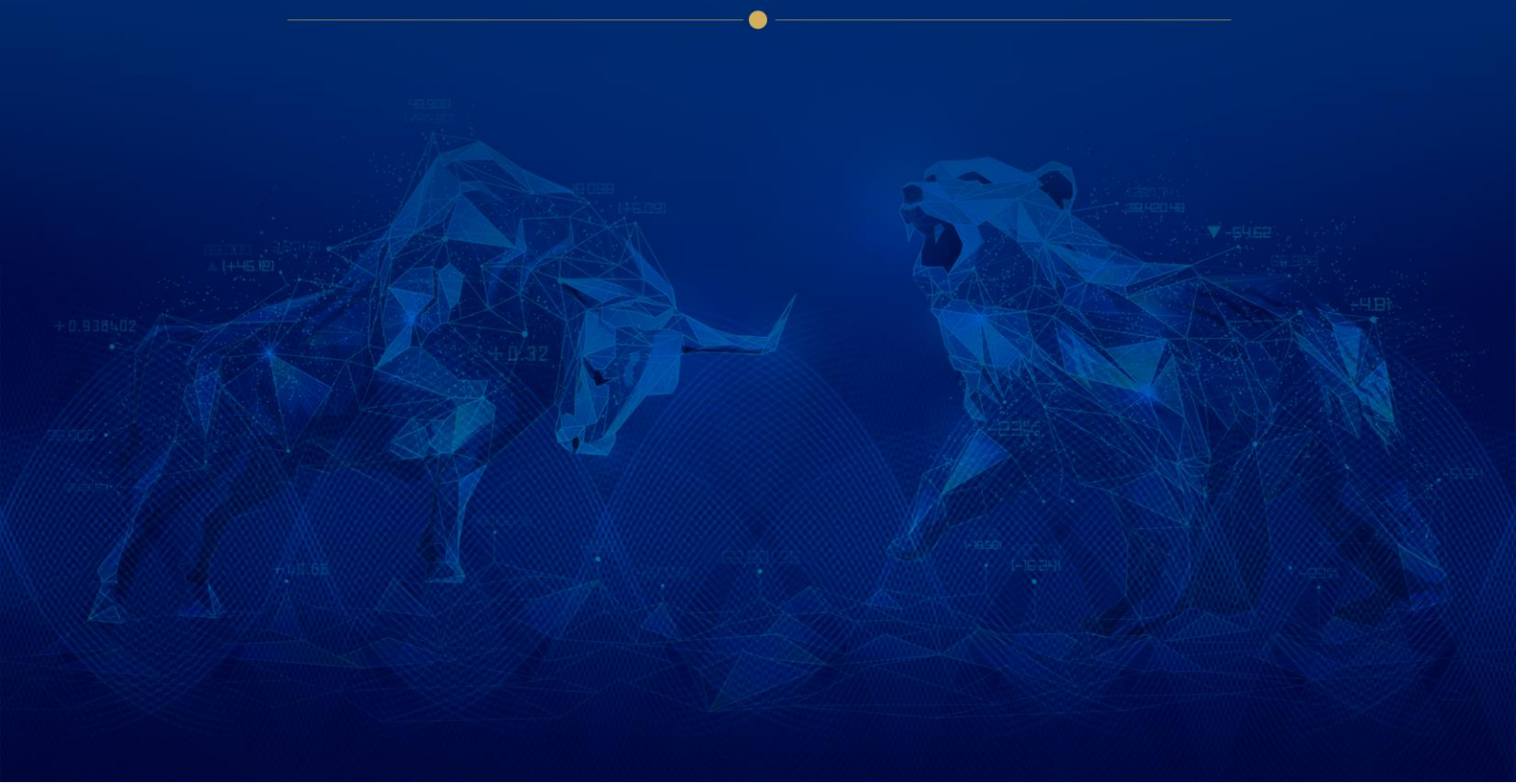




COMISSÃO
DO MERCADO
DE CAPITALIS
REPÚBLICA DE ANGOLA

**CAPITAL MARKET SECTOR RISK ASSESSMENT REPORT ON
MONEY LAUNDERING, TERRORIST FINANCING AND THE
PROLIFERATION OF WEAPONS OF MASS DESTRUCTION**

2022-2023



MVM BCFTPADM SECTOR RISK ASSESSMENT REPORT 2022/23

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ABBREVIATIONS

AI	Banks acting as Brokers
AGT	Tax Authority of Angola
ARN	Country Risk Assessment
ARS	Sector Risk Assessment
BAI	Banco Angolano de Investimento, S.A.
BCFTPADM	Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction
BCGA	Banco Caixa Geral de Angola, S.A.
BI	Identity card
BT	Treasury Bills
CEIC	Center for Studies and Scientific Research
CEVAMA	Securities Clearing, Settlement and Custody Services of Angola
CMC	Capital Markets Commission
DSIFIM	Department for the Supervision of Financial Intermediation and Market Infrastructures
DSOIC	Collective Investment Schemes Supervision Department
ECPAI	Certification organizations for real estate appraisers
FI	Investment Funds
GAFI	Financial Action Task Force
GUE	Corporate One-Stop Shop
GVIME	Market and Issuer Surveillance and Investigation Office
IFB	Bank Institution
IFNB	Non-Bank Financial Institution
LPC/BCFTPAD	Law of PC/BCFTPADM
MBA	Stock Exchange Market
mM	One billion
CM	Capital Market
NIF	Tax Identification Number
OIC	Collective Investment Schemes
OP	Private Securities
OT-ME	Foreign Currency Treasury Bonds

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OT-NR	Non-adjustable Treasury Bonds
OT-TX	Dollar-indexed Treasury Bonds
PAIOIC	Real Estate Appraisers for Collective Investment Schemes
PC/BCFTPADM	Preventing and Combating BCFTPADM
PCI	Conflicts of Interest Policy
PGR	Attorney General's Office
PPE	Politically Exposed Person
PRO.REACT	Project to Support the Strengthening of the National Asset Forfeiture System in Angola
QAA	Self-Evaluation Questionnaire
RFGR	Managers with Relevant Management Functions
SCVM	Brokers
SDVM	Dealers
SGMR	Self-Regulatory Organization
SGOIC	Collective Investment Schemes Management Companies
SGP	Asset Management Companies
SI	Investment companies
UIF	Financial Information Unit
UNODC	United Nations Office on Drugs and Crime
UP	Participation Shares
VLG	Overall Net Value

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Summary

The Capital Market (CM), as a segment of the financial system, is exposed to various risks, including that of being used for the purposes of Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction (BCFTPADM). In this regard, the Capital Markets Commission (CMC) must carry out a risk assessment of the sector it supervises and supervises, with a view to preventing BCFTPADM, under the terms of point iii) of paragraph 4 a) of article 3 of Law no. 5/20, of January 27, the Law on Preventing and Combating BCFTPADM (Law no. 5/20), observing the following rules and regulations. This is in line with the Recommendations of the Financial Action Task Force (FATF) which, in February 2012, determined a fundamental change in the perspective of the fight against ML/TF, in particular by enshrining a risk-based approach.

The CMC carried out the last BCFTPADM Sector Risk Assessment (SRA) in 2022, based on information from 2018 to 2021. It is therefore necessary to update this assessment, in accordance with Article 5(2) of Law 5/20.

To this end, this update was based on data from 2022 and 2023, observing the World Bank's methodology, as well as the methodology applied by the Financial Information Unit (FIU) in the 2021 National Risk Assessment (NRA), where the threats and vulnerabilities of the CM were established, as well as their impact.

