review of the effectiveness of their AML/CFT system.• Comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing have not been collected by all relevant competent authorities.• No institution in the AML/CFT regime is collecting any meaningful statistical information.
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6.2 The Conventions and UN Special Resolutions (R.35 & SR.I)

Description and Analysis

Legal Framework

Ratification of AML related UN Conventions (c. 35.1)

6.22 Angola has ratified the 1988 United Nations (UN) Convention on Illicit Drugs and Psychotropic Substances (Vienna Convention) through Resolution 19/99 (July 30th).

6.23 Angola has also ratified the 2000 UN Convention against Transnational Organized Crime (Palermo Convention) and its Additional Protocols through Resolution 21/10 (June 22nd).

Ratification of CFT related UN Conventions (c.I.1)

6.24 Angola has ratified the UN Convention for the Suppression of the Financing of Terrorism (FT Convention) and its annexes, through Resolution 38/10 (December 17th).

Implementation of the Vienna Convention (Articles 3-11, 15, 17 & 19- c. 35.1)

6.25 Although the offenses and sanctions associated with the illicit trafficking in narcotic drugs and psychotropic substances criminalized by Law 03/99 are in line with the UN Vienna Convention, the Angolan legislation has not yet implemented measures to fully give effect to all the terms of the UN Vienna Convention, in particular in relation to matters such as the confiscation of instrumentalities intended to be used to commit crimes (Article 5) and mutual legal assistance and extradition (Articles 6 and 7), relating to money laundering, as mentioned in the sections 1.9, 2.19 and 2.20 of this report.

Implementation of Palermo Convention (Articles 5-7, 10-16, 18-20, 24-27, 29-31 & 34- c. 35.1)

6.26 As described in other sections of this report, although Angola has criminalized ML and issued other laws related to economic crimes and organized criminal groups, it has not yet implemented measures to fully give effect to the Palermo Convention terms, in particular in relation to matters such as the criminalization of the participation in an organized criminal group (according to the terms described in the Article 5), liability of legal persons (Article 10), confiscation/provisional measures (Article 12) and mutual legal assistance/extradition (Articles 16 and 18), related to participation in organized criminal groups and corruption. Also, the Angolan legislation does not provide for special investigative techniques (Article 20), measures of protection of witness (Article 24), assistance to and protection of victims (Article 25) and some measures related to law enforcement cooperation and training and

technical assistance (Articles 27 and 29), related to participation in organized criminal groups and corruption.

Implementation of the FT Convention (Articles 2-18, c 35.1 & c. I.1)

6.27 FT is criminalized under Article 64 of Law 34/11. Articles 61, 62 and 63 of Law 34/11 also criminalize Terrorist Organizations, Terrorism and International Terrorism.

6.28 Although the liability of legal persons is provided by Article 65 of Law 34/11, it is only applicable, as expressly provided, to the crimes defined in the Articles 60 (ML offenses), 61 (terrorist organization), 62 (terrorism) and 63 (international terrorism), and does not cover FT offenses (article 64).

Implementation of UNSCRs relating to the Prevention and Suppression of FT (c. I.2)

6.29 As section 2.4 of this report explains, Angola has approved the Designation Law, which implements the national designation process and restrictive measures provided for in the UNSCRs 1267 and 1373.⁷²

Additional element- ratification or implementation of other relevant international conventions (c. 35.2)

6.30 Angola also ratified the following Conventions:

- UN Convention Against Corruption, through Resolution 20/06 (June 23rd);
- African Union Convention on Prevention and Combating Corruption, through Resolution 27/06 (August 14th);
- CPLP Convention on Mutual Legal Assistance, through Resolution 25/10 (September 6th);
- CPLP Convention on the Transfer of Convicted Persons, through Resolution 27/10 (September 6th);
- CPLP Convention on Extradition, through Resolution 28/10 (September 6th).

Recommendations and Comments

- The Angolan authorities should, as a matter of priority, take the necessary steps to fully implement the provisions of Vienna and Palermo Conventions and FT Convention, as described in the section above.
- The Angolan authorities should also take the necessary steps to implement the provisions of the UNSCRs 1267 and 1373.

72. As mentioned in the section 1.10 of this report, Law 01/12, published in January 12 of 2012, needs to be implemented in 120 days from the moment of its publication.

Compliance with Recommendation 35 and Special Recommendation I

	Rating	
R.35	PC	<ul style="list-style-type: none"> The Angolan legislation has not yet implemented measures to fully give effect to all the terms of the UN Vienna Convention. Angola has not yet implemented measures to fully give effect to the terms of the Palermo Convention.
SR.I	PC	<ul style="list-style-type: none"> 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. The weaknesses identified in Special Recommendations II and III are also applicable here.

6.3 Mutual Legal Assistance (R.36-38, SR.V)

Description and Analysis

Widest Possible Range of Mutual Assistance (c. 36.1)

6.31 In Angola, there is no specific law which provides for mutual legal assistance with respect to all kinds of criminal offenses. Such a law is not necessarily needed, but making sure that the legal basis exists for effective and comprehensive mutual legal assistance in a scattered system of laws can be a challenge. In relation to ML/FT offenses, Law 34/11 establishes generic provisions related to the application of mutual legal assistance in investigations, prosecutions and judicial procedures. However, these provisions can only be lawfully used in the case of the existence of bilateral or multilateral agreements, which limits the range of assistance to a reduced number of countries.

6.32 At the time of the on-site visit, Angola had signed conventions and protocols on mutual legal assistance as a member of the Community of Portuguese Speaking Countries – CPLP (Resolution no. 25/10) and Southern African Development Community – SADC (Resolutions no. 27/05 and 31/05). Angola also signed bilateral agreements on mutual legal assistance with the Republic of Portugal (Resolution no. 60/04) and Zambia.⁷³ This geographical scope seems pertinent taking into account the commercial and cultural relationships between Angola and this group of countries. However, despite the fact that Angola has signed a Convention with SADC, it could be pertinent as well to sign Conventions with individual neighboring countries, based on the specific situation of each of these countries from the point of view of the risks for ML/FT.

73. Although the authorities reported the existence of this agreement, they did not provide any information about the resolution issued by the Parliament which approved its terms.

6.33 These agreements foresee procedures and measures to be applied in requests related to any type of crimes, including ML and FT offenses. In general, these agreements are in full compliance with the terms of Article 18 of the Palermo Convention, especially with reference to the types of assistance that can be requested, rules of confidentiality, cases of restrictive conditions, and the acceptance of the MLA request even in the absence of dual criminality.

6.34 There are other agreements that, despite dealing with specific issues related to prevention and combating of corruption and drug trafficking crimes, also foresee rules that can be applicable in ML and FT cases in relation to mutual legal assistance issues. These agreements are: African Union Convention on Prevention and Combat of Corruption (Resolution no. 27/06), Agreement between Angola and the Russian Federation to combat Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Resolution no. 83/07) and the SADC Protocol against Corruption (Resolution no. 38/05). As these agreements have been used in practice, it seems that the legal mechanisms ensuring their effective application have been adopted.

Provision of Assistance in Timely, Constructive and Effective Manner (c. 36.1.1)

6.35 In e terms of Law 34/11, Article 67(2) Angola is required to provide assistance in a timely, constructive and effective manner.

6.36 According to the terms of CPLP Convention⁷⁴ and SADC Protocol⁷⁵, each state will designate a central authority to produce and receive MLA requests. According to information provided to the assessment team, the central authority in Angola is the General Directorate of Judicial, Consular and Litigation Affairs at the Ministry of Foreign Affairs⁷⁶, which after receiving the requests will pass them on to the competent authorities for fulfillment.

6.37 Particularly in the context of the CPLP, according to information provided by the Angolan authorities⁷⁷, there is a network of International Legal and Judicial Cooperation, which was created with the purpose of facilitating the legal and judicial assistance between the countries who are members of the community.

6.38 Article 4(1) of the SADC Protocol and Article 6(1) of the CPLP Convention provide for requests to be made in written form and the central authority which receives a request for MLA should immediately execute it, or when necessary, transmit it to the competent authorities for implementation.

6.39 Specifically related to requests based on the agreement between Angola and the Russian Federation to combat Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Resolution no. 83/07), Article 6 (1) provides for a quick and complete execution of the request of assistance, which should be fulfilled in a period up to 30 days after from date of receipt. Moreover, in urgent cases, this agreement allows MLA requests in oral form or by telephone, which should be confirmed in writing within three days after the oral request⁷⁸.

74. Article 7 (1) and (2).

75. Article 4 (1) and (2).

76. Direção Geral de Assuntos Jurídicos, Consulares e Contencioso.

77. According to information provided by the authorities (MEQ, c. 36.1.1 – page 166).

78. Article 5(2).

6.40 However, the assessment team did not receive statistics on the requests which have been received, their nature, the time taken to attend to them and the number accepted to or refused, not allowing to evaluate, in practice, if the assistance is provided in a timely, constructive and effective manner.

No Unreasonable or Unduly Restrictive Conditions on Mutual Assistance (c. 36.2)

6.41 Article 67 of Law 34/11 provides for exchanges of information not be refused based on grounds of unreasonable, disproportionate or unduly restrictive conditions. This rule only provides for the exchange of information, leaving aside the other matters related to MLA.

6.42 In the agreements signed by Angola, there are no provisions which impose unreasonable, disproportionate or unduly restrictive conditions to the acceptance of the request for MLA, such as refusing to provide assistance on the grounds that judicial proceedings have not commenced in the requesting country or requiring a conviction before providing assistance. The cases of refusal are explicitly provided in the texts of the agreements, which means that in all other cases it will be possible to provide the assistance.

6.43 For instance, Article 6 of the SADC Protocol provides that MLA requests can only be refused in the following cases: (a) requests related to political crimes; (b) requests based on military crimes not provided in the Criminal Code; (c) if the executing of the request would constitute a danger to the national sovereignty, security, public order, public interest or detrimental to safety of any person; and (d) if requested in disagreement with the protocol terms.

6.44 Article 3 (1) of the CPLP Convention provides that a request for MLA can be refused if it is related to: (a) political crimes; (b) conditions of race, sex, religion, nationality, language, politic or ideological beliefs and, social or economic situation; (c) assistances that can conduce to judgments by Courts of Exception; (d) requests that can prejudice a prosecution in the requested state; and (d) if the request offends the security, public order and fundamental principles or detrimental to safety of any person.

6.45 According to the CPLP Convention and SADC Protocol, in case of refusal of requests for assistance, the requested country should consider the possibility of subjecting its execution to conditions it deems necessary. In this case, if the requesting country accepts them, the request will be normally executed.

6.46 According to Article 33 of the agreement on MLA with Portugal, the requests of assistance can be refused if related to political crimes, military crimes not provided in the Criminal Code, and if the country to which the request is made considers the execution offends sovereignty, security, public order or other essential interests.

6.47 Article 7 of the agreement with Zambia also provides the following circumstances for refusal of requests for assistance: (a) if the execution of the request prejudices the security, public order or other essential interests; (b) the execution offends the legislation of the requested country; (c) if the person under investigation or prosecution has already been convicted or absolved because of the same offense; (d) if the request is related to military crimes not provided also in the Criminal Code and; (e) if the request is based on conditions of

race, sex, religion, nationality, language, politic or ideological beliefs and, social or economic situation.

6.48 Given that the assessment team was not provided with any statistics on requests for mutual legal assistance, it was impossible to assess whether Angola does not subject MLA requests to unreasonable or unduly restrictive conditions.

Efficiency of Processes (c. 36.3)

6.49 As mentioned above, there is no specific law on mutual legal assistance which establishes the standards to be observed in the processes in Angola. Because of this, after being received by the central authority, MLA requests will be passed on to the competent authorities, which will execute them according to the rules of the Angolan criminal system.

6.50 For instance, as regards requests related to executing searches and seizures originating from ML/FT cases, they will be carried out according to the procedures provided in the Law 34/11, Law 22/92 and in the Criminal Procedure Code, as mentioned in section 2.3 of this report.

6.51 Regarding multilateral agreements, Article 7(5) of the CPLP Protocol provides that in cases of urgency, the request for mutual legal assistance can be submitted through the INTERPOL channel with no prejudice of contacting the central authority of the requested country. On the other hand, in terms of Article 3(2) of the SADC Protocol, the communications shall be made between the designated central authorities, but can also be made through the INTERPOL channel.

Provision of Assistance Regardless of Possible Involvement of Fiscal Matters (c. 36.4)

6.52 According to Article 67(5) of Law 34/11, a request for mutual legal assistance cannot be refused on the sole grounds that the offence is also considered to involve fiscal matters.

6.53 In the context of the agreements signed by Angola, while the CPLP Protocol and the agreement with Zambia are silent, the SADC Protocol (Article 2(3)) expressly provides for the possibility of MLA even for fiscal matters. On the other hand, the agreement with Portugal (Article 33) provides that assistance can be denied if the request is considered by the requested country to be related to fiscal matters.

Provision of Assistance Regardless of Existence of Secrecy and Confidentiality Laws (c. 36.5)

6.54 Article 67(6) of Law 34/11 provides that a request of mutual legal assistance cannot be refused on grounds of laws that impose secrecy or confidentiality requirements to national competent authorities, except where the relevant information was obtained in circumstances where legal professional secrecy applies.

