



FIRST ROUND MUTUAL EVALUATIONS - POST EVALUATION PROGRESS REPORT OF ANGOLA

Covering the period August 2016 – July 2017

ESAAMLG (2017), First Round Mutual Evaluation - Post Evaluation Progress Report of Angola on Anti-Money Laundering and Counter-Terrorist Financing Measures.

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A. Introduction

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

TABLE 1: Core & Key Recommendations rated NC & PC

Table 1: Ratings of Compliance with Core Recommendations

Core Recs	R.1	R.5	R.10	R.13	SR.II	SR.IV
Rating	NC	PC	LC	PC	NC	LC

Table 2: Ratings of Compliance with Key Recommendations

Key Recs	R.3	R.4	R.23	R.26	R.35	R.36	R.40	SR.I	SR.III	SR.V
Rating	NC	LC	PC	PC	PC	NC	PC	PC	PC	NC

Table 2: Ratings of compliance with Non-core and Non-Key Recommendations

Non- core & Non-key recommendations	2	4	6	7	8	9	11	12	14	15	16	17	18	19	20	21
Rating	LC	LC	PC	C	LC	N/A	LC	NC	C	PC	NC	PC	LC	C	PC	PC

22	24	25	27	28	29	30	31	32	33	34	37	38	39	VI	VII	VIII	IX
LC	NC	NC	LC	PC	PC	PC	PC	NC	NC	NC	NC	NC	NC	PC	PC	NC	NC

B. Overview of Progress made by Angola

3. Since the adoption of the MER in 2012, Angola has passed (and issued) the following laws, regulations and Notices and taken steps to improve its AML/CFT systems:

- Law 3/14 on the Criminalisation of Predicate Offences of Money Laundering to cover the predicate offences and terrorism financing.
- Laws 34/11, 1/12 and 2/14 - Law of Searches and Seizures and the AML Law which provide for provisional and confiscation measures. These measures are considered to be consistent with the FATF Standard with the exception of confiscation of property of corresponding value.
- Law 214/13- which establishes the National Designation Committee and outlines procedures for implementation of UNSCRs 1267 and 1373.
- Mutual Legal Assistance Act No. 13/15- which provides for institutional and regulatory framework for providing international cooperation including extradition.
- Law 212/13- which clearly defines the powers and responsibilities of the Director of the FIU and the Supervisory Committee, enhanced the FIU's operational independence. The Angolan FIU was admitted as member of the Egmont Group on June 4, 2014.
- Directive No 02/DSI/2013 Guidance on the Implementation of the ML / FT Prevention Program- aiming to guide financial institutions in the interpretation of legal and regulatory requirements and their implementation, including procedures for the communication of designated persons and entities.
- Angola is currently reviewing various laws in the financial and NPO sectors to strengthen the AML/CFT system.

4. Angola submitted its Fifth Progress Report for discussion at the 34th Task Force of Senior Officials meeting. Below is the analysis of the Group.

C. Detailed Analysis of the Fifth Progress Report

CORE & KEY RECOMMENDATIONS

BUILDING BLOCK V: INTERNATIONAL COOPERATION

Other forms of cooperation (R. 40)/(SR.V)

5. The MER recommended that Angola consider adopting specific laws and other agreements providing for other forms of international cooperation between the Angolan authorities and their foreign counterparts by establishing the standards to be observed in the processes of requests for international cooperation; devising and applying mechanisms for the requests for which assistance should be in a timely, constructive and effective manner; and having measures in place to ensure that exchange of information is possible both spontaneously and upon request, in relation to ML and underlying predicate offences.
6. The Authorities indicated that the MLA Law No.13/15 and other relevant laws addresses all the above recommendations. They also indicated that the competent authorities, namely, the FIU, National Bank, Regulation and Supervision of Insurance Agency, Revenue Authority and National Police are cooperating with their counterparts using different bilateral and regional frameworks. The Reviewers noted that the FIU is a member of Egmont Group and has entered MOUs with its counterparts within and outside the ESAAMLG. The supervisory and regulatory authorities have entered into MOUs or bilateral agreements with foreign counterpart jurisdictions such as Brazil, Namibia, Sao Tome and South Africa. In addition the law enforcement authorities are using Interpol and SARPCCO for seeking and rendering international assistance.