We therefore present below the classification of the general level of risk in the capital markets sector (see **ANNEX I**):

Threats - Rating: High (3)

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The informality of the national economy, one of the main threats, exposes the CM to the movement of funds that may be the result of criminal activities.

Vulnerabilities - Rating: Medium (2)

The market's main vulnerabilities relate to the low level of knowledge about BCFTPADM among the employees of the companies operating on the Securities Market Commission, the low effectiveness of the compliance function of these entities, the lack of a reliable identification infrastructure and independent sources of information.

Impacts - Rating: Medium (2)

It was considered that, although not automated, the CMC has the necessary mechanisms to carry out supervision and surveillance, as well as apply administrative sanctions, in the face of the threats and vulnerabilities identified.

General Risk Rating - Medium (2) / Level (12)

As the General Risk Rating is the product of the factors presented above, in 2022 and 2023, the level of risk identified is at the maximum limit of Medium Risk (2), the same result as in the period from 2018 to 2021. The fact that it is at the upper limit of Medium Risk (2) shows that there is an urgent need for the sector to establish a robust action plan in 2024 in order to mitigate or even eliminate the risks identified.

Important Note: In the 2022 and 2023 period, there were two important events that had a significant impact on the 2022/23 ARS, namely:



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- The Angola Mutual Evaluation required that the evaluation tools, as well as the CMC's risk-based supervision approach, be fine-tuned, making for better alignment of statistical data in 2023; and
- The transition process from the investment services of the Banking Financial Institutions (BFI) to the Non-Banking Financial Institutions (NBFI) made it necessary to focus less on the BFI, many of which no longer provide intermediation services as such, and to concentrate on the parent entities of the securities sector. This situation has created limitations in terms of the comparability of information between the different periods.

I. FRAMEWORK

1. The Capital Markets Commission

1.1. Scope of action

CMC is a legal entity governed by public law, with its own assets and administrative and financial autonomy, which is subject to the supervision of the President of the Republic and the Ministry of Finance, under the terms of its Organic Statute, approved by Presidential Decree no. 54/13, of June 6 and Law no. 22/15, of August 31, which approves the Securities Code (CódVM).

The CMC is responsible for regulating, supervising, overseeing and promoting the Securities Market Commission and the activities involving all the agents that intervene in it, directly or indirectly, with a view to achieving the following objectives:

- a) Protect investors;
- b) Ensure the efficiency, smooth functioning and transparency of the Securities Market Commission;
- c) Prevent systemic risk.

In addition, the CMC's mission is to promote, regulate, supervise and oversee the Securities Market in order to ensure its integrity, efficiency, innovation and sustainable development, guided by the balance between investor protection and their legitimate trust and the initiative of its participants, based on the prevention of systemic risk.

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With regard to its Vision, the CMC aims to guarantee the existence of a transparent, dynamic, efficient and trustworthy Securities Market, positioning itself as a Supervisory Body endowed with competence and credibility.

The CMC's supervisory powers are set out in the CódVM.

The Angolan Securities Market currently trades treasury bills (public debt), corporate bonds, shares, repurchase agreements and units in Collective Investment Undertakings (CIUs).

In Angola, this sector involves several direct players, including Brokers (SCVM), Dealers (SDVM), as well as Banking Institutions (IFB or Banks or AI) authorized to act as Dealers, Collective Investment Schemes Management Companies (SGOIC), Investment Companies (SI), Investment Funds (FI) and Self-Regulatory Organization (SGMR), as shown in Figure 1.

In addition, the CMC supervises other entities that participate indirectly in the market, namely Real Estate Appraisers of Collective Investment Schemes (PAIOIC), Real Estate Appraiser Certification Bodies (ECPAI), Credit rating agencies (SNR), Investment Consultants, Financial Analysts, Asset Management Companies (SGP) and External Auditors, as shown in Figure 1.

Figure 1 - Entities that can act in the CM

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Type	2022	2023
External Auditors	9	11
Banks ¹	19	19
Investment Advisors and Financial Analysts	0	3
Credit rating agencies (SNR)	0	0
Certification Body for Real Estate Appraisers (ECPAI)	1	1
Collective Investment Undertaking (OIC)	28	25
Real Estate Appraisers (PAI)	50	75
Stock Exchange (SGMR)	1	1
Brokers (SCVM)	3	7
Dealers (SDVM)	1	8
Collective Investment Schemes Management Companies (SGOIC)	9	10
Asset Management Companies (SGP)	0	0
Total	121	160

Source: CMC

1.2. Size of the Securities Market

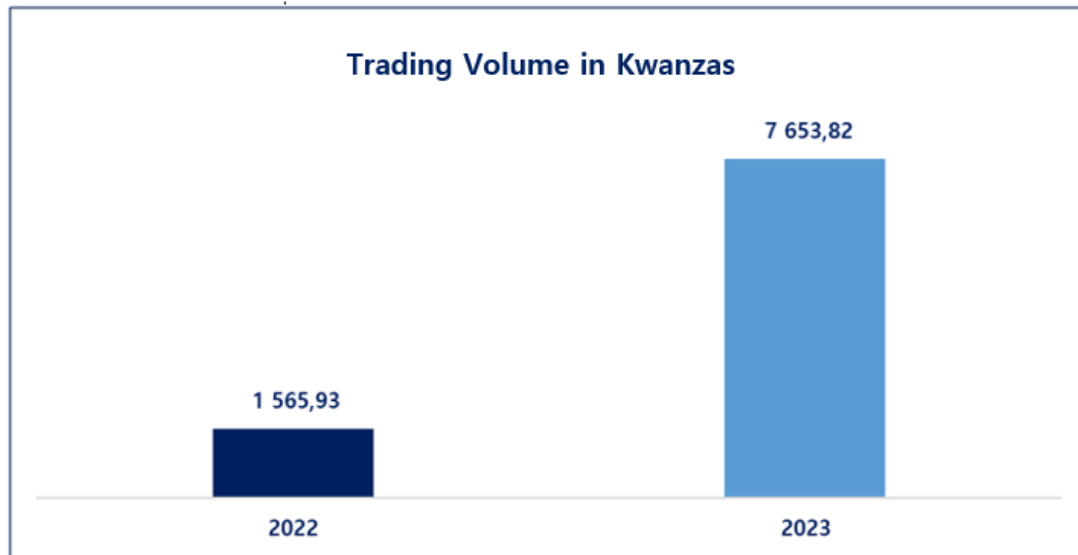
The CM currently has an SGMR, the Angola Security Exchange, which includes the Securities Clearing, Settlement and Custody Services of Angola (CEVAMA) Angola Securities Central in its services.

In 2023, despite the challenging macro-financial environment, the BODIVA Markets recorded an accumulated trading volume of around Kz 7,653.82 billion (equivalent to USD 9,653.82 million), as shown in Figure 2, implying a growth of 181.76% compared to December 2022. This increase in trading volume is in line with the Public Debt Management Unit's (UGD) medium and long-term strategy to promote the domestic market and for managing the risks inherent in public debt, as well as for trading treasury bonds in foreign currency.

¹ They act as Securities Distributors (SDVM).

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Figure 2 - Performance of BODIVA Markets



Source:

BODIVA

It should be noted that of the securities traded on BODIVA, Non-Adjustable Treasury Bonds (OT-NR) were the most traded financial instruments in 2023, accounting for around 87.59% of all trades, an increase of 470.18% compared to 2022, as shown in Figure 3.