6.55 Regarding the agreements signed by Angola, the bilateral agreement with the Republic of Zambia is the only one which provides for an explicit rule that foresees that an MLA request cannot be refused on grounds of bank secrecy or fiscal secrecy, according to its Article 7 (2).

Availability of Powers of Competent Authorities (applying R.28, c. 36.6)

6.56 The ability to make use of the powers of competent authorities is restricted to the type of assistance provided for in terms of the agreement used as the basis for the MLA request. In the absence of legislation establishing broad measures for providing MLA, the ability to make use of the powers of the competent authorities is significantly curtailed as, according to the terms of public law, only mechanisms provided in the agreements can be adopted.

6.57 Article 16(1-3) of the CPLP Convention, Articles 12, 17 and 19 of the SADC Protocol as well as Article 48 of the agreement on MLA with Portugal refer to the exercising of the powers that are related to Recommendations 28 and 36.

6.58 However, recognizing that in terms of the domestic laws it may not be possible to implement the same of the provisions in an effective manner, Article 144 of the agreement on MLA with Portugal establishes that each country should upgrade its domestic law so that it is able to implement the agreement.

Avoiding Conflicts of Jurisdiction (c. 36.7)

6.59 In the absence of a law on MLA, Angola is not able to make arrangements with requesting countries to determine the best venue for the prosecution of defendants. Moreover, there is no rule in the Criminal Code or in the Criminal Procedure Code that provides for this possibility in cases that are subject to prosecution in more than one country.

6.60 None of the mentioned MLA conventions, protocols and agreements mentioned contains rules to avoid conflicts of jurisdiction.

International Cooperation under SR V (applying c. 36.1-36.6 in R. 36, c. V.1)

6.61 Article 67(1) of Law 34/11 prescribes that Angolan authorities shall cooperate with authorities in other countries as regards AML/CFT matters. However, there are no specific provisions in the Angolan legislation which regulate the application of MLA in FT offenses.

In this case, the same rules relating to ML cases will be used, as referred above, in compliance with the provisions contained in Law 34/11 and in the agreements signed by Angola.

Dual Criminality and Mutual Assistance (c. 37.1 & 37.2)

6.62 As referred above, Angola does not have a specific law on mutual legal assistance to establish the standards to be observed in the processes of MLA requests. Law 34/11 contains no specific provision which provides how MLA should be treated in cases of absence of dual criminality. Because of this, in investigations/prosecutions of ML/FT offenses the execution of MLA requests should observe the terms of the agreements signed by Angola, including as regards less intrusive and non-compulsory measures.

6.63 According to Article 2 of the CPLP Protocol, the assistance will be executed even in the absence of dual criminality. However, the offenses related to the requested searches, seizure, and expert evaluations should be punishable with a prison term of 6 months or more in order to be applied.

6.64 According to Article 32 (1) of the agreement on MLA with Portugal, the requests of assistance can only be fulfilled in cases of dual criminality. In this case, a conflict occurs between this provision and the rule in the CPLP Convention (which Portugal also signed). As a consequence, the provision from the CPLP Convention prevails, according to the terms of its Article 32.

6.65 Article 2 (2) provides that MLA will be executed independently of the nature of the offense upon which the request is based.

Requests for Provisional Measures and Confiscation, Equivalent value (c. 38.1 and 38.2)

6.66 MLA requests regarding the application of provisional measures and confiscations should be executed in Angola in accordance with the procedures provided in the Angolan criminal system in force. Because of this, it should be considered that in Angola there is no comprehensive and coherent seizing, freezing and confiscation legal framework, as mentioned in Section 2.3 of this report.

6.67 Article 66 (1) of Law 34/11 specifically provides for the confiscation of the proceeds of crime of ML and FT, but it does not cover instrumentalities used in or intended to be used in the commission of these crimes. In this case, the provision contained in the Article 75 of the ACC can be invoked, but it only provides for instrumentalities actually used to commit crimes, without covering those intended to be used to commit crimes.

6.68 The confiscation of property of corresponding value is not provided in the Angolan legislation.

6.69 In the context of the agreements in MLA signed by Angola, Article 48 of the Protocol between Angola and the Republic of Portugal (Resolution no. 60/05) provides for the execution of acts in MLA requests with the purpose to verify if any proceeds and instrumentalities of a crime are located in the territory of the required state, informing the results to the requesting country. The same provision is provided in Article 16 of the CPLP

Protocol. Moreover, Articles 17, 19 and 20 of the SADC Protocol also provide for the conditions of execution of provisional measures and confiscation in MLA requests.

Coordination of Seizure and Confiscation Actions (c. 38.3)

6.70 There are no specific agreements signed by Angola which provide for arrangements as regards co-ordination of the seizure and confiscation actions with other countries.

International Cooperation under SR V (applying c. 38.1-38.3 in R. 38, c. V.3)

6.71 There are no specific provisions in the Angolan legislation which regulate the application of MLA and extradition in FT offenses. In this case, the same rules relating to ML cases will be used, as referred above, in compliance with the provisions contained in Law 34/11 and in agreements signed by Angola.

Asset Forfeiture Fund (c. 38.4)

6.72 Angola does not have a forfeiture fund. All assets are confiscated to the general budget of the country.

Sharing of Confiscated Assets (c. 38.5)

6.73 The Angolan law does not provide for the sharing of confiscated assets with other countries when the confiscation is directly or indirectly a result of coordinated law enforcement actions.

Additional Element (R 38) – Recognition of Foreign Non Criminal Confiscation Orders:

6.74 There is no provision in Angola providing for civil forfeiture.

Statistics (applying R.32) and Analysis of effectiveness

6.75 The Angolan authorities do not have comprehensive statistics on matters relevant to the effectiveness and efficiency of the mutual legal assistance activities. Because of this, the assessment team was not provided with statistics on the requests which have been received, their nature, the time taken to attend to them and the number acceded to or refused.

6.76 Taking into account that the law does not provide for a wide range of MLA, there are no statistics to determine the speed and effectiveness of the assistance provided. The process for MLA is not clear and there is no specification on the eventual prohibitions and impediments; the law does not specify the conditions under which the MLA has to be rendered, including the allowed arrangements. Accordingly, the assessment team was unable to carry out any analysis of effectiveness of the Angolan system on MLA. In the case of a

request for assistance from a country where there is no regional or bilateral agreement, the assistance is not granted.

Conclusions

6.77 In practice, the absence of clear rules to be observed in cases of MLA represents a significant problem and it will reflect negatively in the execution of requests submitted by other countries and can even affect the process of MLA requested by Angola.

Recommendations and Comments

Recommendation 36

The authorities should enact specific laws which provide for MLA in the following areas:

- Provide the widest possible range of mutual legal assistance in AML/CFT investigations, prosecutions, and related proceedings.
- Establish the procedures to be observed in considering MLA requests with clear and efficient processes for execution of the requests in a timely, constructive and effective manner.
- Establish and maintain a database on statistics relating to MLA requests received, their nature, the time taken to attend to them and the number acceded or refused.
- Consider the establishment of mechanisms for determining 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.

Recommendation 37

- The authorities should provide for a legislative or regulatory framework on how MLA requests should be treated in case of absence of dual criminality.

Recommendation 38

- Establish provisions for the confiscation of property of corresponding value to ultimately enable and facilitate MLA.
- Establish arrangements for coordinating seizure and confiscation actions with other countries.
- Consider establishing an asset forfeiture fund.
- Consider mechanisms for sharing confiscated assets with other countries.

Recommendation SR V

- Authorities should ensure that the Angolan legislation which regulates the application of MLA and extradition applies to FT offenses.

Compliance with Recommendations 36 to 38 and Special Recommendation V

	Rating		
R.36	NC	<ul style="list-style-type: none"> • 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 very limited number of agreements severely restricts the number of countries to which MLA can be offered. The powers of competent authorities are restricted to the terms of the particular bilateral agreements. • The only form of MLA provided in Law 34/11 is for the exchange of information. The law does not include provision of assistance based on other powers of relevant competent authorities. • A request for mutual legal assistance can be refused on the sole grounds that the offence is also considered to involve fiscal matters. • Statistics on MLA requests received, their nature, the time taken to attend to them and the number accepted to or refused are not maintained, making it impossible for the assessment team to evaluate if the assistance is timely, constructive and effective. • No provision on 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. 	
R. 37	NC	<ul style="list-style-type: none"> • There are no specific provisions in the Angolan legislation which explain how the MLA should be treated in case of absence of dual criminality. • For those forms of MLA where dual criminality is required, Angola does not have any provision which foresees how MLA should be treated. 	
R.38	NC	<ul style="list-style-type: none"> • The property of corresponding value is not considered for purposes of confiscation. • Angola does not have arrangements for coordinating seizure and confiscation actions with other countries. • Angolan legislation does not provide for the sharing of confiscated assets with other countries. 	
SR.V	NC	<ul style="list-style-type: none"> • There are no specific provisions in the Angolan legislation which regulate the application of MLA and extradition in FT offenses. • There are no laws, MOUs or other type of agreements which specifically provide for international cooperation in Angola. Because of this, the same rules relating to ML cases will be used, as referred above, in compliance with the provisions 	

	Rating		
		<p>contained in AML/CFT Law and in agreements signed by Angola.</p> <ul style="list-style-type: none"> The weakness identified under Recommendations 35, 36, 37, 38, 39 and 40 are also applicable. 	

6.4 Extradition (R.37, 39, SR.V)

Description and Analysis

Money Laundering as Extraditable Offense (c. 39.1)

6.78 In terms of Article 70 of the 2010 Constitution of the Republic of Angola, the extradition of Angolan citizens is prohibited. Also it is not permitted to extradite foreign citizens for political reasons or for acts on the basis of which they may be convicted with death penalty.

6.79 There is no specific law providing for extradition in Angola. The Criminal Code only provides for extradition through the signing of bilateral and multilateral agreements, which limits the range of assistance to a reduced number of countries. Because of this, extraditions related to ML and FT offenses should follow the rules provided in the agreements signed by Angola.

6.80 At the time of the visit, Angola had signed multilateral and bilateral agreements on extradition matters with the following countries or group of countries: Southern African Development Community – SADC (Resolution no. 2/06); Community of Portuguese Speaking Countries – CPLP (Resolution no. 26/10); Republic of Portugal (Resolution no. 60/05) and People’s Republic of China.⁷⁹

6.81 During the visit, the Angolan authorities also mentioned the existence of other agreements on extradition issues with the Republic of Brazil; the Russian Republic; Namibia and the Republic of Zambia. However, they did not provide the assessment team with the resolutions issued by the Parliament which approved their terms.

6.82 Moreover, there is another agreement signed by Angola - the African Union Convention on Prevention and Combat of Corruption (Resolution no. 27/06) -, which also makes provisions that can be applicable in ML and FT cases in relation to extradition issues, even though it deals with specific issues related to the prevention and combat of corruption.

6.83 Considering the terms of the agreements referred above, ML is considered an extraditable offense only when there is a pre-existing bilateral or multilateral agreement providing for that extradition. In the absence of bilateral or multilateral agreements, the extradition is not granted. The SADC Protocol, for instance, provides that a person can be extradited for a crime that is dually criminalized and punished with an imprisonment penalty that cannot be less than a year. A similar provision exists in the agreement on Legal and

⁷⁹ Although the authorities reported the existence of this agreement, they did not provide any information about the resolution.

Judicial Cooperation signed by Angola with the Republic of Portugal (Article 67 (2) (a) of Resolution no. 60/05), in the CPLP Convention on Extradition (Article 2 (1) of the Resolution no. 26/10) and in the agreement on Extradition with China. Moreover, Article 15 of the African Union Convention on Prevention and Combat of Corruption also provides for extradition of all offenses provided in the legislation of the requested country, since these offenses are considered extraditable under the national Constitution.

Extradition of Nationals (c. 39.2)

6.84 As mentioned above, according to Article 70 of the 2010 Constitution of the Republic of Angola, the extradition of Angolan citizens is prohibited. However, these cases will be known by Angolan courts, which will perform their processing and trials, in accordance with the rules provided by the Angolan judicial system.

6.85 Article 68 (1) (a) of the agreement on Legal and Judicial Cooperation with the Republic of Portugal (Resolution no. 60/05) explicitly denies the extradition of nationals. However, in case of refusal of extradition requests solely on the grounds of nationality, the agreement provides that an investigation/prosecution against the person that is not extraditable⁸⁰ will have to be initiated by the country denying the request.

6.86 SADC Protocol on Extradition (Resolution no. 2/06) and CPLP Convention on Extradition (Resolution no. 26/10) provides that the extradition of nationals can be refused. However, in the case of refusal of extradition solely on the grounds of nationality, these agreements provide for the requested country, if required by the requesting country, to bring to the attention of competent authorities the facts that motivated the request of extradition.

6.87 In the context of the African Union Convention on the Prevention and Combat of Corruption (Resolution no. 27/06), there is no rule that explicitly prohibits the extradition of nationals. However, extradition will not be possible in practice, because this agreement provides that extradition cannot take place if it is not in compliance with national legislation and, as referred above, the Angolan Constitution does not permit the extradition of nationals. In the same way as it happens with the other mentioned agreements, in cases of refusal of extradition requests, Article 15 (6) provides for the relevant information to be immediately submitted to the competent authorities in order for them to determine the case.