Conclusion:

This recommendation is addressed.

D. Analysis of Progress on Non-Core and Non-Key Recommendations

Legal persons - beneficial owners- R33

7. The MER recommended that information contained in the Angolan registries of legal persons should be sufficient to allow for the clear identification of beneficial ownership, or who exerts control over the asset(s). Angola should have 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 should also implement the procedures for the full access by the relevant authorities to information contained in the registries of legal persons and the sharing of information about the registries of legal persons with foreign competent authorities. The country should take the appropriate measures to register the transmissions of bearer shares, ensuring that they are not misused for the practice of ML offenses.

8. The Authorities indicated that in Angola, incorporation of commercial companies is subject to the execution of a Public Deed or the conclusion of a company agreement, which would include, among others, the shareholder structure. The Commercial Registry Offices are equipped with computer systems that make it easy to obtain information about commercial companies and this information is available to the competent authorities and the public. The Supervisor of Financial Institutions, namely, BNA, CMC & ARSEG, all have agreements with their foreign counterparts for the exchange of information and the information that can be exchanged includes information related to the shareholding of foreign companies that are shareholders of Angolan companies. In addition, Financial Institutions are not allowed to issue shares to the Bearer. The Authorities also indicated that the DNRN's databases include information on the identification and verification of beneficial ownership. After discussion with the Authorities, the Reviewers requested for the kind of information that is obtained and kept in relation to beneficial ownership under the database so as to ascertain if the information contained in the Angolan registries would be sufficient to allow for the clear identification of beneficial ownership, or who exerts control over the asset(s).

Conclusion:

9. This recommendation is not addressed. After receipt of the requested information, the Reviewers will revisit the recommendation to determine if it has been adequately addressed.

Legal arrangements - beneficial owners- R34 rated NC

10. The MER recommended that Angolan competent authorities should have the capacity to access in a timely fashion the adequate, accurate and current information on the beneficial ownership and control of legal arrangements.
11. The Authorities indicated that though there are no trusts in Angola, foreign trusts may operate businesses in the country through incorporating legal persons in which they are shareholders. These legal persons are subjected to the country's AML/CFT framework under the applicable laws. However, the Reviewers have requested the authorities for information/instances where foreign trusts have been locally incorporated in the manner explained by the Authorities to enable them to determine the extent to which Angola implements the recommendation.

Conclusion:

12. This recommendation is not addressed. The Reviewers will revisit the recommendation upon receipt of the requested information.

Non-Profit Organizations - SR.VIII

13. The Assessors recommended that the adequacy of existing laws and regulations relating to NPOs that can be abused for TF be reviewed. Assessment of the non-profit sector for the purpose of identifying NPOs at risk for terrorist financing be conducted. There should be a follow-up to initial outreach to NPO sector to raise awareness about the risks of terrorist abuse and the available measures to protect against such abuse. UTCAH should have the resources to update or verify the accuracy of information it maintains on the purpose and objectives of NPOs' stated activities and the identity of the persons who own, control or direct their activities. Adequate mechanisms should be in place to ensure prompt information sharing among all levels of appropriate authorities or organizations that hold relevant information on NPOs of potential TF concern. MoUs should be entered between the relevant authorities in order to ensure effective cooperation.
14. To properly assess this recommendation the Reviewers required the Authorities to provide the following amongst others: statistics, signed protocols and assessment report of the NPO Sector for ML/TF Risks. This information is still to be provided.

Conclusion:

15. This recommendation has not been fully addressed. The Reviewers will revisit the recommendation upon receipt of the requested information.

E. SUMMARY AND RECOMMENDATIONS

16. Angola has made minimal progress in implementing the outstanding MER recommendations since August 2016. The following recommendations are made for consideration by the Plenary :

- i. The country should be encouraged in implementing the outstanding MER recommendations.
- ii. Angola should continue reporting annually and the next report should be submitted two months before the Task Force meeting in August/September 2018.