Figure 3 - Trading Volume by Instrument in 2022 and 2023 (In billion Kwanzas)

Description	Shares	BT	OP	OT-BT	OT-ME	OT-NR	OT-TX	UP	TOTAL
2022	24,42	2,43	-	3,31	61,03	1 175,80	297,82	1,11	1 565,92
2023	15,45	53,48	1,26	-	375,71	6 704,12	502,45	1,37	7 653,84
Annual var.	-36,73%	2100,82%	N/A	-100,00%	515,62%	470,18%	68,71%	23,42%	388,78%

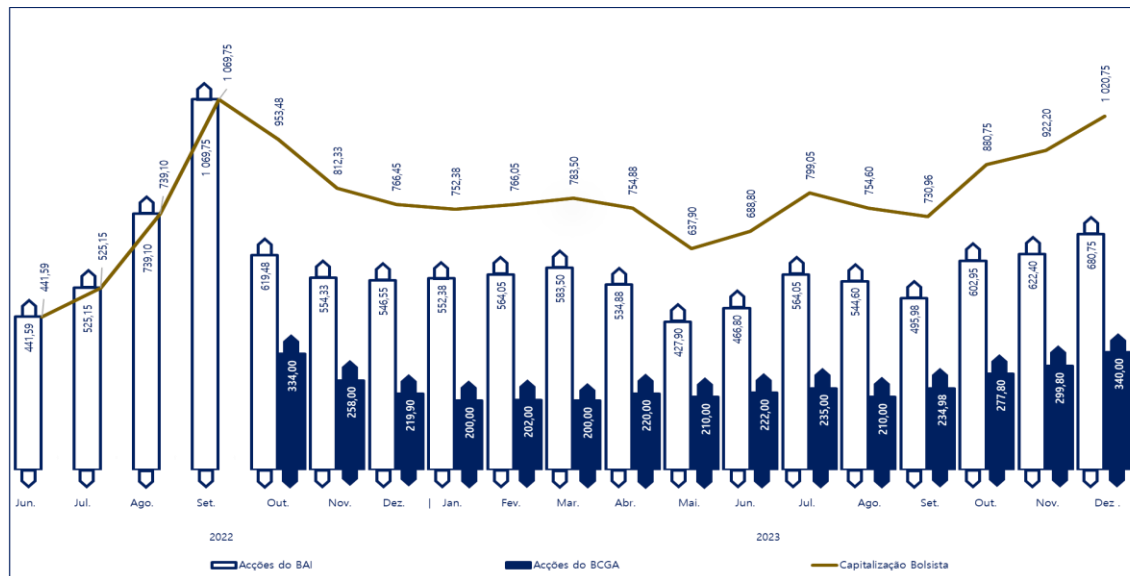
Source: BODIVA

As for the market capitalization of the Stock Exchange Market (MBA), at the end of 2023 it stood at Kz 1,020.75 billion, representing an increase of 33.18% compared to 2022, as shown in Figure 4. In 2023, BAI and BCGA had a capitalization of Kz

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680.75 billion and Kz 340.00 billion, implying a 24.55% and 54.62% increase in share value, respectively, compared to the end of 2022, influenced essentially by the high level of demand for shares in a context of low supply.

Figure 4 - MBA market capitalization 2022/23



Source: BODIVA

When compared to national GDP, we see that the market grew in all the metrics used in the period between 2022 and 2023, except for the size index of derivative instruments over national GDP, as shown in Figure 5.

Figure 5 – Size of CM in relation to National GDP

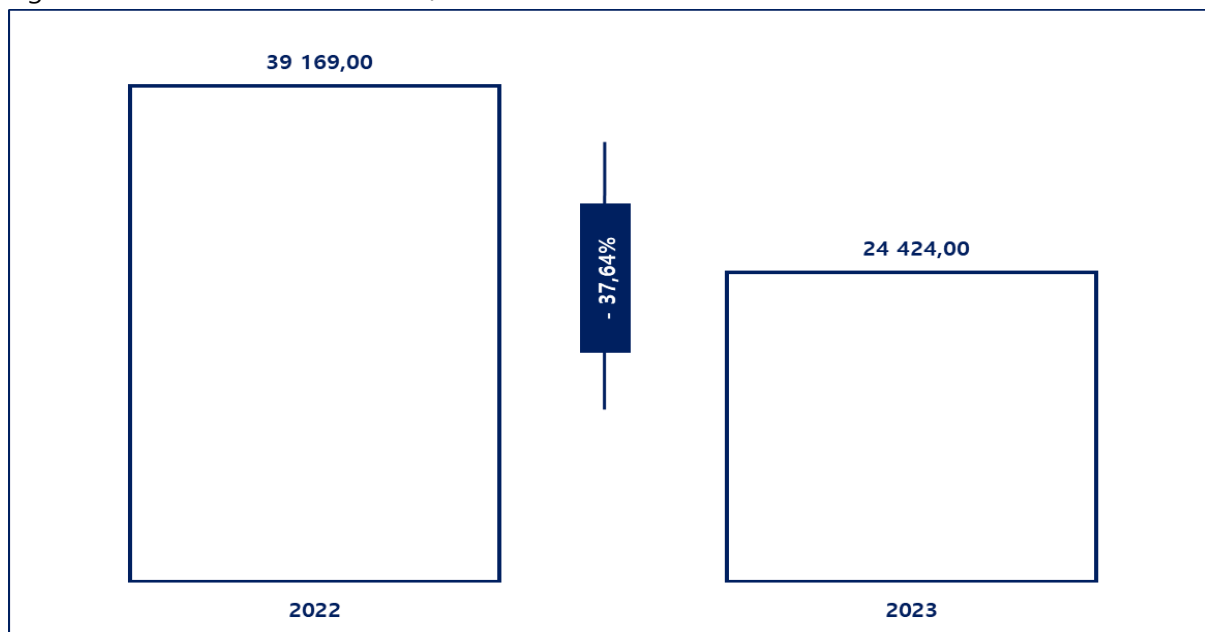
CM Dimension Indicators	2022	2023
Market Capitalization/GDP	1,47%	1,96%
Turnover/GDP	3,00%	14,67%
NAV of OICs/GDP	1,06%	1,27%
Derivatives/GDP	5,63%	0,88%

Sources: MINFIN and CMC

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In 2022, a total of 39,169 accounts were opened at CEVAMA. However, in 2023, fewer accounts were opened (24,424), representing a 37.64% reduction compared to 2022, as shown in figure 6.