6.88 Article 3 (d) of the agreement on Extradition with the People's Republic of China provides that the request for extradition will be refused if the offender is a national of the requested country at the moment at which the request was received by the requested country.

Cooperation with requesting country (c 39.3)

6.89 In the absence of a specific law on extradition in Angola, the only legal act that that can be invoked as regards international cooperation for extradition matters related to ML/FT is Article 67 of Law 34/11, which requires that the national relevant authorities should provide

80. According Article 68 (3) of the agreement on Legal and Judicial Cooperation with the Republic of Portugal.

for international cooperation with their foreign counterparts. However, it does not provide for specific co-operation mechanisms on extradition.

6.90 In the texts of the agreements signed by Angola, there are no provisions related to the obligation of cooperation between the countries in relation to procedural and evidentiary aspects, in order to ensure the efficiency of the prosecution, in the case of refusal of extradition.

Efficiency of Extradition Process (c. 39.4)

6.91 There are no specific provisions in the Angolan legislation which provide for extradition requests and proceedings relating to ML to be handled without undue delay.

6.92 According to Articles 74 and 75 of the agreement on Legal and Judicial Cooperation with the Republic of Portugal (Resolution no. 60/05), Article 6 of the SADC Protocol on Extradition (Resolution no. 2/06), and Articles 6 and 7 of the agreement on Extradition with the People's Republic of China, the requests for extradition should be presented through diplomatic channels to the Ministers of Justice and should follow certain rules regarding information that has to be included in the formal request. However, there are no provisions which determine that the extradition requests and proceedings relating to ML have to be handled without undue delay.

6.93 On the other hand, considering the fact that the assessment team was not provided with statistics on the number of requests for extradition which have been received, the time taken to resolve them and the number of requests accepted or declined, the efficiency of the extradition procedures could not be analyzed.

Statistics (applying R.32)

6.94 The authorities in Angola did not provide the assessment team with comprehensive statistics on matters relevant to the effectiveness and efficiency of the process of receiving and executing of requests for extradition, neither the time taken to resolve them or the number of requests effectively accepted or declined.

Conclusion:

6.95 International cooperation is affected as there are no clear rules regarding extradition and the lack of statistics on extradition matters reveals that little is being done to see how effective the system is. As Angola does not have extradition agreements with many countries, there is a potential of ML/FT offenses not resulting in extradition for criminal proceedings.

Recommendations and Comments

Recommendation 39

- Angola should urgently provide for an extradition law that should contain all the procedures relevant to the process of requests for extradition related to offenses of ML and FT, allowing that extradition requests and proceedings relating to ML be handled without undue delay. This law should also cover 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. Measures to regulate the application of extradition in FT offenses should be provided.
- The Angolan authorities should collect on a regular basis statistics on matters relevant to the effectiveness and efficiency of the process of receiving and executing requests for extradition, including the time taken to resolve them and the number of requests effectively accepted or declined.
- Angola does not have a law that provides for receiving and executing requests for extradition even in the absence of dual criminality, in particular, as regards less intrusive and non compulsory measures. There are no specific provisions in the Angolan legislation which regulate the application of extradition in FT offenses. In this case, the same rules will be used, as referred above, in compliance with the provisions contained in Law 34/11 and in the agreements signed by Angola.

Compliance with Recommendations 37 & 39, & Special Recommendation V

	Rating	
R.37	NC	<ul style="list-style-type: none"> • There are no specific provisions in the Angolan legislation which explain how a MLA request should be treated in case of absence of dual criminality. • For those forms of MLA requests where dual criminality is required, Angola does not have any provision which explains how such requests can be treated.
R.39	NC	<ul style="list-style-type: none"> • There is no specific law providing for extradition in Angola. Extraditions related to ML and FT offenses need to follow the rules contained in the agreements signed by Angola, which limits the range of assistance. • There is no provision for specific co-operation mechanisms on extradition. There are 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. • There are no provisions that foresee that extradition requests and proceedings relating to ML shall be handled without undue delay.

	Rating	
SR.V	NC	<ul style="list-style-type: none"> No provisions which regulate the application of extradition in FT offenses.

6.5 Other Forms of International Co-Operation (R.40 & SR.V)

Description and Analysis

Recommendation 40 and Special Recommendation V

Legal Framework

6.96 As regards other forms of international cooperation on ML and FT cases, the only legal act which makes provision in this respect is Law 34/11, which has a specific Chapter on international cooperation.

6.97 According to Article 67 (1) of Law 34/11, national competent authorities should cooperate with their counterparts in foreign countries on the prevention and combating of money laundering and the financing of terrorism.

FIU

6.98 In the context of the FIU, Article 6 of Presidential Decree 35/11 - which provides for the main functions of the FIU - provides that it should cooperate at international level with other FIUs.

6.99 Article 24 of Presidential Decree 35/11 specifically sets out the possibility for exchanging information with other FIUs. The cooperation with foreign counterparts should be established by means of memoranda of understanding, which should include: (a) procedures for the exchange of information; (b) confidentiality of the information exchanged and limitation of the use of that information; (c) previous authorization by the foreign FIU, which provided the information before sharing that information received with other competent authorities. The referred Decree provides that the MoUs should be approved by the Supervisory Committee.

6.100 In addition, the Angolan Authorities have informed the assessment team that the Angolan FIU has recently concluded MoUs with South Africa and Namibia. They also informed that the Angolan FIU has not yet submitted a membership application to the Egmont Group.

Law Enforcement

6.101 DNIAE (National Directorate for Inspection and Investigation of Economic Activities) and DNIC (National Directorate for Criminal Investigations), the specialized departments of the Angolan National Police responsible for the investigation of financial and

narcotic crimes, cooperate with foreign counterparts through Interpol. Inside DNIC's operational structure (section 2.6) there is the INTERPOL National Office (GNI), which is responsible for processing the request for assistance from other countries and those directed to other countries.

6.102 The Republic of Angola is signatory to the Southern African Region Police Chiefs Coordinating Committee (SARPCCO) Agreement in respect of Cooperation and Mutual Assistance in the Field of the Combating of Crime. The members of SARPCCO are the following: Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Angola is also a signatory to the SADC Protocol on Combating Illicit Drug Trafficking.

6.103 In terms of Article 5(1) of SARPCCO Agreement, parties shall cooperate in the following fields: (a) exchange of crime related information on a regular basis; (b) planning, coordination and execution of joint operations including undercover operations⁸¹; (c) cooperation in respect of border controls and crime prevention in border areas as well as in respect of follow-up operations; (d) the controlled delivery of illicit substances or any other objects; and (e) technical assistance and expertise where the same are required.

6.104 According to Article 5(3-4), parties shall, by means of their respective laws, ensure that stolen property is returned to its lawful owner and promote that the police forces concerned undertake to: (a) make such arrangements as may be necessary to enable a complainant to identify his or her property; and (b) advise the complainant as to which steps need to be taken to ensure its return.

6.105 In terms of Article 3(1), after obtaining the approval of the hosting country, any police official of a country may enter into and be present in, or travel through or across the territory of another country for the purpose of: (a) any police investigation or the seizure of exhibits related to an offence committed in or in respect of the territory of State of visiting police officials; (b) tracing and questioning a witness in connection with any such offence and taking the steps authorized by law to obtain his or her presence in a court of competent jurisdiction; and (c) the co-operation and assistance contemplated in the Agreement.

6.106 Furthermore, Article 3(3) prescribes that the police service of the hosting country shall be responsible for: (a) tracing, arresting, detaining, guarding or keeping in custody any person suspected of having committed any offence and taking such steps as the hosting police service is authorized to by the internal law of its country in order to effect any such person's extradition for trial in a court of competent jurisdiction; (b) searching for, and seizing, removing or transporting of, any exhibit known or suspected to be involved in the commission of any such offence; and (c) such other acts as may from time to time in any urgent or extraordinary circumstances be authorized by the parties or the responsible officials of the police service concerned, with the prior approval of the parties concerned. The joint operations are executed on a regular basis. There is a Permanent Coordinating Committee composed of the directors of criminal investigation that plan the operations and meet in a quarterly basis. The police chiefs and the Ministers responsible for the police services meet every year.

81. Regarding undercover operation and other forms of special investigative techniques see section 2.6 (c. 27.3-6).

6.107 With regard to international cooperation, Angola is a member of INTERPOL and is thus able to provide police to police international cooperation. As an INTERPOL member country Angola maintains a National Central Bureau (NCB) within the ANP. The NCB is the designated contact point for the General Secretariat of the INTERPOL, regional offices and other member countries requiring assistance with overseas investigations and the location and apprehension of fugitives.

BNA

6.108 In accordance with Article 62 (1) (d) of the FI Law, the BNA may exchange information with foreign supervisory authorities by means of co-operation agreements, on a reciprocity regime, relating to the information needed to supervise Angolan or foreign financial institutions. However, these co-operation agreements can only be signed with supervisory authorities or Central banks that apply a secrecy regime similar to the Angolan one (Article 63 of the FI Law).

6.109 Despite the reference contained in Article 67 (6) of Law 34/11 which states the obligation to provide information even when it is protected by professional secrecy, which is specific to the exchange of information related to ML and FT, that should prevail over what is referred in Article 63 of the FI Law. It is however unclear how these provisions are being applied in practice.

6.110 The Bank may also co-operate with other Central Banks and authorities with similar activities, as a monetary authority and supervisor of the payments system (Article 62 (1) (e) of the FI Law).

6.111 The information received or provided by the BNA in accordance with Article 62 is protected by a secrecy clause which is applicable to the foreign authorities requesting the information.

6.112 The information provided can only be used by supervisory personnel of the requesting authority with the purpose of examining the conditions of establishment of financial institutions, to provide for the application of sanctions by the requiring authority and for the supervision of the monetary or payment systems (Article 62 (3) of the FI Law).

6.113 The Republic of Angola is a member of SADC Committee of Central Bank Governors, which was set up in 1995 to promote and achieve closer cooperation in several areas including banking supervision and Money Laundering.

CISNA

6.114 The Republic of Angola is signatory of the CISNA MMOU which facilitates mutual assistance and exchange of information between SADC Member Countries.

SNA

6.115 Customs via the World Customs Organisation, Immigration through the International Office for Migration, the Post Corporation via Universal Postal Union and the Pan Africa Postal Union are all able to exchange information with foreign counterparts.

6.116 Angola is a member of the World Customs Organisation. It cooperates with other customs organizations through the Regional Intelligence Liaison Offices (RILO) network which has been set up by the WCO to, inter alia, encourage information exchange, organise and support regional intelligence-based operations; facilitate mutual assistance and cooperation with other enforcement agencies, and promote and maintain regional cooperation between Customs and between Customs and other law enforcement agencies and organisations. The RILO network comprises 11 offices covering the WCO's six regions. Angola is a member of the WCO East and Southern Africa RILO. The other members are: Botswana, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

6.117 The aim of this mechanism is to enhance the effectiveness of global information and intelligence exchange and to strengthen cooperation between all Customs Services tasked with combating transnational crime. The exchange of information and intelligence takes place via the Customs Enforcement Network (CEN), a communication system for intelligence purposes. Amongst the information that it captures, the CEN is a database of Customs seizures and offences and communication network to facilitate international exchanges and contacts.

ASEL

6.118 The Republic of Angola is a member of ASEL. ASEL brings together insurance supervisors from jurisdictions that have Portuguese as official language. In addition to Angola the members are Cape Verde, East Timor, Guinea-Bissau, Macau, Mozambique, Portugal and San Tome e Principe.

Securities Commission

6.119 In accordance with Article 11 of Decree 9/05 that contains the Organic Law of the Commission of Capital Markets (CMC), the CMC has the capacity to negotiate and sign "Information Agreements", with similar domestic and foreign authorities.

Provision of Assistance in Timely, Constructive and Effective Manner (c. 40.1.1)

6.120 As mentioned above, the only legislation in Angola which provides for general rules regarding international cooperation is Law 34/11. In the terms of its Article 67(2), Angola should provide assistance in a timely, constructive and effective manner.

6.121 The CMC is still in a process of establishment and not operational, therefore there are no agreements signed.

6.122 The assessment team did not receive statistics on the requests which have been received, their nature, the time taken to attend to them, and the number of requests accepted or refused, which does not allow evaluating, in practice, if the assistance is provided in a timely, constructive and effective manner.

Clear and Effective Gateways for Exchange of Information between Counterparts (c. 40.2)

6.123 At the time of the on-site visit, there were no laws which provide for gateways, channels or other mechanisms used in international cooperation or exchange of information in Angola. However, Angola has signed the Annex 12 (Anti-money laundering) to the SADC Protocol on Finance and Investment, whose scope includes co-operating and exchanging information at the national and international levels (Article 2(a) in conjunction with 5(1)(a)). Pursuant to Article 8(1-3) of the Annex, there is an Anti-Money Laundering Committee that produces a report on the impact of AML/CFT measures on crime in each Member State and in the region, every five years.

Spontaneous Exchange of Information (c. 40.3)

6.124 Article 67 (3) of Law 34/11 states that the exchange of information should be provided spontaneously or by request from a country which submits the request for information, and it can be related to ML, FT and other predicate offenses.

6.125 The authorities provided to the assessment team Resolution 6/89 of 11 February ratifying CPLP Administrative Mutual Assistance Convention on Combating Illicit Drug Trafficking. In terms of Article 3(a) of the Convention, Customs Authorities of each Member Country spontaneously exchange information and Article 3(b) exchange information upon request.

6.126 The other relevant instrument is Resolution 38/05, ratifying the SADC Anti-Corruption Protocol. In terms of its Article 11, the Supervisory Committee established to deal with matters related to the protocol is responsible for disseminating information to all member countries.

Making Inquiries on Behalf of Foreign Counterparts (c. 40.4)

6.127 In terms of Article 5 of CPLP Administrative Mutual Assistance Convention on Combating Illicit Drug Trafficking, the Customs Authorities are authorized to conduct investigations on behalf of foreign counterparts. Therefore, the assessment team concluded that once they are authorized to conduct investigations they are authorized to conduct inquiries.

FIU Authorized to Make Inquiries on Behalf of Foreign Counterparts (c. 40.4.1)

6.128 As referred above, at the time of the on-site visit, UIF had not signed any MoUs providing for exchange of information with foreign counterparts and, had not yet submitted a membership application to the Egmont Group. Regarding the exchange of information with counterparts it should be noted that in terms of Article 24(2) of Presidential Decree 35/11, the exchange is authorized only upon existence of MoUs approved by the Supervisory Committee.

6.129 Subsequent to the on-site visit MoUs have been signed with South African and Namibian FIUs.

Conducting of Investigations on Behalf of Foreign Counterparts (c. 40.5)

6.130 As UIF was not completely operational at the time of the visit, the assessment team could not verify if UIF, in practice, can respond to the enquiries from foreign counterparts by searching its own databases, including with respect to information related to suspicious transaction reports, or searching other databases to which it may have direct or indirect access, including law enforcement databases, administrative databases and commercially available databases.⁸²

6.131 Moreover, according to the information provided to the assessment team, UIF has received two requests from foreign FIUs but it could not yet respond to those as there was no MoU to regulate the way the exchange of information should be done.

6.132 As mentioned above, in terms of Article 5 of CPLP Administrative Mutual Assistance Convention on Combating Illicit Drug Trafficking, the Customs Authorities are authorized to conduct investigations on behalf of foreign counterparts.

6.133 The assessment team did not have access to any information related to specific cases of investigations conducted in this context.

82. As regarding Access to database, see sections 2.5.2 and 5 (c. 33.2).

No Unreasonable or Unduly Restrictive Conditions on Exchange of Information (c. 40.6)

6.134 Article 67(4) of Law 34/11 provides that exchange of information should not be refused based on grounds of unreasonable, disproportionate or unduly restrictive conditions.

Provision of Assistance Regardless of Possible Involvement of Fiscal Matters (c. 40.7)

6.135 According to Article 67(5) of Law 34/11, a request for international cooperation cannot be refused on the sole grounds that the offence is also considered to involve fiscal matters.

Provision of Assistance Regardless of Existence of Secrecy and Confidentiality Laws (c. 40.8)

6.136 Article 67(6) of Law 34/11 provides that a request for international cooperation cannot be refused on grounds of laws that impose secrecy or confidentiality requirements to national competent authorities, except where the relevant information was obtained in circumstances where legal professional secrecy applies. The authorities did not notify the assessment team of the existence of specific cases of replying requests in practice.

Safeguards in Use of Exchanged Information (c. 40.9)

6.137 The only rule related to the safeguards in the use of exchanged information in the Angolan Legislation is Article 24 of Presidential Decree 35/11, which specifically sets out the possibility of exchanging information with other FIUs. The referred legal act provides that the MoUs should provide for measures that establish confidentiality of information exchanged and limitation of the use of information. Moreover, the MoUs should provide rules regarding previous authorization by foreign FIUs which provided the information before sharing this information with other competent authorities.

6.138 Memoranda of understanding negotiated and signed by the BNA are also subject to specific purposes such as the supervisory functions of the interested authorities and reciprocity principles and to a duty of secrecy similar to the one existing in Angola.

Special Recommendation V

Cooperation under SR V (applying c. 40.1-40.9 in R. 40, c. V.5)

6.139 There are no laws, MoUs or other type of agreements which specifically provide for international cooperation in Angola. Because of this, the same rules relating to ML cases will be used, as referred above, in compliance with the provisions contained in Law 34/11 and in agreements signed by Angola.

Statistics (R.32) and Effectiveness

6.140 The Angolan authorities do not have comprehensive statistics on matters relevant to the effectiveness and efficiency of the requests for international cooperation.

6.141 Regarding UIF, the Angolan authorities informed assessors that it has received two requests from foreign FIUs but it could not respond to them as there is no MoU to regulate the way the exchange of information should be done.

Recommendations and Comments

- Consider adopting specific laws and other agreements providing for other forms of international cooperation between the Angolan authorities and their foreign counterparts, in the following terms:
- Establish the standards to be observed in the processes of requests for international cooperation;
- Devise and apply mechanisms for the requests for which assistance should be in a timely, constructive and effective manner;
- Have provisions that allow exchange of information to be provided spontaneously or upon request, and that it can be related to ML, FT and other predicate offenses;
- Angola should ensure that all their competent authorities are authorized to conduct inquiries on behalf of foreign counterparts, allowing UIF to respond to the enquiries from foreign counterparts by searching its own databases, including with respect to information related to suspicious transaction reports; searching other databases to which it may have direct or indirect access, including law enforcement databases, administrative databases and commercially available databases;
- Provide for rules on safeguards concerning the use of exchanged information;
- Provide for specific rules regarding the application of other forms of international cooperation on FT cases;
- Establish and maintain a database system that manages statistics on the requests which have been received, their nature, the time taken to attend to them and the number accepted to or refused.

Compliance with Recommendation 40 and Special Recommendation V

	Rating	
R 40	PC	<ul style="list-style-type: none"> • Except for the MOUs signed with Namibian and South African FIUs, UIF has not signed other MOUs with counterparts of other neighboring countries and any other countries providing for the exchange of information with foreign counterparts. • There are no laws, MoUs with neighboring countries or other types of agreements in force in Angola which provide that the country should ensure that all their competent authorities are authorized to conduct inquiries on behalf of foreign counterparts.

		<ul style="list-style-type: none"> • The assessment team did not receive statistics on the requests which have been sent or received and their nature, the time taken to attend to them and the number of requests accepted or refused. This does not allow for an evaluation of whether cooperation was provided spontaneously or by request and if it also involves information related to the predicate offenses. • The assessment team could not verify if UIF, in practice, can respond to the enquiries from foreign counterparts by searching its own databases, including with the respect to information related to suspicious transaction reports or searching other databases to which it may have direct or indirect access, including law enforcement databases, administrative databases and commercially available databases. • There are insufficient provisions related to safeguards in the use of exchanges of information.
SR.V	NC	<ul style="list-style-type: none"> • There are no laws, or other types of agreements which specifically provide for international cooperation in Angola, but only a limited number of MoUs. Because of this, the same rules relating to ML cases will be used, as referred above, in compliance with the provisions contained in Law 34/11 and in agreements signed by Angola.

CHAPTER 7. OTHER ISSUES

7.1 Resources and Statistics

Adequate Structure, Funding, and Staffing (R.30.1)

FIU

7.1 UIF is not yet sufficiently resourced to perform its functions adequately and has not recruited all necessary staff to fill key functional areas, notably in analysis of suspicious transaction reports (STRs) and currency transaction reports (CTRs). The current number of staff working at UIF (4) is insufficient to deal with all the tasks attributed to it. UIF has not finalized the process of hiring an additional 3 employees that it plans to recruit.

7.2 According to UIF, only 10.9 percent of the budget of AOA 412 million (USD 4.3 million) for FY 2011 was used. It does not seem that there is a shortage of financial resources but the budget allocation for the renting of UIF's offices has reached its limit. The offices of UIF can accommodate four additional employees, but not more than that.

Law Enforcement and Prosecution Authorities

7.3 Customs officials do not have sufficient resources to meet all the requirements under SR.IX regarding measures to detect the physical cross-border transportation of currency and bearer negotiable instruments, including a declaration system or other disclosure obligation. Customs manages a system at major points of entry, which includes scanners, x-ray equipment and the introduction of currency detecting dogs.

Financial Sector Supervisors

7.4 The insurance sector supervisor (ISS) lacks sufficient expertise in AML/CFT matters and technology to perform its functions.

7.5 The Capital Markets Commission is still not operational.

DNFBP Supervisors

7.6 The National Directorate of Geology and Mining, even with the cooperation of the National Police, does not have the adequate human and material resources to effectively oversee dealers in precious metals and stones given the large number of natural persons operating in this sector (more than 90,000).

7.7 The Gaming Inspection Unit (Instituto Nacional de Jogos) is under-resourced in human and material conditions to perform its factual oversight role, particularly over casinos.

Professional Standards and Training – FIU (R. 30.2)

FIU

7.8 Professional standards are not fully developed. The following elements were not yet in place: internal regulations, job profiles for staff to be recruited, definition of professional careers and staff remuneration.

Law Enforcement and Prosecution Authorities

7.9 The authorities informed the assessment team that a considerable number of members of the police have been fired due to conducts that are contrary to the disciplinary regulations.

Adequate and Relevant Training (R.30.3)

FIU

7.10 Training activities for existing personnel are insufficiently focused on the operational tasks that are attributed to the FIU. According to information provided by the authorities, UIF's staff attended various training modules, on: (a) analysis principles; (b) risk assessment and priority definition; (c) analysis of available data; (d) analysis; and (e) presentation of achieved results. To get familiarized with the experience of other FIUs, the Director and other staff have visited the FIUs of Namibia and South Africa.

Law Enforcement and Prosecution Authorities

7.11 The specialized departments of national police (DNIAE and DNIC) are not sufficiently trained for combating money laundering and terrorist financing. According to information provided by the authorities, only 22 out of 385 police officers working at DNIAE had attended training programs related to money laundering or terrorist financing. Only 6 police officers at DNIC have attended ML/FT training programs.

7.12 The authorities did not provide additional information regarding the components of these training programs. As a result, it was not possible to evaluate if these programs covered all the relevant issues related the AML/CFT system as regards the scope of predicate offenses, ML and FT typologies, techniques to investigate and prosecute these offenses, techniques for tracing property is seized, frozen and confiscated, and the use of information technology and other resources relevant to the execution of their functions.

Special Training (R.30.4)

7.13 There is a general lack of specialist skills training for competent authorities involved in combating money laundering and terrorist financing including prosecution and law enforcement agencies, UIF and supervisors. The National Bank of Angola (BNA) is sufficiently resourced in expertise and technology to deal with the AML/CFT prevention challenges, but requires additional staff with specific expertise in AML/CFT issues. Although UIF's Director and some of the staff have attended relevant training programs, training has not been sufficiently directed towards the main tasks of an FIU.

7.14 There are no prosecutors specialized in prosecuting ML and FT cases, apart from a group of 11 prosecutors that attended a training program on corruption and financial crimes. According to the information provided by the authorities, it is foreseen that the same prosecutors deal with ML and FT matters.

7.15 Despite several requests by the assessment team to meet with judges and other members from the judicial branch, it was not possible to do so during the on-site visit. The authorities did not provide any information about the organization and functioning of the judicial branch in relation to AML/CFT issues.

	Rating	
R.30	PC	<ul style="list-style-type: none">• UIF lacks the human resources to perform its tasks adequately.• UIF's organizational structure has not yet been implemented.• Training at UIF has not been sufficiently directed towards the main tasks of the body.• DNIAE and DNIC are not adequately trained to combat ML and FT.• Financial sector supervisors are not adequately trained in the new AML/CFT framework.

Review of Effectiveness (R.32.1)

7.16 There are no cases of ML offenses which have been investigated or brought to court in the country. As a result, the authorities have not conducted a review of the effectiveness of the systems for combating money laundering and terrorist financing.

Statistics (R.32.2)

7.17 In practice, apart from some statistics on STRs collected by UIF and seizures done on illegal cross-border transportation of cash by the customs, no statistics have been collected by other entities, namely on investigations of money laundering or terrorist financing cases, or requests for international cooperation, mutual legal assistance, or extradition. In particular:

- a) The information maintained on seizures of illegal cross-border transportation of cash has not been compiled into a computerized database to be accessible to all relevant authorities.

- b) Law enforcement agencies and the Prosecutor’s Office do not maintain comprehensive statistics on the number of investigations, prosecutions and convictions or on the property frozen, seized or confiscated relating to money laundering or terrorist financing offenses.
- c) The authorities do not maintain comprehensive statistics on the number of mutual legal assistance requests they have made or received, their nature, the time taken to attend to them and the number granted or refused.
- d) Comprehensive statistics on the time taken to resolve extradition requests and the number of requests effectively accepted or declined are not maintained.

Additional Elements (R.32.3)

7.18 No STRs so far have resulted in investigations⁸³, prosecutions, and convictions for ML, FT or an underlying predicate offense.

7.19 As no one has been convicted of a ML or FT offense, no comprehensive statistics exist on any criminal sanctions applied to persons convicted of ML and FT offenses.