Figure 6 - CEVAMA Accounts 2022/23

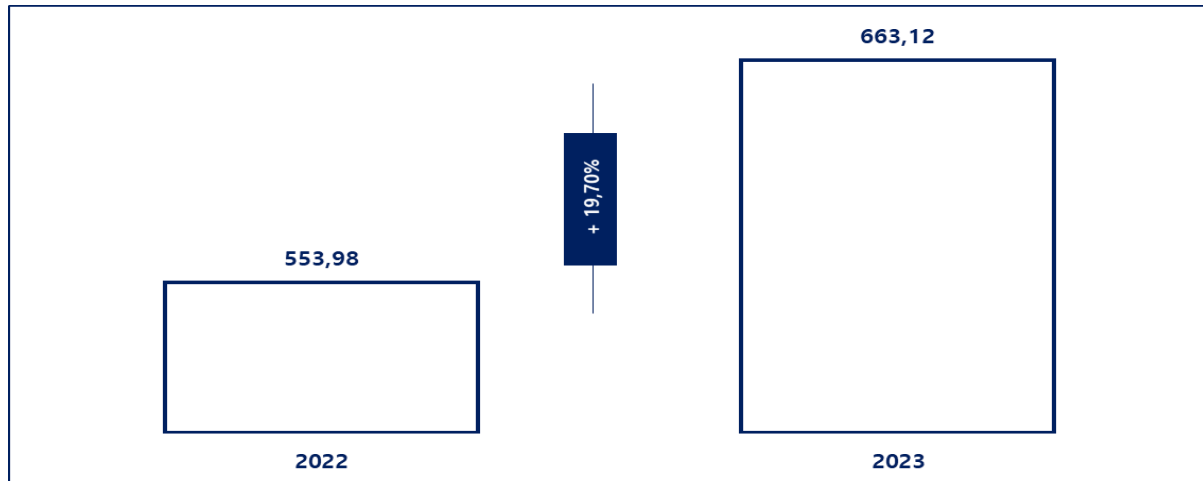


Source: BODIVA

With regard to the Collective Investment Scheme industry, we can see a growth trend. In fact, for this period, the Net Asset Value (NAV) of this market amounted to Kz 663.12 billion, representing growth of around 19.70% compared to 2022, as shown in figure 7.

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Figure 7 - NAV of the CIS Industry 2022/23

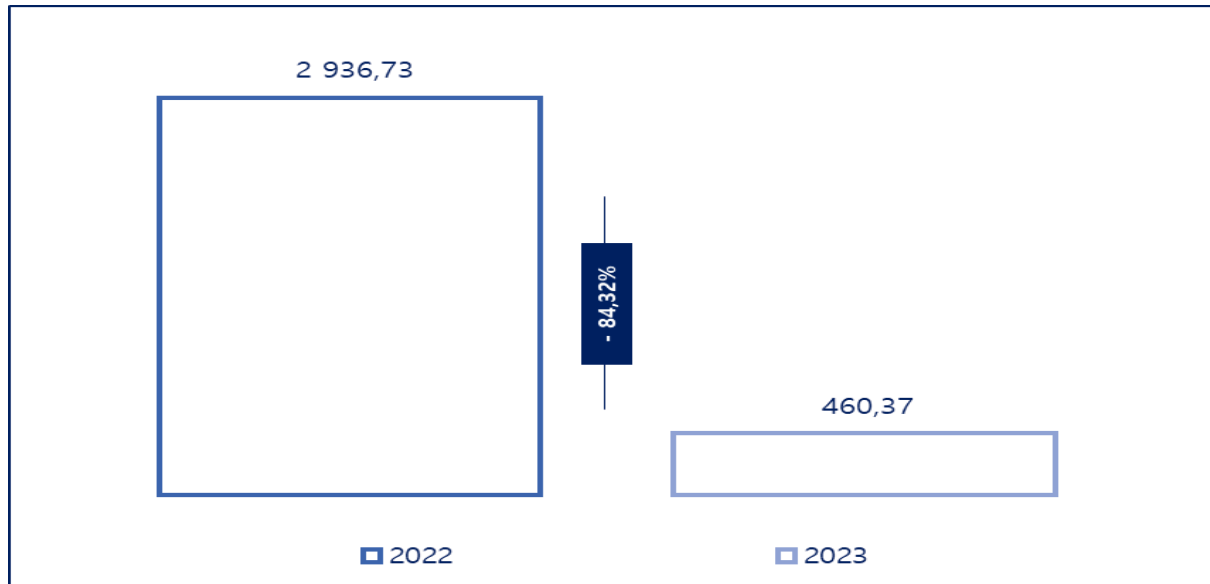


Source: BODIVA

In 2023, the derivatives market signed contracts with a volume, in terms of underlying assets, of around Kz 460.37 billion (equivalent to USD 2.9 billion), implying a reduction of 84.32% compared to December of the previous year, as shown in figure 8.

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Figure 8 - Derivatives Market 2022/23



Source: BODIVA

With regard to the corporate debt segment, the year 2023 was marked by a timid but historic evolution, with two corporate debt issues on the CM, the issue of Private Bonds by Griner Engenharia, S.A., in August, in the amount of Kz 15 billion, and the Public Offering of Bonds by Sonangol, E.P., in September, in the amount of Kz 75 billion.

II. METHODOLOGY

In order to assess the securities sector's BCFTPADM risk exposure, CMC followed the World Bank's methodology, as well as that presented in the 2021 NRA, resulting in the analysis of the following quantities:

1. Threats, which are factors external to the CM;
2. Vulnerabilities identified in the securities sector, taking into account the 12 vulnerabilities identified by the World Bank, according to the specific risk factors of the securities sector and the potential risks of the country;

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3. Impacts, which consist of the main consequences identified for the CM.

Thus, each aspect² analyzed in the quantities is assigned a risk rating of 1 (low risk), 2 (medium risk) or 3 (high risk). Next, the average risk of these aspects is found, resulting in a risk rating by magnitude.

Figure 9 - Classification of the risk to be assigned

LEVELS	LOW	MEDIUM	HIGH
AMOUNTS	1	2	3
RISK = THREATS X VULNERABILITIES X IMPACTS			

The Risk Level is the product of multiplying the Threats, Vulnerabilities and Impacts, which can result in a value between 1 and 27, which will define the Final Risk Rating, as shown in the tables below.

Figure 10 - Possible results of multiplying quantities²

THREATS		LOW			MEDIUM			HIGH		
VULNERABILITY		LOW	MEDIUM	HIGH	LOW	MEDIUM	HIGH	LOW	MEDIUM	HIGH
IMPACT	LOW	1	2	3	2	4	6	3	6	9
	MEDIUM	2	4	6	4	8	12	6	12	18
	HIGH	3	6	9	6	12	18	9	18	27

Figure 11 - Final categorization of risk level

CATEGORY	RISK LEVEL
LOW RISK	FROM 01 TO 06
MEDIUM RISK	FROM 07 TO 12
HIGH RISK	FROM 13 TO 27

² For example, if the Threat is classified as High Risk (3); the Vulnerability as Medium Risk (2); and the Impact as Medium Risk (2); the Result is 12 (3 X 2 X 2).

III. ANALYSIS

3.1. Threat assessment for the securities sector

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Given the CM's embryonic stage, resulting from the fact that the financial instruments traded on the stock exchange are fundamentally public debt securities, with timid issues/trading in corporate bonds and shares, the number of threats to which the market is exposed is small compared to other sectors of activity, given the limited diversity of financial instruments and trading volume. However, given the high informality of economic activity, which encourages the entry of funds into the Securities Market from which it may not be possible to identify, the absence of national lists of TPPs, Designated Persons and the like, the threats are considered to be high, bearing in mind the following observations and general classification level:

3.1.1. Nature and scale of criminal activity

In Angola, it is up to the courts to apply criminal sanctions in terms of ML/TF. The CMC, within the scope of its powers to supervise the Securities Market Commission, must notify the FIU whenever it detects behavior/conduct that could constitute ML/TF crimes.

Over the period in question, the CMC reported 29 operations suspected of constituting a crime of ML/TF/MADF.

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The main risk factors to which the CMC is exposed at this stage are fundamentally related to the lack of a reliable database where up-to-date information can be found on Politically Exposed Persons (PEPs), on persons designated at national level, as well as on Beneficial Owners, which may result in the non-application of enhanced due diligence measures in situations where this would be necessary from the outset due to the quality of the subject/client.

However, the CMC mitigates this risk within the scope of the licensing of entities (natural persons) operating in the Securities Market by requiring the Criminal Record Certificate for the purposes of assessing suitability, as well as that potential investors declare, if they exist, the identity of the beneficial owners, as set out in Law no. 5/20.

In view of the above, the CMC believes that although there is no evidence of criminal activity in the Securities Market, the level of risk is medium, insofar as the tools for identifying potential criminals need to be strengthened, which naturally exposes the securities sector to the risk of criminal activity.

Rating: Medium (2)

3.1.2. Amounts of funds derived from criminal activity

The degree of informality in the national economy poses a threat to the entry of funds from criminal activity, as in some In these situations, it may not be possible to obtain reliable information on the origin of investors' funds in the CM. However, it should be noted that investment in the Securities Market is currently only made by bank customers, which is a risk mitigant, given that when establishing a commercial relationship, the financial institution is also obliged to carry out due

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diligence to identify the origin of the customer's funds, regardless of whether the customer operates in the formal or informal sector of the economy.

In view of the above, taking into account the degree of informality in the national economy, we believe that the Securities Market Operator is exposed to the risk of incorporating funds from criminal activities, and we therefore believe that the level of risk in relation to this threat is high.

Rating: High (3)

3.1.3. Physical inflows and outflows of funds from criminal activities

Although physical inflows and outflows of funds are uncommon in the CM, we believe that this threat represents a high level of risk, when associated with the identified risks to which the CM is exposed, namely the informality of economic activity, the absence of national lists of PEPs, Designated Persons and the like.

Rating: High (3)

3.2. Vulnerability assessment in the securities sector

	2	
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As mentioned above, the World Bank has identified vulnerabilities, based on the specific risks of the securities sector and the potential risks of the country, as well as other inherent vulnerabilities.

3.2.1. Scope of the PC/BCFTPADM legal framework

The legislative and regulatory framework for PC/BCFTPADM is made up of a number of pieces of legislation, namely:

1. Law no. 5/20, of January 27 - Law to Prevent and Combat Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction. Establishes the General Duties of PC/BCFTPADM, as well as the Supervisory Powers and the Sanctioning Regime;
2. Law no. 1/12, of January 12 - On the Designation and Execution of International Legal Acts. This law defines, among other things, the procedures for national designation and removal of designated persons, groups or entities from the list, establishes restrictive measures such as the administrative freezing of assets, as well as enshrining criminal provisions on proliferation financing;
3. Presidential Decree no. 214/13, of December 13 - Approves the Regulation on the Designation and Execution of International Legal Acts. It designates the competent authorities for the purposes of implementing Law no. 1/12, of 12 January, establishes the organization and functioning of the National Committee for the Designation and Enforcement of International Legal Acts, as well as determining the procedures relating to the designation and removal from the National List of States, persons, groups and entities, and also the granting of exemptions relating to the restrictive measures applied;
4. Regulation no. 5/21, of November 8 - Establishes the Rules on the Conditions for the Effective Implementation of the Obligations Provided for in Law no. 5/20, of January 27, on PC/BCFTPADM and Other Related Legislation in the Securities and Derivatives Market. It also establishes the rules on the creation of instruments, mechanisms and formalities inherent to the PC/BCFTPADM obligations;

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5. Instruction no. 06/CMC/04-23, of April 19 - Establishes the Model Annual PC/BCFTPADM Report that Subject Entities are Obligated to Send to the CMC;
6. Instruction no. 09/CMC/12-21, of December 20 - Establishes the Duty to Fill in the Declaration of Identification of Designated Persons (DIPD) Form, prepared by the FIU;
7. Instruction no. 10/CMC/12-21, of December 20 - Establishes the Duty to Complete the Suspicious Transaction Declaration Form (DOS), prepared by the FIU;
8. Instruction no. 11/CMC/12-21, of December 20 - Establishes the Duty to Complete the Form for Reporting Cash Transactions Involving Securities, drawn up by the FIU;
9. Instruction no. 12/CMC/12-21, of December 20 - Establishes the Duty to Declare the Origin and Destination of the Assets of Clients of Subject Entities;
10. Instruction no. 13/CMC/12-21, of December 20 - Establishes the Procedures for Freezing Funds and Economic Resources Belonging to, Owned or Held, Directly or Indirectly, Individually or Jointly, by Designated Persons, Groups or Entities, under the terms of article 17 of Law no. 1/12, of January 12, on the Designation and Execution of International Legal Acts.

Considering the legislation identified above, it is considered that this regulatory framework allows for the effectiveness and efficiency of the PC/BCFTPADM measures to be adopted in the CM.

Rating: Medium (2)

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3.2.2. Effectiveness of supervision procedures and practices | Supervision Model

As part of its supervisory duties, as set out in articles 24 et seq. of the Securities Code, approved by Law no. 22/15, of August 31, as well as in the CMC Regulations and Internal Procedures Manuals, the CMC has three departments, as shown in the figure below, whose duties and powers are defined in the Internal Regulations:

Figure 12 - Number of employees assigned to supervisory departments

Structure Unit	Legal expert	Economist/Financial Analyst	Average years of service at CMC	Total number of employees
DSOIC	1	7	5	8
DSIFIM	2	8	4	10
GVIME	2	4	7	6
Total	5	19	5	24

Caption:

DSOIC - Department for the Supervision of Collective Investment Schemes;

DSIFIM - Department for the Supervision of Financial Intermediation and Market Infrastructures;

GVIME - Market and Issuer Surveillance and Investigation Office.

The Figure 12 above illustrates the permanent staff assigned to the supervisory areas, with 5 lawyers and 19 economic and financial analysts, making a total of 24 employees, with an average length of service at CMC of 5 years.

In addition, a Task Force was set up to respond to CMC's specific CP/BCFTPADM requirements with the following composition, as shown in Figure 13:

Figure 13 - Number of employees assigned to the Task Force

Position	Average years of service at CMC	Total number of employees
Supervision	7	7

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Regulation	6	4
Promotion	7	1
Global Control	7	2
Total	7	14

The Task Force has a multidisciplinary and diversified nature, which allows for a complete and rapid assessment of the scenarios in question, fluency in communication, which has the advantage of enabling swift, assertive, effective and efficient responses.

On the other hand, the internal procedures put in place are duly systematized in supervision manuals, approved by CMC's Board of Directors, which define the steps to be followed in the Continuous Supervision, On-site Supervision and Market Investigation and Surveillance processes.

Below we present the continuous and on-site supervision process in more detail.

- **Continuous, face-to-face supervision process**

The CMC has generic and specific inspection procedures that include, among other things, checking the internal processes of supervised entities, identifying situations that may constitute ML/TF and subsequently reporting suspicious operations to the FIU.

In addition, in accordance with Instruction 12/CMC/11-17, repealed by Instruction 06/CMC/04-23, registered entities must send a specific report on their internal control system and other information on the PC/BCFTPADM on an annual basis.

To this end, 27 reports were received in 2023, 2 more than in the previous year, due to the new entities registered on the market, as shown in Figure 14.

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Figure 14: No. of PC/BCFTPADM reports received by CMC

Organizations	2022	2023
IFB	19	19
SCVM	3	2
SDVM	1	1
SGMR	1	1
SGOIC	1	4
Total	25	27

With regard to face-to-face supervision, in compliance with the Supervisory Action Plans approved by the CMC's Board of Directors, 21 supervisory actions were carried out on BCFTPADM in 2023, 8 more than in 2022, as shown in Figure 15, due to the need to validate the state of the market in these matters.