7.20 The Angolan authorities do not maintain comprehensive statistics on other formal requests for assistance made or received by law enforcement authorities (including requests relating to freezing, seizing and confiscation) relating to ML, FT, or to the predicate offenses, including whether the request was granted or refused.

7.21 The Angolan authorities do not maintain comprehensive statistics on the number of cases and the amounts of property frozen, seized, or confiscated relating to underlying predicate offenses.

7.2 Other Relevant AML/CFT Measures or Issues

7.22 There are no additional measures or issues that are relevant to the AML/CFT system, which are not covered elsewhere in this report.

	Rating	
R.32	NC	<ul style="list-style-type: none"> • The authorities have not performed a review of the effectiveness of their AML/CFT system. • Comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing have not been collected by all relevant competent authorities. • No institution in the AML/CFT regime is collecting any meaningful statistical information.

⁸³ According to the information by the Angolan authorities, one STR has been disseminated and investigations are on-going.

Table 1: Ratings of Compliance with FATF Recommendations

The rating of compliance vis-a-vis the FATF Recommendations are made according to the four levels of compliance mentioned in the 2004

Methodology: Compliant (C), Largely Compliant (LC), Partially Compliant (PC), Non-Compliant (NC), or could, in exceptional cases, be marked as non applicable (NA).

Forty Recommendations	Rating	
Legal Systems		
1. ML offense	NC	<ul style="list-style-type: none"> • Some of the serious offences contained in the FATF Glossary are not criminalised under the Angolan Criminal Code and other criminal laws, such as 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. • There is no evidence that the provision for the punishment of all types of ancillary offenses to the offense of ML is taking place. • Implementation is not taking place as there have been no investigations, prosecutions or convictions for the practice of ML offenses in Angola.
2. ML offense - mental element and corporate liability	LC	<ul style="list-style-type: none"> • Implementation is not taking place as there have been no investigations, prosecutions or convictions for the practice of ML offenses in Angola.
3. Confiscation and provisional measures	NC	<ul style="list-style-type: none"> • Angola does not yet have a comprehensive and coherent legal framework with specific procedures for the application of provisional measures and confiscation for ML/FT offenses. • Angolan legislation does not provide for the confiscation of instrumentalities used and the instrumentalities

Forty Recommendations	Rating	
		<p>intended to be used in the commitment of ML/FT offenses or for the confiscation of property of correspondent value.</p> <ul style="list-style-type: none"> • Law enforcement agencies, the FIU and other competent authorities lack the ability to identify and trace property that is, or may become, subject to confiscation or is suspected of being the proceeds of crime. There is also a considerable proportion of unregistered immovable property. • There is no implementation and, therefore, no effectiveness of the rules foreseen in the Angolan criminal system as regards the application of provisional measures and confiscation in the context of investigations or prosecutions for the practice of ML/FT offenses.
Preventative measures		
4. Secrecy laws consistent with the Recommendations	LC	<ul style="list-style-type: none"> • The Law on the Securities and Market Commission does not expressly state that the CMC should cooperate with the FIU and other competent authorities, regardless of secrecy laws.
5. Customer due diligence	PC	<ul style="list-style-type: none"> • Despite the fact that Law 34/11 complies with all the essential criteria in Recommendation 5 with respect to customer due diligence, the assessment team considers that the following deficiencies remain with regard to effectiveness and implementation: • The CDD process relies on ID documentation that is currently difficult to obtain for an important share of the population, which limits the effectiveness of the system as a whole. • There are important deficiencies with regard to implementation. • There is no evidence that the identification and verification of the identity of beneficial owners is being applied by financial institutions. • There is no evidence that verifying and understanding the legal structure and control of customers that are foreign trusts is applied.

Forty Recommendations	Rating	
		<ul style="list-style-type: none"> Financial institutions do not have established risk profiles of customers with reference to ML and FT risks and do not apply enhanced CDD to higher risk customers or transactions. There is no evidence that the CDD and KYC obligations are being implemented in the insurance sector.
6. Politically exposed persons	PC	<ul style="list-style-type: none"> There is no evidence of risk management systems in financial institutions to enable the identification of foreign PEPs, with the exception of a few private banks. There is no implementation of the legal rules regarding PEPs.
7. Correspondent banking	C	<ul style="list-style-type: none"> Recommendation is fully met
8. New technologies & non face-to-face business	LC	<ul style="list-style-type: none"> FIs are not implementing relevant policies to manage the risk of non face-to-face transactions.
9. Third parties and introducers	N/A	<ul style="list-style-type: none"> There are no third parties and introduced business operating in Angola
10. Record-keeping	LC	<ul style="list-style-type: none"> There are no requirements for FIs to keep records beyond the statutory period upon request by a competent authority
11. Unusual transactions	LC	<ul style="list-style-type: none"> There is no evidence that the legal obligations referred in Law 34/11 on enhanced due diligence are being implemented by FIs.
12. DNFBP - R.5, 6, 8-11	NC	<ul style="list-style-type: none"> The weaknesses identified in Recommendations 5, 6, and 8-11 are also applicable to DNFBPs covered by Law 34/11. Not all entities subject to Law 34/11 are aware of their obligations according to the Law, which shows that

Forty Recommendations	Rating	
		<p>the legal framework is not being applied by those entities.</p> <ul style="list-style-type: none"> • Some oversight authorities are not aware of their legal obligations in the preventative field. • Oversight authorities have not issued any regulations or guidelines facilitating the implementation of the AML/CFT framework.
13. Suspicious transaction reporting	PC	<ul style="list-style-type: none"> • Not all predicate offences under Recommendation I are covered in the Angolan Criminal Code. • The assessment team is not satisfied that the system is fully effective as only a few STRs have been filed.
14. Protection & no tipping-off	C	The provisions on tipping-off in Law 34/11 are fully compliant with Recommendation 14.
15. Internal controls, compliance & audit	PC	<ul style="list-style-type: none"> • Financial institutions, with few exceptions, have not implemented policies, systems and measures in order to reduce ML/FT risks and instal audit and internal controls systems necessary to ensure compliance with the AML/CFT framework. • There is no evidence of enforcement by the supervisory authorities of financial institutions of the requirements to implement policies, systems and measures in order to reduce ML/FT risks.
16. DNFBP - R.13-15 & 21	NC	<ul style="list-style-type: none"> • The weaknesses identified in Recommendations 13-15 and 21 are also applicable to the DNFBPs covered by Law 34/11. • Entities subject to reporting duties are not aware of their obligations and adequate internal control systems for DNFBPs are not in place. • Oversight authorities have not issued any regulations or guidelines facilitating the implementation of the previous AML/CFT Law or Law 34/11.

Forty Recommendations	Rating	
17. Sanctions	PC	<ul style="list-style-type: none"> • There is no enforcement of the sanctions regime in Law 12/10 and therefore no effectiveness.
18. Shell banks	LC	<ul style="list-style-type: none"> • Prohibition against maintaining correspondent relationships with shell banks and the obligation to be satisfied that their correspondent banks do not use accounts in shell banks is not monitored and the assessment team is not fully satisfied that they are being effectively implemented by FIs.
19. Other forms of reporting	C	<ul style="list-style-type: none"> • Recommendation is fully met
20. Other NFBP & secure transaction techniques	PC	<ul style="list-style-type: none"> • No implementing regulations or guidelines have been issued to implement Law 34/11 with regard to the following activities: dealers in high-value goods, operators awarding betting on lottery prizes, and entities building real estate and selling directly to the market. • Large amounts of cash are still used in Angola and the proportion of cashless payments is very low.
21. Special attention for higher risk countries	PC	<ul style="list-style-type: none"> • Supervisory Authorities have not yet implemented any measures to transmit information to FIs with regard to the deficiencies in the AML/CFT systems of other countries. • There is no authority to impose counter measures.
22. Foreign branches & subsidiaries	LC	<ul style="list-style-type: none"> • There is no evidence of implementation of this recommendation.
23. Regulation, supervision & monitoring	PC	<ul style="list-style-type: none"> • BNA does not require 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.

Forty Recommendations	Rating	
		<ul style="list-style-type: none"> • There are no regulations in place for implementation of Law 34/11. • The supervision activity of the AML/CFT system is still weak, as only one inspection by the BNA to the 5 major commercial banks to evaluate the KYC and compliance system has been done. ISS has not taken any action to supervise the enforcement of AML/CFT rules.⁸⁴
24. DNFBP - regulation, supervision & monitoring	NC	<ul style="list-style-type: none"> • No law has been approved to regulate the activity of casinos. • There is no legal regime applicable to the intermediation of real estate. • No oversight of real estate agents by INH is yet in place. • The oversight of AML/CFT obligations by dealers in precious metals and stones is not being carried out by the responsible body (DNM). • There is a lack of awareness among some of the DNFBPs, such as the Bar Association and the Association of Accountants, about their AML/CFT obligations according to both Laws 12/10 and 34/11.
25. Guidance for DNFBPs other than guidance on STRs	NC	<ul style="list-style-type: none"> • The FIU has not yet issued guidelines for reporting STRs and has not provided feedback to the reporting entities. • No other supervisory authority has issued guidelines for the transmission of information on ML and FT situations. • No other supervisory authority has provided feedback to financial institutions to assist them in applying the AML/CFT framework. • The assessment team is not satisfied that ISS has adequate human resources and technical expertise to issue

⁸⁴ CMC is not yet operational and there is currently no capital market in Angola.

Forty Recommendations	Rating	
		<p>regulations and guidelines to AML/CFT prevention in its field of competence.</p> <ul style="list-style-type: none"> • No implementing regulations or guidelines have been issued by the relevant oversight authorities, as required by Law 34/11, on casinos, lotteries, real estate intermediation, lawyers, accountants or any other DNFBPs, in order to help them to comply with their AML/CFT obligations. • The oversight authorities do not have the human resources, expertise and adequate IT resources to comply with their legal obligations on AML/CFT prevention.
Institutional and other measures		
26. The FIU	PC	<ul style="list-style-type: none"> • UIF is not yet fully operational or adequately staffed and organized to be able to fulfill its functions. • Guidance to supervisory authorities has not yet been adopted. • Timely access by the FIU to financial and law enforcement information is not granted as it has not yet concluded MoUs with the relevant authorities. • UIF has 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; • Article 41(3) of Law 34/11 provides for the FIU to publish statistics on ML/FT. However, Decree 35/11 does not provide for the annual reports of the FIU to be published. The report includes basic statistics concerning STRs but no information on typologies;
27. Law enforcement authorities	LC	<ul style="list-style-type: none"> • No adequate specialized skills within the ANP to investigate ML/FT offenses • No national program in which the law enforcement agencies, prosecution authorities, and other competent agencies can review methods, techniques and trends applied in the detection, investigation and prosecution of ML/FT cases, • No evidence of effectiveness as no cases are currently under investigation.
28. Powers of competent authorities	PC	<ul style="list-style-type: none"> • No specific procedures for the application of seizing and freezing of assets. • No evidence of effectiveness as no cases are currently under investigation.

Forty Recommendations	Rating	
29. Supervisors	PC	<ul style="list-style-type: none"> • Only BNA has carried out one on-site inspection. Other supervisory authorities have not initiated or planned any on-site inspections or others- directed to verifying the level of compliance of FIs with the AML/CTF prevention systems. • ISS and CMC lack human resources, expertise and IT systems to cope with their supervisory obligations on ML/FT prevention and inspection. • There is a very low level of understanding of the AML/CFT system in FIs, with the exception of a limited number of some major private banks. • As enforcement is weak, the system is not effective.
30. Resources, integrity & training	PC	<ul style="list-style-type: none"> • UIF lacks the human resources to perform its tasks adequately. • UIF's organizational structure has not yet been implemented. • Training at UIF has not been sufficiently directed towards the main tasks of the body. • DNIAE and DNIC are not sufficiently trained to combat ML and FT. • Financial sector supervisors are not sufficiently trained in the new AML/CFT framework.
31. National cooperation	PC	<ul style="list-style-type: none"> • Despite the existence of informal mechanisms destined to facilitate the co-operation and exchange of information between national entities involved in combating ML/FT (which however do not extend to all the authorities), UIF did not finalize the signing of the necessary MOUs⁸⁵ 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 FIU Director and representatives of relevant ministries do not extend to some of the DNFBPs or their supervising entities. • The Angolan Authorities informed the assessment team that BNA and ISS have signed an MoU, but did not provide the date of signature and did not confirm if the MoU is applicable to AML/CFT matters. The assessment team was not provided with the MoU. There are no MoUs concluded between the BNA or ISS and CMC.
32. Statistics	NC	<ul style="list-style-type: none"> • The authorities have not performed a review of the effectiveness of their AML/CFT system.

⁸⁵ The Angolan authorities have informed the assessment team that an MoU between BNA and UIF is in the process of being signed.

Forty Recommendations	Rating	
		<ul style="list-style-type: none"> • Comprehensive statistics on matters relevant to the effectiveness and efficiency of systems for combating money laundering and terrorist financing have not been collected by all relevant competent authorities. • No institution in the AML/CFT regime is collecting any meaningful statistical information.
33. Legal persons - beneficial owners	NC	<ul style="list-style-type: none"> • The information contained in the Angolan registries of legal persons is not sufficient to allow for the clear identification of beneficial ownership, or who exerts control over the asset(s). • Angola does not have yet an easy way to access the information contained in the registries of legal persons, allowing for the quick tracing of information by the competent authorities. • Angola did not implement the procedures for the full access by the relevant authorities to information contained in the registries of legal persons. • Similarly, Angola did not implement the sharing of information about the registries of legal persons with foreign competent authorities. • Angola has not yet taken the appropriate measures to register the transmissions of bearer shares, ensuring that they are not misused for the practice of ML offenses and that the principles set out in criteria 33.1 and 33.2 above are effectively applied.
34. Legal arrangements - beneficial owners	NC	<ul style="list-style-type: none"> • The Angolan competent authorities do not have the capacity to access in a timely fashion the adequate, accurate and current information on the beneficial ownership and control of legal arrangements.
International Cooperation		
35. Conventions	PC	<ul style="list-style-type: none"> • The Angolan legislation has not yet implemented measures to fully give effect to all the terms of the UN Vienna Convention. • Angola has not yet implemented measures to fully give effect to the terms of the Palermo Convention.

Forty Recommendations	Rating	
36. Mutual legal assistance (MLA)	NC	<ul style="list-style-type: none"> • 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 very limited number of agreements severely restricts the number of countries to which MLA can be offered. The powers of competent authorities are restricted to the terms of the particular bilateral agreements. • The only form of MLA contained in Law 34/11 is for the exchange of information. The law does not include provision of assistance based on other powers of relevant competent authorities. • A request for mutual legal assistance can be refused on the sole grounds that the offence is also considered to involve fiscal matters. • Statistics on MLA requests received, their nature, the time taken to attend to them and the number accepted to or refused are not maintained, making it impossible for the assessment team to evaluate if the assistance is timely, constructive and effective. • 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.
37. Dual criminality	NC	<ul style="list-style-type: none"> • There are no specific provisions in the Angolan legislation which explain how the MLA should be treated in case of absence of dual criminality. • For those forms of MLA where dual criminality is required, Angola does not have any provision which explain how MLA should be treated.
38. MLA on confiscation and freezing	NC	<ul style="list-style-type: none"> • The property of corresponding value is not considered for purposes of confiscation. • Angola does not have arrangements for coordinating seizure and confiscation actions with other countries. • Angolan legislation does not provide for the sharing of confiscated assets with other countries.
39. Extradition	NC	<ul style="list-style-type: none"> • There is no specific law providing for extradition in Angola. Extraditions related to ML and FT offenses

Forty Recommendations	Rating	
		<p>need to follow the rules provided in the agreements signed by Angola, which limits the range of assistance.</p> <ul style="list-style-type: none"> • There is no provision for specific co-operation mechanisms on extradition. There are 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. • There are no provisions that explain how extradition requests and proceedings relating to ML shall be handled without undue delay.
<p>40. Other forms of cooperation</p>	<p>PC</p>	<ul style="list-style-type: none"> • Except for the MoUs signed with Namibian and South African FIUs, UIF has not signed MoUs with counterparts in other neighboring countries and any other countries providing for the exchange of information with foreign counterparts. • There are no laws, MoUs with neighboring countries or other type of agreements in force in Angola which provide that the country should ensure that all their competent authorities are authorized to conduct inquires on behalf of foreign counterparts. • The assessment team did not receive statistics on the requests which have been sent or received and their nature, the time taken to attend to them and the number of requests accepted or refused. This does not allow for an evaluation of whether cooperation was provided spontaneously or by request and if it also involves information related to the predicate offenses. • The assessment team could not verify if UIF, in practice, can respond to the enquiries from foreign counterparts by searching its own databases, including with respect to information related to suspicious transaction reports or searching other databases to which it may have direct or indirect access, including law enforcement databases, administrative databases and commercially available databases. • There are insufficient provisions related to safeguards in the use of exchanges of information.

Nine Special Recommendations	Rating	
SR.I Implement UN instruments	PC	<ul style="list-style-type: none"> • 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. • The weaknesses identified in Special Recommendations II and III are also applicable here.
SR.II Criminalize terrorist financing	NC	<ul style="list-style-type: none"> • Angolan legislation does not cover the conduct of mere financing, under any form, of individual terrorists or terrorist organizations by Angolan legislation. • While criminal liability exists in Angola for FT, it has not been extended to legal persons. • Implementation is not taking place, as there have been no investigations, prosecutions or convictions for the practice of FT offenses in Angola.
SR.III Freeze and confiscate terrorist assets	PC	<ul style="list-style-type: none"> • The domestic designation authority has not been appointed and therefore the national designation process is not in place yet. • The list of designated persons according to UNSCRs 1267 (1999) and 1989 (2011) has not been published in the two-month period following the on-site mission. It should be noted that the list was published on April 9, 2012. • There is no explicit provision that provides for the obligation to submit the requests to access frozen funds or other assets in accordance with UNSCR 1452 (2002) as amended by UNSCR 1735 (2006) to the 1267/1989 Committee before taking any decision on the requests. • Due to the total lack of implementation of Law 01/12 and that the law was enacted in January 2012 after the on-site visit but still within the accepted timeframe, there were no cases of freezing of funds or other assets related to FT in Angola at the time of the on-site visit.

Nine Special Recommendations	Rating	
SR.IV Suspicious transaction reporting	LC	<ul style="list-style-type: none"> • The assessment team is not satisfied that the system is fully effective as no STRs on FT have been filed. • There is no evidence of supervision and enforcement of the obligation to report suspicious transactions.
SR.V International cooperation	NC	<ul style="list-style-type: none"> • There are no specific provisions in the Angolan legislation which regulate the application of MLA and extradition in FT offenses. • There are no laws, MOUs or other type of agreements which specifically provide for international cooperation in Angola. Because of this, the same rules relating to ML cases will be used, as referred above, in compliance with the provisions contained in AML/CFT Law and in agreements signed by Angola. • The weakness identified under Recommendations 35, 36, 37, 38, 39 and 40 are also applicable. • No provisions which regulate the application of extradition in FT offenses. • There are no laws, or other type of agreements which specifically provide for international cooperation in Angola, but only a limited number of MoUs. Because of this, the same rules relating to ML cases will be used, as referred above, in compliance with the provisions contained in Law 34/11 and in agreements signed by Angola.
SR.VI AML requirements for money/value transfer services	PC	<ul style="list-style-type: none"> • The BNA has not issued any regulation requiring the maintenance of a list of agents and the obligation to communicate it to the BNA. • The technical structure of the BNA dealing with the implementation of AML/CFT monitoring and compliance is not adequate, considering its new roles and the challenges put by the informal money remittance services. • The BNA has not planned any supervisory actions to ensure the compliance with the AML/CFT requirements for money value transfer services.

Nine Special Recommendations	Rating	
SR.VII Wire transfer rules	PC	<ul style="list-style-type: none"> • At the time of the onsite visit even though FIs in Angola were using SWIFT for international transfers, they were not required under Law 12/10 to apply SR VII obligations.
SR.VIII Non-profit organizations	NC	<ul style="list-style-type: none"> • No review of the adequacy of existing laws and regulations relating to NPOs that can be abused for FT. No assessment of the non-profit sector for the purpose of identifying NPOs at risk for terrorist financing. • No 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 does not 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. • There are no MoUs between the relevant authorities in order to ensure effective cooperation. • No adequate mechanisms are in place to ensure prompt information sharing among all levels of appropriate authorities or organizations that hold relevant information on NPOs of potential FT concern.
SR.IX Cross-border declaration & disclosure	NC	<ul style="list-style-type: none"> • The declaration system on cross border transport of foreign currency does not include bearer negotiable instruments. • Upon discovery of a false declaration/disclosure 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 information collected by the Custom Authority is not compiled into a comprehensive and easily

Nine Special Recommendations	Rating	
		<p>accessible database.</p> <ul style="list-style-type: none"> • No mechanisms and arrangements were in place⁸⁶ for the necessary co-ordination among customs, immigration and other relevant authorities. • Absence of effective co-operating mechanisms with foreign counterparts with common borders, especially Namibia, taking into account the considerable volume of cross-border trade; • The range of sanctions to be applied to persons who make false declaration or disclosure is not adequate because it does not allow for the confiscation of the currency when the carrier is not a recidivist even if there are grounds to believe that the currency is related to ML and FT. • The Designation Law is still not effective because it lacks the reference to the authority that should designate the name of the suspect and the funds and economic resources to be seized; • The available human resources are not sufficient and adequately skilled to meet the requirements of the newly approved Law of Designation and all the aspects of the SR.IX. • Systems for the reporting of transactions to UIF are not in place; • There is no evidence that the cash control system is effectively applied at all borders. Despite the existence of several IT systems, the assessment team is not satisfied as to their effectiveness. • Lack of awareness within customs authorities concerning the requirements of the BNA Notice and Foreign Exchange Law related to the prevention of ML and FT.

⁸⁶ The Angolan authorities informed the assessment team after the on-site visit about the creation of an ad-hoc group involving customs, UIF, airlines and the migration services, with a view to enhance cooperation and effectiveness, including on AML/CFT matters. However, no additional information was provided, in particular with regard to the date of creation of this group.

Table 2: Recommended Action Plan to Improve the AML/CFT System

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
2. Legal System and Related Institutional Measures	
2.1 Criminalization of Money Laundering (R.1 & 2)	<ul style="list-style-type: none"> • Criminalize all the crimes contained in the FATF Glossary which are not yet criminalized in the Angolan legislation, such as trafficking in human beings, extend offence of <u>sexual exploitation to adults as well</u>, 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. • Create a clear and coherent ancillary offenses system, covering the punishment of the conduct of association and conspiracy, aiding and abetting, and facilitating and counseling.
2.2 Criminalization of Terrorist Financing (SR.II)	<ul style="list-style-type: none"> • Criminalize the conduct of mere financing, under any form, of individual terrorists or terrorist organizations, according to Article 2 of the FT Convention and criteria II.1 (a) (ii) (iii) of the SR.II. • Extend the criminal liability to legal persons for the commission of FT offenses.
2.3 Confiscation, freezing, and seizing of proceeds of crime (R.3)	<ul style="list-style-type: none"> • Create a comprehensive and coherent legal framework with specific procedures for the application of provisional measures and confiscation in ML/FT offenses: • Provide for the confiscation of instrumentalities used and the instrumentalities intended to be used in the commission of ML/FT offenses; • Provide for the confiscation of property of corresponding value; • Provide for the confiscation of the property of organizations that are found to be primarily criminal in

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<p>nature, civil forfeiture and confiscation of property which reverses burden of proof.</p> <ul style="list-style-type: none"> • Establish and maintain a database system allowing for the easy access by the law enforcement agencies, FIU and other competent authorities to quickly identify and trace information on the ownership of properties that may become subject to seizing, freezing and confiscation, solving the problem regarding the existence of unregistered immovable property in the country.
<p>2.4 Freezing of funds used for terrorist financing (SR.III)</p>	<ul style="list-style-type: none"> • Appoint the national designation authority and put into practice the national designation process; • Regulations to be approved should include provisions about how freezing action will be undertaken in practice by the FI and by the Insurance, Securities and DNFBP sectors, the need for a «without delay» freezing action and identify the steps when assets of listed persons and entities are detected relating to UNSCRs 1267 and 1989. • Consider creating an explicit rule that provides for the obligation to submit the requests to access frozen funds or other assets to the 1267/1989 Committee in accordance with UNSCR 1452 (2002) as amended by UNSCR 1735 (2006) before taking any decision on the requests. • Implement, in practice, the freezing procedures, and require from the supervised entities the obligation to develop and apply mechanisms that allow for the immediate implementation of those procedures so as to ensure the effectiveness of the system.
<p>2.5 The Financial Intelligence Unit and its functions (R.26)</p>	<ul style="list-style-type: none"> • Finalize all preparations that are necessary for UIF to become fully operational within a reasonable timeframe. In particular, the following tasks should be completed as a matter of priority: approve Internal Regulations, implement the organizational structure, finalize the recruitment process, provide for adequate training of technical personnel and set up an IT system to ensure adequate security and confidentiality of the information it receives. • Revise Presidential Decree 35/11 in order to enhance UIF’s operational independence by clearly separating the operational powers attributed to UIF from those attributed to the Supervisory Committee, dealing with general and strategic issues in order to ensure the capability of UIF to develop its activity. <p>UIF should also:</p> <ul style="list-style-type: none"> • Adopt general guidance on the reporting process as required by Decree 35/11. The STR reporting processes

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<p>should take into account the diversity of the reporting entities. Adopt specific guidelines where necessary and ensure consistency between the two.</p> <ul style="list-style-type: none"> • Finalize the MoUs currently under negotiation with the relevant authorities in order to facilitate timely access to information held by those authorities, including law enforcement agencies and improve access to registers. The MOUs should take into consideration the fact that there is a lot of manual record-keeping in most of government agencies. • Publish annual reports • Consider submitting application for membership to the Egmont Group when fully operational
<p>2.6 Law enforcement, prosecution and other competent authorities (R.27 & 28)</p>	<p>Recommendation 27</p> <ul style="list-style-type: none"> • Implement measures as may be necessary to create legal provisions that provide law enforcement or prosecution authorities with an adequate legal basis for the use of a wide range of special investigative techniques when conducting investigations ML/FT cases and predicate offenses. • Adopt a comprehensive legal system regarding wiretapping and telephone interception in Angola for ML/FT and relevant predicate offenses. • Develop systems to ensure that comprehensive statistics on investigations and prosecutions of ML/FT and predicate offences are kept in such a way that effectiveness and trend analysis can be analyzed.
<p>2.7 Cross-border declaration & disclosure (SR.IX)</p>	<ul style="list-style-type: none"> • Include bearer negotiable instruments under the regime of the cross-border operations control. Customs should have clear and broad powers of oversight to ask for the origin and intended use of the currency and bearer instruments exceeding the threshold. The cross border regime of precious stones and minerals should also be clearly stated and implemented at all borders. • Review the sanctioning regime and allow for the immediate seizure of currency and other bearer instruments related to ML and FT activities, independently of the value and of the carrier being a recidivist. • Compile the information collected by the Customs Authority into a comprehensive and easily accessible database. • Establish the mechanisms and arrangements for necessary coordination among customs, immigration and other relevant authorities.