Figure 15 - Number of direct supervision actions

Types of organizations	Direct supervision	
	2022	2023
IFB	4	3
SCVM	3	6
SDVM	0	4
SGMR	1	0
SGOIC	5	7
Total	13	20

With regard to the specific direct supervision actions on PC/BCFTPADM matters carried out on 17 CM root entities in the 2023 period, the following shortcomings were noted:

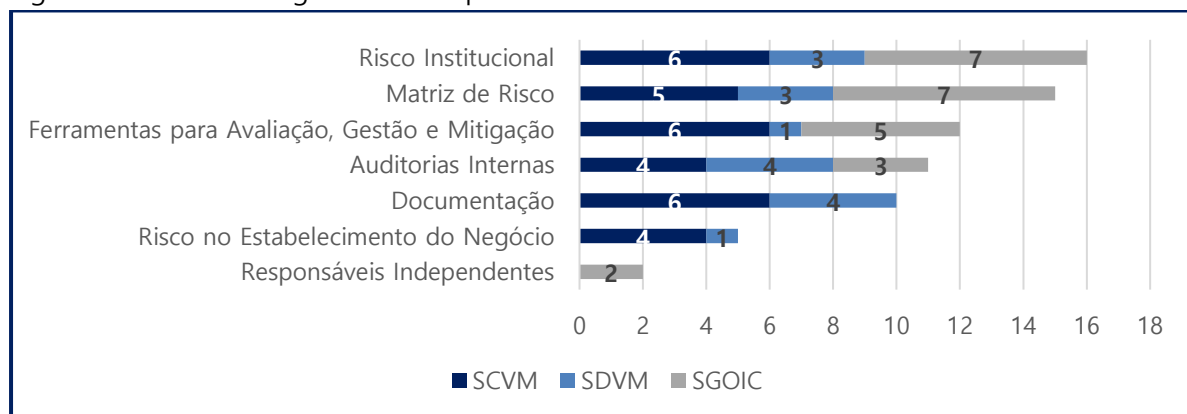
- In 94.12% (16 organizations), lack of procedures for institutional risk assessment of BC/FTPADM;

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- In 88.24% (15 organizations), the absence of a Risk Matrix for BC/FTPADM;
- In 70.59% (12 organizations), there were no tools or applications for evaluating, managing and mitigating the risk of BC/FTPADM;
- In 64.71% (11 organizations), no internal audits were carried out on the BC/FTPADM procedures;
- In 58.82% (10 organizations), there was a lack of complete documentation of the customer due diligence process;
- In 29.41% (5 organizations), the lack of procedures for defining the client's risk level when establishing the deal;
- In 11.76% (2 organizations), the absence of independent Compliance and Internal Audit managers.

According to the figure below, the following shortcomings were identified according to the type of entity:

Figure 16 - Shortcomings in direct supervision actions



Rating: Medium (2)

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3.2.3. Availability and application of administrative sanctions

The CMC regularly publicizes its sanctioning power, as it publishes the sanctioned entities on its website and social networks.

Furthermore, as provided for in article 77 of Law no. 5/20, the CMC has the power, in relation to transgressions committed by the entities subject to it, to investigate, prosecute and impose fines and ancillary sanctions.

However, during the period between 2022 and 2023, the CMC did not investigate any sanctioning procedures based on Law no. 5/20. It turns out that, although the CMC came into contact with some indications of suspicious operations, the difficulty in collecting sufficient evidence to support the facts made it impossible to investigate sanctioning procedures related to the matter.

However, without prejudice to the above, as part of its cooperation with the competent authorities, the CMC analyzed 631 operations and reported 29 suspicious BCFTPADM operations to the FIU, in compliance with the legal obligation to which it is subject.

Rating: High (3)

3.2.4. Availability and application of criminal sanctions

In Angola, it is up to the courts to apply criminal sanctions in terms of ML/TF. The CMC, within the scope of its powers to supervise the Securities Market Commission (CM), must notify the FIU whenever it detects behavior/conduct that could constitute ML/TF crimes.

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Therefore, throughout the period in question, based on the CMC's reports of suspicious transactions, no conduct was identified that had a criminal outcome.

Rating: Low (1)

3.2.5. Availability and effectiveness of input controls

The CMC has manuals and procedures in place which define the general steps of the licensing process (authorization and registration). These systematize the processes for controlling entry into the CM, as well as making it possible to assess and prevent unfit individuals from entering the market. Furthermore, in order to facilitate the process of verifying the suitability of the entities to be licensed, it has been possible to carry out the due diligence necessary for the authorization and registration process using the LexisNexis Risk and Compliance platform, in order to assess their suitability.

- **Entity licensing process**

In terms of the entity licensing process, the CMC carries out detailed scrutiny, both in the authorization and registration phases, of entities to operate in the Securities Market, by checking strict compliance with the requirements of Regulation no. 1/15, of 15 May and Law no. 14/21, of 19 May - The General Regime of Financial Institutions, as indicated below. Thus, in the aforementioned scrutiny of the entities to be licensed, the CMC proceeds as follows:

A) Authorization to Incorporate a Company: through a checklist published on its website, the CMC carries out an in-depth analysis of the information submitted by the applicant. For shareholders, it checks: (i) the shareholding

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subscribed by each shareholder, (ii) proof of the origin of the funds to be used to set up the institution, (iii) detailed information on the financial strength of each shareholder, (iv) the income statement issued by the employers (in the applicable cases), (v) information on the use of bank loans, (vi) if legal entities are shareholders, a nominal list of shareholders with qualifying holdings and a list of entities in which the legal entity has qualifying holdings, among others. In addition, the CMC analyzes documents proving the suitability of shareholders, including beneficial owners, as defined by law.

It is important to underline the limitation arising from the fact that the information provided by shareholders on Beneficial Owners (BE) is of a declarative nature. Due to the lack of an accessible database on EBs, the CMC faces challenges in verifying these declarations.

However, CMC has additional control mechanisms in place to strengthen and make the verification processes more robust.

For the purposes of proving the origin of shareholders' funds, when subscribing in kind (real estate), CMC checks all documentation relating to the legality of the property entering the company or fund, however, it is exposed to the risks inherent in the real estate sector, as no proof of the origin of the funds for the purchase of real estate is verified.

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In the event of a request for the sale of shareholdings in an entity licensed by the CMC, or capital increases, in addition to the above information, the CMC requests and analyzes the grounds for the acquisition/increase, on the part of the bidders who are shareholders in the organization's shareholdings.

Finally, the CMC is also requesting additional information on the suitability of the aforementioned shareholders from the relevant entities in the case under analysis. The entities requested are both national and international, and the available sanctions lists, the PPE List drawn up by the CMC, and the LexisNexis Risk and Compliance Platform are also checked.

B) Registration of entities: under the terms of the published checklist, the CMC carries out an in-depth analysis of the registration elements submitted by the applicant, whereby, for the governing bodies (members of the Board of Directors and the Supervisory Board) and for the Relevant Management Function (RFGR), under the terms of Regulation no. 1/17, the following is ascertained(i) for governing bodies: information on suitability contained in the questionnaire attached to the aforementioned checklist, such as availability and conflicts of interest, refusal/cancellation or revocation of registration for activity, declaration of insolvency, conviction of financial crimes, among others, and (ii) for the Relevant Management Function Officers (RFGR), among various elements, the CMC requests a declaration for each officer stating that they have not been convicted of a criminal offense and that they have not been a director of a company revoked or suspended by the Angolan Financial Market Supervisory Bodies. As with

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shareholders, the CMC also requests technical assistance from the relevant entities, as well as checking that they are not on the CMC's list of PEPs and international sanctions.