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<ul style="list-style-type: none"> • Establish effective co-operating mechanisms with foreign counterparts with common borders, especially Namibia. • Enhance the range of sanctions to be applied to persons who make false declaration or disclosure in order to allow for the confiscation of the currency when the carrier is not a recidivist even if there are grounds to believe that the currency is related to ML and FT. • Issue regulations to designate terrorist suspects and their funds under the Designation Law. • Provide sufficient and adequately skilled human resources to meet the requirements of the newly approved Law of Designation and all the aspects of the SR.IX. • Establish cross-border systems for the reporting of transactions to UIF. • Apply the cross border system at all borders and instal an adequate and effective IT system. • Raise awareness within customs authorities concerning the requirements of the BNA Notice and Foreign Exchange Law related to the prevention of ML and FT. • Provide clarification on the mechanisms for confiscating foreign currency related to ML/FT. The regime should be streamlined and the conditions to confiscate the illicit amounts not declared or disclosed when related to ML or FT should be reviewed. Safeguards should also be created in order to protect the collection and management of information collected by the Customs and its transmission to the FIU and other competent authorities. • Have in place recruitment procedures of customs officials ensuring high professional and integrity standards. It should also be ensured that, once recruited, customs officials are subject to confidentiality rules and are appropriately trained on ML/FT. The collection and recording of the results of the control of cross border movements designed to meet all the requirements of SR.IX should be done with the help of adequate IT systems and a computerized easily accessible database.
3. Preventative Measures - Financial Institutions	
3.1 Risk of money laundering or terrorist financing	
3.2 Customer due diligence, including enhanced or reduced measures (R.5-8)	<p>Recommendation 5</p> <ul style="list-style-type: none"> • Strengthen the CDD process by modernizing the identification system such as introducing a national identification card.

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<ul style="list-style-type: none"> • Enforce and ensure that the identification and verification of customers is applied by all financial institutions • Issue regulations and guidelines to facilitate the implementation of the law and ensure that the Law and existent and future regulations are being effectively applied in all FIs. • Revise Notice 1/2011 in light of Law 34/11 • Ensure that the identification and verification of the identity of beneficial owners is being applied by financial institutions. • Enforce verification and understanding of the legal structure and control of customers that are foreign trusts. • Raise awareness of the provisions of Law 34/11 among financial institutions. In particular, each supervisory body should issue regulations and /or recommendations facilitating the implementation of Law 34/11. Implementation of the law requires the prompt attention and action of the supervisory authorities of each area of the financial sector. • Regulate the implementation of simplified due diligence requiring that FIs must be convinced that the transaction has no risk of ML or FT and the beneficial owner is identified before applying simplified CDD. • Issue regulations and recommendations facilitating the implementation of Law 34/11 to non-banking financial institutions related to money and credit operating in the country, such as microfinance companies, exchange offices and money transfer companies. • ISS and CMC should undertake actions aimed at raising awareness regarding the obligations contained in Law 34/11. <p>Recommendation 6</p> <ul style="list-style-type: none"> • Ensure that risk management systems are in place at all financial institutions to enable the identification of

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<p>foreign PEPs</p> <ul style="list-style-type: none"> Consider extending enhanced due diligence procedures to domestic PEPs. <p>Recommendation 8</p> <ul style="list-style-type: none"> Ensure that all FIs are implementing relevant legal provisions to manage the risk of non-face to face transaction.
3.3 Third parties and introduced business (R.9)	<ul style="list-style-type: none"> If implementing regulations are issued in order to authorize third parties introducing businesses, those should require that those third parties are regulated and supervised, as required by FATF Recommendations, and have measures in place to comply with CDD requirements referred in Recommendations 5 and 10. When issuing future implementing regulations authorizing CDD to be performed by third parties in foreign countries, supervisory authorities must take into account if those countries are effectively implementing AML/CFT requirements.
3.4 Financial institution secrecy or confidentiality (R.4)	<ul style="list-style-type: none"> International Cooperation with foreign competent authorities should be enhanced to ensure that no obstacles exist to the exchange of the relevant information to investigate ML and FT. The Law on the Securities and Market Commission should expressly provide for internal and international cooperation with supervisory and other competent authorities when inquiring or investigating suspicious transactions related to ML or FT.
3.5 Record keeping and wire transfer rules (R.10 & SR.VII)	<ul style="list-style-type: none"> Clarify in the law or in a regulation that the information and records maintained by FIs should be readily available to the competent authorities, supervisory or judiciary. Effectively monitor the implementation of the law and regulation as regards the obligations on record keeping and wire transfers.
3.6 Monitoring of transactions and	Recommendation 21

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
relationships (R.11 & 21)	<ul style="list-style-type: none"> • Supervisory authorities should monitor the implementation of the law, namely regarding the implementation of enhanced due diligence to transactions from countries that are not applying FATF recommendations and that lack economic justification or may be considered to be of a criminal nature. • Supervisory authorities and/or UIF should provide reliable information to FIs on countries that do not apply or insufficiently apply ML or FT measures. • The BNA or other supervisory authorities should be provided with the authority to impose counter measures.
3.7 Suspicious transaction reports and other reporting (R.13, 14, 19, 25, & SR.IV)	<p>Recommendation 13 and SR IV</p> <ul style="list-style-type: none"> • UIF should prepare guidelines directed to FIs providing guidance on how to prepare and report suspicious transactions. Other supervisory authorities should also issue guidelines for the transmission of information on ML and FT situations and provide feedback to the FIs on the cases transmitted to assist them to apply the AML/CFT framework. • UIF should consider how to manage CTRs to be received. • Consider the feasibility of providing access to the CTRs by other competent authorities for AML/CFT purposes. • UIF and other competent authorities should ensure that the report of large currency transactions is done in a manner that ensures the use of this information for AML/CFT purposes only. • Ensure that all predicate offences required under Recommendation 1 are subject to the reporting requirement. <p>Recommendation 25</p> <ul style="list-style-type: none"> • The UIF should ensure that it provides the necessary feedback to reporting institutions on the STRs it receives from such institutions. • Other supervisory authorities should issue guidelines to their authorized institutions along the same lines as

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	the BNA has done.
3.8 Internal controls, compliance, audit and foreign branches (R.15 & 22)	<p>Recommendation 15</p> <ul style="list-style-type: none"> • Adequately enforce the obligation to have a compliance function in all FIs • Adequately enforce the obligation to have audit and internal control systems which also apply to AML/CFT. • The authorities should ensure that branches and subsidiaries of foreign banks operating in Angola are covered under Article 19 of Law 34/11. • BNA, ISS and CMC should ensure that the risk-management policies and procedures, and audit and internal control procedures have been implemented by FIs and that they are effective. • FIs, beginning by the major state owned and private ones should extend their independent audit of internal controls to ML and FT issues. • FIs should provide training to their employees and management on AML/CFT preventive measures and requirements. • FIs should establish rigorous and adequate recruitment procedures of employees, ensuring that the selection of employees is based on their professional capacity, experience and personal and professional integrity to exercise their functions. <p>Recommendation 22</p> <ul style="list-style-type: none"> • Supervisory authorities should monitor effectively compliance with the legal and regulatory requirements for Angolan banks that have foreign branches and affiliates abroad, namely in Portugal, Brazil, Cape Verde, S. Tome & Principe, and South Africa.
3.9 Shell banks (R.18)	<ul style="list-style-type: none"> • Supervisory authorities should initiate monitoring actions in order to ensure compliance by FIs with the prohibition against maintaining correspondent relationships with shell banks and the obligation to be satisfied that their correspondent banks do not use accounts relating to shell banks.

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
<p>3.10 The supervisory and oversight system - competent authorities and SRO's role, functions, duties and powers (including sanctions) (R.17, 23, 25, & 29)</p>	<p>Recommendation 23</p> <ul style="list-style-type: none"> • The BNA and ISS should have a more proactive stance in understanding the structure of legal persons and the source of the funds invested in the acquisition of qualified holdings in FIs in order to clearly understand who the natural persons are ultimately holding the capital of FIs. • The BNA should issue regulations and guidelines facilitating the implementation of Law 34/11 to all non-banking financial institutions related to money and credit, such as microfinance companies, money transfer companies and exchange offices, which fall under its supervision. According to the Angolan authorities, those are currently under preparation. • All supervisory authorities should verify, by means of inspective actions, whether the designated institutions in each of the sectors have established the policies, procedures and measures that will enable the effective implementation of the legal duties established under Law 34/11 and regulations. These actions should be undertaken in a reasonable timeframe. • Supervisory authorities should consider requiring the application of fit and proper tests also to the directors of FIs, and not only to the members of the board and auditing body. • The criteria of suitability and professional experience required to manage and audit banking financial institutions should be adequately extended to non-banking financial institutions. • The supervisory authorities should investigate how the informal and parallel remittance system works and develop measures in order to decrease the cost of formal remittances and simplify the verification of the identification of the customer in situations of low risk, in order to attract people to the formal remittance system. <p>Recommendation 29</p> <ul style="list-style-type: none"> • ISS and CMC should undertake actions destined to raise awareness regarding the obligations contained in Law 34/11, for instance through publications, seminars and workshops directed to their subject institutions. • ISS and CMC should also issue regulations and recommendations clarifying and facilitating the effective implementation of Law 34/11, for instance providing examples of types of transactions that usually imply

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<p>higher risk of ML and FT.</p> <ul style="list-style-type: none"> • The monitoring and supervision programs and actions of all the supervisory authorities directed to ML and FT prevention should be strongly reinforced. • The Supervisory technical structure and IT systems of the ISS and CMC should be reinforced to deal with the supervisory functions related to ML and FT prevention. • The ISS and the CMC should apply rules of suitability and experience to the members of the board, the auditing body or the directors of the institutions that they supervise. • Considering that supervisory authorities are the best placed to know their subject entities, their activities, products, their evolution and dynamics in their respective sectors, the assessment team considers that these authorities should also be the best placed to regulate matters related to ML and FT prevention, as well as to issue implementing regulations or recommendations. Therefore, the ability for UIF to issue regulations targeting financial entities should be strictly limited to its core functions, which are to receive, analyze, and disseminate STRs or to take the role of supervisory /oversight authorities should those not fulfill their role, in accordance with the powers granted to it by Article 25 (2) of Decree 35/11. • When revising Presidential Decree n° 35/11, the authorities should establish clear lines between the competences of each supervisory and oversight authority and UIF.
3.11 Money value transfer services (SR.VI)	<ul style="list-style-type: none"> • The BNA should issue implementing regulations requiring the maintenance of a list of agents and the obligation to communicate it to the BNA. • The technical structure of the BNA dealing with the implementation of AML/CFT monitoring and compliance should be reinforced. • Strong efforts by the BNA and other competent authorities are needed to increase the number of money remittance companies, to simplify customer identification procedures in low risk situations and to promote the lowering of the cost of remittances, in order to allow more people, mainly immigrants of low income level, to use the formal money remittance channels, avoiding important ML and FT risks.
4. Preventative Measures - Non-Financial Businesses and Professions	

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
4.1 Customer due diligence and record-keeping (R.12)	<ul style="list-style-type: none"> • Supervisory and oversight authorities, namely in the real estate sector, in the high value goods and precious stones market, and lawyers, which provide the main services to undertakings, associations and foundations must have their legal framework in place and initiate the raising of awareness of their professionals on ML/FT prevention. • Strong efforts to raise awareness of the requirements of the legal framework, namely Law 34/11, directly related to DNFBPs are needed from the FIU and the supervisory and oversight authorities in each sector of activity. Supervisory and oversight authorities must raise awareness of the AML/CFT provisions to their subject entities and issue regulations or recommendations on the implementation of AML/CFT provisions and effectively oversee their implementation. • Information on foreign PEPs should be immediately available to DNFBPs, either from their supervisory or oversight authorities or from the Government, allowing for the prompt implementation of the legal provisions, namely to lawyers, accountants, real estate agents and constructors selling their own constructions and companies service providers.
4.2 Suspicious transaction reporting (R.16)	<ul style="list-style-type: none"> • Implementation regulations or guidelines should be issued by the oversight authorities in order to raise awareness and help DNFBPs to comply with their AML/CFT obligations, as required under Law 34/11. • Entities responsible for carrying out the oversight of DNFBPs should undertake efforts to comply with their obligations: INH should carry out the oversight of real estate agents, DNM of dealers in precious metals and stones, DNIAE of the entities buying and selling high value goods, the Bar association of lawyers, the Ministry of Justice of notaries and the Association of Accountants. • Entities in charge of DNFBPs' oversight or UIF as appropriate should prepare guidelines to assist DNFBPs in complying with their AML/CFT obligations.
4.3 Regulation, supervision, monitoring, and sanctions (R.17, 24, & 25)	<ul style="list-style-type: none"> • Enhance the resources, in particular staffing of the National Directorate for Mines, so that it is able to adequately oversee the activities of extracting, buying and selling of precious stones and precious metals. • <u>Operationalize</u> the oversight authorities on gaming, real estate intermediation and accountants and provide them with sufficient resources. • Ensure the effective application of AML/CFT preventive measures by DNFBPs, initially targeting the most vulnerable sectors with regard to ML/FT, such as the buying and selling of precious stones, the intermediation of real estate, lawyers and other service company providers, through adequate oversight

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<p>and enforcement.</p> <ul style="list-style-type: none"> • Establish mechanisms to disseminate without delay the list of UNSCSR designated persons to DNFbps that are subject to law 34/11. • Provide adequate resources, human, financial and IT for the relevant oversight agencies.
4.4 Other designated non-financial business and professions (R.20)	<ul style="list-style-type: none"> • Competent supervisory authorities should issue implementing regulations and/or guidelines to facilitate the implementation of the legal provisions and establish oversight programs to verify the compliance of the subject entities. • Angolan Authorities in cooperation with FIs should improve the reach of payment systems nationwide, also with the aim to improve the traceability of payments and thereby prevent ML and FT.
5. Legal Persons and Arrangements & Non-Profit Organizations	
5.1 Legal persons - access to beneficial ownership and control information (R.33)	<ul style="list-style-type: none"> • Ensure that the national system of registries contains all the relevant information allowing for the clear identification of the beneficial ownership, or who exerts control over the asset(s); • Create an easy mechanism to access the information contained in the registries of legal persons, allowing for the quick tracing of information by the competent authorities; • Implement procedures to allowing for the relevant authorities have full access to the information contained in the registries of legal persons; • Similarly, implement the sharing of information about the registries of legal persons with foreign competent authorities, such as requested information related to the shareholding of foreign companies that are shareholders of Angolan companies; • Take appropriate measures to register the transmissions of bearer shares, ensuring that they are not misused for the commission of ML offenses and that the principles set out in criteria 33.1 and 33.2 above are effectively applied.
5.2 Legal arrangements - access to beneficial ownership and control	<ul style="list-style-type: none"> • Conduct an analysis of whether and how trusts can engage into business relationships with financial institutions or DNFbps and, who are the intermediaries and what are the risks; • Consider the risks of express trusts operating in Angola and take action, if necessary, to ensure that there

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
information (R.34)	<p>are not abused for criminal activities.</p> <ul style="list-style-type: none"> • Ensure that either as a result of the CDD undertaken by FIs or DNFBPs⁸⁷, or the requirements of CDD on the intermediaries representing the trust, competent authorities do have timely access to beneficial ownership information.
5.3 Non-profit organizations (SR.VIII)	<ul style="list-style-type: none"> • Conduct a review of the adequacy of existing laws and regulations that relate to NPOs. • Review the degree of ML and FT risk in the NPO sector and to develop a risk-based approach based on this review in order to better target scarce resources where they would be most useful. • Ensure that UTCAH has sufficient resources to properly fulfill its oversight mandate for the purpose of identifying the features and types of NGOs at risk of being misused for FT by virtue of their activities or characteristics. • Establish clear oversight responsibility over foundations. • Conduct regular outreach with the NPO sector to discuss the scope and methods of abuse of NPOs, emerging trends in FT, and new protective measures. Provide advisory papers, conferences, workshops, and other useful resources regarding FT prevention. • Take effective measures to ensure that NPO registration information is easily accessible to the appropriate authorities by creating an effective and integrated information gathering and sharing mechanism in order for competent authorities to be able to investigate and take prompt action when required. • Increase capacity of UTCAH to collect and make available information maintained by NPOs including records of domestic and international transactions to verify that funds have been spent in a manner consistent with the purpose and objectives of the organization.
6. National and International Cooperation	
6.1 National cooperation and coordination (R.31)	<ul style="list-style-type: none"> • UIF's Supervisory Committee or another appropriate body should perform a comprehensive overview of the main gaps still existing in the Angolan AML/CFT system and consider the establishment of a detailed action plan to overcome those gaps. • The authorities should develop the appropriate mechanisms to review the effectiveness of the systems for combating ML/FT. • UIF should, as soon as possible, complete MoUs with national relevant authorities and continue to develop its operational and regular cooperation with the other competent authorities in the field of preventing and

⁸⁷. See recommendations under R5 and R12.

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<p>combating ML/FT.</p> <ul style="list-style-type: none"> • The cooperation between the BNA, ISS and CMC should be formalized through the conclusion of MoUs. • The supervisory authorities in the financial system should consider the establishment of a formal task-force to deal with the preparation of regulation and guidelines on AML/CFT issues, to be consulted on technical transversal issues of interest to all the supervisory authorities, to exchange knowledge and experience between them, to prepare warnings and information on ML/FT issues, this way avoiding potentially conflicting positions. • The authorities should continue their efforts to ensure that relevant entities involved in combating ML/FT, such as UIF, law enforcement agencies, courts, notaries and registries, the Ministry of Justice in general, Customs, the ISS and CMC have sufficient and adequate human, financial and IT resources to effectively perform their duties.
6.2 The Conventions and UN Special Resolutions (R.35 & SR.I)	<ul style="list-style-type: none"> • The Angolan authorities should, as a matter of priority, take the necessary steps to fully implement the provisions of Vienna and Palermo Conventions and FT Convention, as described in the section above. • The Angolan authorities should also take the necessary steps to implement the provisions of the SCSRs 1267 and 1373.
6.3 Mutual legal assistance (R.36, 37, 38, & SR.V)	<p>Recommendation 36</p> <p>The authorities are recommended to set up specific laws/regulations which provide for MLA, in the following terms:</p> <ul style="list-style-type: none"> • Provide the widest possible range of mutual legal assistance in AML/CFT investigations, prosecutions, and related proceedings. • Establish the standards to be observed in the processes of MLA requests with clear and efficient processes for its execution in a timely, constructive, and effective manner. • Establish and maintain a database system that manages statistics on MLA requests received, their nature, the time taken to attend to them and the number accepted or refused. • Consider the establishment of mechanisms for determining 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.

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<p>Recommendation 37</p> <ul style="list-style-type: none"> • The authorities should provide for a legislative or regulatory framework on how MLA should be treated in case of absence of dual criminality. <p>Recommendation 38</p> <ul style="list-style-type: none"> • Establish provisions for the confiscation of property of corresponding value. • Establish arrangements for coordinating seizure and confiscation actions with other countries. • Consider establishing an asset forfeiture fund. • Consider mechanisms for sharing confiscated assets with other countries. <p>Recommendation SR V</p> <ul style="list-style-type: none"> • Authorities should ensure that the Angolan legislation which regulates the application of MLA and extradition applies to FT offenses.
6.4 Extradition (R.37, 39, & SR.V)	<p>Recommendation 39</p> <ul style="list-style-type: none"> • Angola should urgently provide for an extradition law that should contain all the procedures relevant to the process of requests for extradition related to offenses of ML and FT, allowing that extradition requests and proceedings relating to ML be handled without undue delay. This law should also cover 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. Moreover, measures to regulate the application of extradition in FT offenses should be provided. • The Angolan authorities should collect on a regular basis statistics on matters relevant to the effectiveness and efficiency of the process of receiving and executing requests for extradition, including the time taken to resolve them and the number of requests effectively accepted or declined. • Angola does not have a law that provides for a process of receiving and executing requests for extradition

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<p>even in the absence of dual criminality, in particular, as regards less intrusive and non compulsory measures. There are no specific provisions in the Angolan legislation which regulate the application of extradition in FT offenses. In this case, the same rules will be used, as referred above, in compliance with the provisions contained in Law 34/11 and in the agreements signed by Angola.</p>
<p>6.5 Other forms of cooperation (R.40 & SR.V)</p>	<ul style="list-style-type: none"> • Consider adopting specific laws and other agreements providing for other forms of international cooperation between the Angolan authorities and their foreign counterparts, in the following terms: • Establish the standards to be observed in the processes of requests for international cooperation; • Devise and apply mechanisms for the requests for which assistance should be in a timely, constructive and effective manner; • Have measures in place to ensure that exchange of information is possible both spontaneously and upon request, in relation to both ML and underlying predicate offences; • Angola should ensure that all competent authorities are authorized to conduct inquiries on behalf of foreign counterparts, allowing UIF to respond to the enquiries from foreign counterparts by searching its own databases, including with respect to information related to suspicious transaction reports; searching other databases to which it may have direct or indirect access, including law enforcement databases, administrative databases and commercially available databases; • Provide for rules on safeguards concerning the use of exchanged information; • Provide for specific rules regarding the application of other forms of international cooperation on FT cases; • Establish and maintain a database system that manages statistics on the requests which have been received, their nature, the time taken to attend to them and the number accepted to or refused.
<p>7. Other Issues</p>	
<p>7.1 Resources and statistics (R. 30 & 32)</p>	<p>For the UIF</p> <ul style="list-style-type: none"> • Adopt definition of careers and of staff remuneration • Include a training component in the work program of UIF, with a view to completing the basic training of existing staff, including permanent training and updates, as well as similar actions for staff to be recruited. • Consider revising the conditions for dismissing the Director of the FIU, in particular with respect to the loss of trust.

FATF 40+9 Recommendations	Recommended Actions (in order of priority within each section)
	<ul style="list-style-type: none"> • Maintain comprehensive and updated statistics on STRs and other relevant information such as CTRs, including their breakdown by type of designated entity, flow of received and analyzed information, and achieved goals. <p style="margin-left: 40px;">For the ANP</p> <ul style="list-style-type: none"> • Provide specific training programs on predicate offences, ML/FT offences, techniques to investigate and prosecute these offences, techniques for tracing property and other topics relevant to ML/FT; • Continue developing specialized expertise and skills at the ANP Prosecutors Office and judicial branch to deal with ML/FT issues and provide appropriate training to their members.
7.2 Other relevant AML/CFT measures or issues	

Annex 1: Details of all bodies met on the on-site mission - Ministries, other government authorities or bodies, private sector institutions

Public Sector

National Bank of Angola (BNA)

Foreign Exchange Department

Debt Management Department

Department for Supervision of Financial Institutions

Ministry of Finance (MOF)

- a. Institute of Insurance Supervision (ISS)

Financial Intelligence Unit

Ministry of Justice

- a. Attorney General
- b. Public Prosecutor's Office
- c. National Directorate for Registries and Notaries
- d. Unified Company Registry (Commercial Registry)

Ministry of Interior

- a. National Directorate for Inspection and Investigation of Economic Activities (DNAIIE)
- b. National Directorate for Criminal Investigations (DNIC)
- c. National Police
- d. National Intelligence Service (SINSE)

Ministry of Foreign Affairs (MFA)

Ministry of Geology and Mines (MIGM)

National Customs Service (SNA)

National Housing Institute

National Gaming Institute (Casino Supervisory Body)

Technical Unit for Coordination of Humanitarian Assistance (NGO Supervisory Body)

Private Sector

Financial Institutions

- a. BAI
- b. BPC
- c. BESA
- d. BFA
- e. BIC
- f. Banco Sol
- g. BAI Microfinanças
- h. Real Transfer
- i. National Insurance Company of Angola (ENSA)
- j. GA Angola Seguros (Private Insurance Company)
- k. Bankers Association of Angola

DNFBPs

- Representatives of accountants
- Representatives of lawyers

External Auditors of

- a. BFA
- b. BAI
- c. BPC
- d. BESA
- e. BAI Microfinanças
- f. Banco Sol
- g. BIC

ANNEX 2: LIST OF LAWS, REGULATIONS AND OTHER MATERIALS RECEIVED

Laws

1. Accounting and Auditing Act
2. Advocacy Act
3. AML/CFT Act
4. Associations Act
5. Business Names Registration Act
6. Commercial Activities Act
7. Commercial Societies Act
8. Corrupt Practices Act
9. Crimes Against the Economy Act
10. Criminal Procedure and Evidence Act
11. Currency Exchange Act
12. Customs and Excise Act
13. Dangerous Drugs Act
14. Financial Institutions Act
15. Insurance Sector Act
16. Legal Education and Legal Practitioners Act
17. Lotteries Act
18. Mines and Minerals Act
19. Mutual Assistance in Criminal Matters Act
20. National Bank of Angola Act
21. National Statistics Act
22. Nationality Act
23. Non-Governmental Organizations Act
24. Payment Systems Act
25. Penal Code
26. Postal Services Act
27. Private Investment Act
28. Protection of Personal Information Act
29. Public Probity Act
30. Public Prosecutors Act
31. Real Estate Act
32. Registration Act

Regulations

1. Credit Cooperatives and Societies
2. Remittances
3. Operations in Foreign Currencies

Other Documents

4. Code of Ethics for Lawyers
5. Code of Conduct for BNA Staff
6. Constitution of the Republic of Angola