In addition, as with the elements for setting up an entity, whenever there are changes to the registration elements, these must be communicated to the CMC, which will then carry out a new analysis in view of the updated information, which will be scrutinized under the terms explained above.

In the period under review, within the scope of cooperation between the different supervisory bodies of the national, international, regional and other financial systems, there was an increase in technical assistance sent and received, both locally and internationally, as shown in Figure 17.

Figure no. 17 - No. of technical assistance requested from counterparts

Organizations	2022		2023	
	Sent	Recieved	Sent	Recieved
International Organizations	14	1	19	7
Regional Organizations	8	0	46	0
Local Organizations	236	28	249	47
Total	258	29	314	54

It should be noted that, within the scope of the technical assistance processes, in 2022 and 2023 we did not obtain information on the legal or natural persons who could be disqualified from practicing on the Securities Market Commission due to issues related to the BCFTPADM.

Rating: Medium (2)

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3.2.6. Integrity of employees of financial institutions supervised by CMC

The integrity of the employees of financial institutions supervised by the CMC is essential to guarantee the trust and stability of the capital market in matters of PC/BCFTPADM. It is therefore necessary for the entities' regulatory framework to be compliant, namely the Conflicts of Interest Policies (CIP) and Codes of Conduct, as they define behavioral expectations and stipulate the consequences for violations.

Likewise, it is important for institutions to periodically carry out surveys aimed at management and staff on the degree of perception of the obligations arising from the law, as this reinforces awareness and understanding of legal responsibilities, as well as helping to identify areas where there may be gaps in knowledge or application of standards.

With regard to the specific direct supervision actions on CP/BCFTPADM matters carried out on 17 root entities in the CM in the period to 2023 and based on the responses and evidence submitted by the supervised entities, it was possible to ascertain the following:

Figure 18 - Data on the integrity of the supervised entities' staff

Description	SCVM	SDVM	SGOIC
PCI	5	4	5
Codes of Conduct	6	4	4
No incidents/violations	6	4	7
No disciplinary measures applied	6	4	7

Caption: PCI - Conflict of interest policies

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The figure above shows that most of the CM root entities supervised in 2023 had up-to-date PCIs, and the others are being monitored by the CMC to achieve compliance in this regard. In addition, it shows that, in general, the entities have continuously monitored their staff, and there were no records of incidents or violations related to BCFTPADM practiced by them during the period under review.

Notwithstanding the above, and although it did not arise from matters linked to the BCFTPADM, in the period under review the CMC identified situations that called into question the suitability of some people to be registered on the Board of Directors of a registered entity, and their registration was therefore rejected. This shows that the supervisor has continuously monitored this issue.

Rating: Medium (2)

3.2.7. Knowledge of PC/BCFTPADM legal standards by employees of financial institutions supervised by CMC

Knowledge of PC/BCFTPADM legal standards is essential to ensure compliance and the effectiveness of the prevention and countermeasures adopted by financial institutions. Therefore, it is crucial to implement continuous training programs that address the latest regulations and best practices in PC/BCFTPADM..

Figure 19 - Data on training activities carried out by supervised entities

Description	SCVM	SDVM	SGOIC
No. of organizations providing training	4	3	5
No. of training courses held	6	4	8
No. of training hours	49	137	99
Level of participation	17	18	26
No. of employees (including CA)	80	79	101

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Level of participation in %	21,25%	22,78%	25,74%
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The figure above shows that the majority of the 17 entities inspected are implementing their training plans, but it is important that they ensure that the knowledge they learn is applied to their activities and adapted to the risks to which the entities are exposed. In this sense, as mentioned earlier in this report, the entities' main shortcomings are focused on procedural issues, which calls into question their level of knowledge regarding their obligations.

To this end, it was found that the entities' programs were all annual in nature, allowing for continuous updating and reinforcement of knowledge. In addition, the training sessions were aimed at both technical staff and members of the entities' management, although there is still a need for greater coverage, in order to guarantee the identification and mitigation of risks, ensuring robust internal controls..

Rating: Medium (2)

3.2.8. Effectiveness of compliance

The financial institutions under CMC supervision have established a compliance function and the respective person responsible for the area in their internal structures, and 9 of the registered entities do not have a registered compliance function, as shown in figure 20..

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Figure 20 - Number of registered entities with a *compliance* role

Organizations	Registered	Compliance role	No Compliance role
IFB	19	19	0
SCVM	6	4	2
SDVM	8	5	3
SGMR	1	1	0
SGOIC	10	6	4
TOTAL	44	35	9

With regard to the effectiveness of the compliance function, the fact that several shortcomings were found in the PC/BCFTPADM procedures calls into question its effectiveness and efficiency, mainly due to the fact that there were weaknesses in the keeping of internal records to prove the simplified and enhanced due diligence carried out on clients.

Rating: High (3)

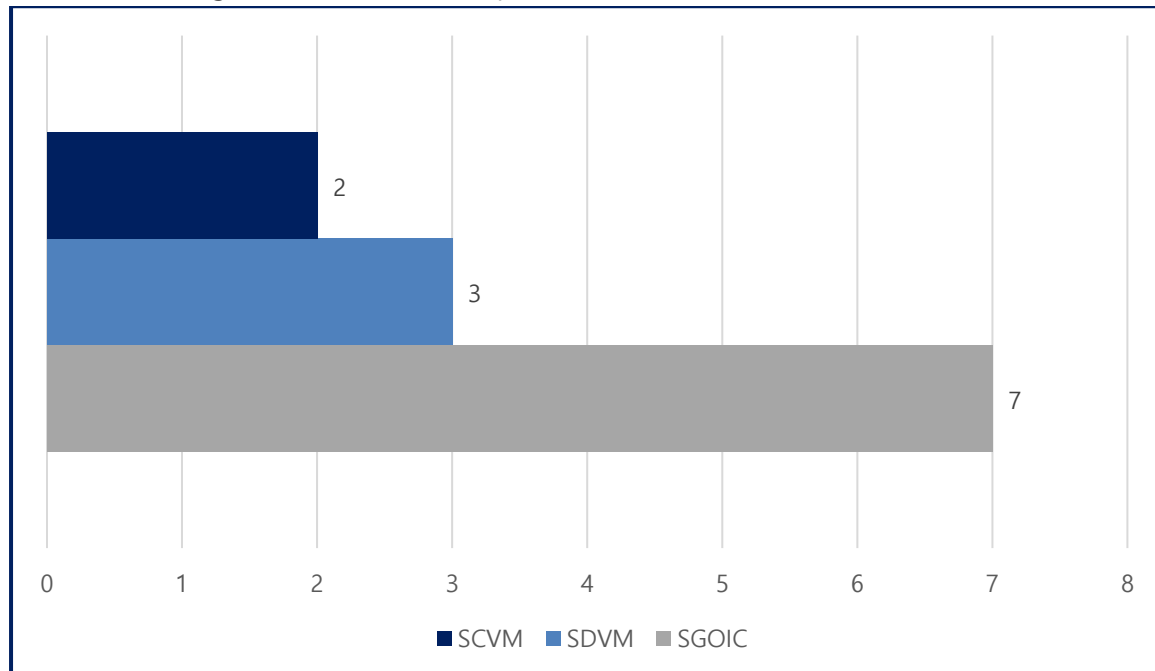
3.2.9. Effectiveness of monitoring and reporting suspicious operations

The institutions assessed in this process generally have procedures that comply with the duty to report suspicious transactions, but in the period under review they did not report any suspicious transactions.

These organizations identify the client's risk profile at the time the business relationship is established. The figure below shows the 17 supervised entities that have these procedures in place.

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Figure 21 - Number of organizations whose compliance officers analyze the risk profile of clients when establishing a business relationship.



In addition, the entities trigger enhanced due diligence when their investors have dealings with persons, legal or natural, belonging to risk jurisdictions within the scope of the promotion of BCFTPADM, as well as with PEPs and Beneficial Owners that represent a high risk of BCFTPADM.

The entities also check the list of persons designated by the United Nations Security Council and make use of IT platforms, which provide access to various lists, as well as enabling them to carry out due diligence (whether simplified or enhanced, taking into account the risk profile of their clients). CMC also makes the lists it receives from the FIU available on its official website and by email.

Securities transactions are generally carried out within the formal financial system, which allows due diligence to be carried out on investors and entities operating in

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the market. The CMC has been monitoring compliance with the PC/BCFTPADM procedures in order to mitigate the risks of using the Securities Market to conceal funds from illicit activities. Thus, we can consider that we have effective monitoring of market operations, which enhances the identification and consequent reporting of suspicious operations.

Rating: Medium (2)

3.2.10. Availability and access to information on actual beneficiaries

When carrying out their analyses, financial institutions must have access to cross-sectional information about the actual beneficiaries. Although, during the period in question, there was no platform providing this type of data, they have used the Corporate One-Stop Shop (GUE) portal and the Tax Authority of Angola (AGT) portal to validate who the beneficial owners are.

For the purposes of identifying beneficial owners, CMC has implemented procedures taking into account that these are natural persons who, under the terms of Law no. 5/20, ultimately hold shares in or control, through the ownership of shares or other means, a company, association, foundation, business entity, cooperative or fund.

Therefore, as part of the licensing process, the CMC carries out due diligence in order to ascertain whether the shareholders, governing bodies and RFGR of the applicant entities are beneficial owners of entities operating in the financial market, as well as other entities in various economic sectors. To date, no BCFTPADM-related alerts have been identified for persons registered with the CMC.

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Given that the procedure for monitoring transactions is manual, CMC is exposed to risk due to the difficulty of processing a high volume of data, and transactions may not be analyzed according to the criteria used.

Rating: High (3)

3.2.11. Availability of reliable identification infrastructures

The national registration and identification system is currently made up of a single institution, the National Directorate of Identification, Registries and Notaries (which issues ID cards, criminal record certificates, birth, death and marriage certificates, land, vehicle and commercial registries).

It is important to note that the fact that the country does not have public lists of PEPs makes it difficult for the CMC and the entities subject to PEPs to identify them, which represents an obstacle to complying with the increased diligence to which PEPs are subject, depending on their risk profile.

Notwithstanding the above, the CMC's procedure is to draw up a monthly list of individuals who have traded on and off the regulated markets, identified in accordance with the legal criteria as PEPs. This list is used to monitor these individuals at the CM, as well as to share with the UIF and allow the consolidation of a list of PEPs at national level. We note that, in the period from 2022 to 2023, 101 (one hundred and one) PEPs traded on CM.

Rating: High (3)

3.2.12. Availability of independent sources of information

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In Angola, there are no independent sources of information on client or investor financial data. However, there are independent bodies such as the Center for Studies and Scientific Research (CEIC) of the Catholic University of Angola, which produce information of a macroeconomic nature, but which do not deal with information specifically aimed at PC/BCFTPADM matters.

The CMC and the entities under its supervision do not have any independent sources of information at national level to verify the conformity of the information presented in the establishment of the relationships, such as NGO reports, statistics, articles published by academic bodies or market participants, etc. that deal with PC/BCFTPADM issues in the country that can be used to complete the assessment..

Rating: High (3)

❖ Inherent Vulnerabilities

➤ **Total value/size of type of institution**

As far as the CIS industry is concerned, we can see an upward trend. In fact, for this period, the Value of Assets under Management in this market amounted to Kz 769.14 billion, representing growth of around 46.32% compared to 2022. The biggest impact is on real estate assets, which in 2023 amounted to Kz 669.58 billion, representing 87.06% of total assets under management.

With regard to securities transactions, we can see that the volume of transactions amounted to Kz 7,653.82 billion, representing growth of around Kz 388.77

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compared to 2022. The biggest impact is on OT-NR, which in 2023 amounted to Kz 6,704.12 billion, representing 87.59% of total assets under management.

Although the volume of assets under management in the CIS market and securities transactions reached historically high levels in 2023, they are not sufficiently significant in the financial system, resulting in a market with little liquidity.

➤ **Complexity and diversity of the institutions' portfolios**

The assets of institutions registered on the Securities Market are made up of real estate assets and financial instruments, including shares, BT, OP, OT-ME, OT-NR, OT-TX and UP.

In addition, real estate assets represent a significant portion of assets, and the most available financial instruments are OT-NR issued by the state. The Securities Market has a limited diversity of assets, with a low level of complexity.

Although turnover in the securities market reached high levels in 2022 and 2023, the liquidity of these trades remains insufficient. With only two companies listed on the stock exchange, the market continues to be characterized by its low liquidity, as mentioned above.

➤ **Profile of the institutions' customer base**

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Although the volume of business transacted in the Securities Market is significant, the entities operating in this market have a client base predominantly made up of natural persons, increasing the sector's exposure to the risk of BCFT, due to their ease of access to investment services, less rigorous verification by financial institutions, carrying out transactions of lower value that avoid detection and difficulty in identifying intentions.

On the other hand, it is worth noting that, although not very representative, legal entities represent a higher vulnerability in terms of BCFTPADM. This is due to the greater ability of these entities to conceal the beneficial owner, the origin of the funds or the purpose of the transactions, which makes it difficult to accurately identify the clients most at risk of BCFTPADM in the sector.

➤ **Existence of an investment/deposit feature for the type of institution**

CM investors' portfolios are made up of real estate assets and financial instruments, including shares, BT, OP, OT-ME, OT-NR, OT-TX and UP. It should be noted that the most widely available financial instruments are OT-NR issued by the state. The Securities Market has a limited diversity of assets, with a low level of complexity, as mentioned above.

➤ **Portfolio liquidity**

Although the volume of business transacted on the securities market will be high in 2022 and 2023, it will not be sufficiently liquid. We only have two companies listed on the stock exchange, which means, as mentioned above, that the market is not very liquid.

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One indicator that reflects this lack of liquidity is the bid/ask spreads associated with the instruments traded. For example, for Banco BAI shares, the lowest price available on sell orders at the time of this analysis was Kz 60.00 thousand, while the highest price available on buy orders is Kz 53.00 thousand, implying that holders of Banco BAI shares have had slight difficulties selling the securities they have in their portfolio at a value they consider fair, while investors looking to buy consider these instruments to be overvalued.

For Banco BCGA shares, the lowest price for sell orders was Kz 15.00 thousand, while the highest price for buy orders was Kz 12.00 thousand, resulting in the same implications raised in the point above and a perception of high liquidity risk associated with these instruments.

➤ **Frequency of international transactions**

Despite ongoing efforts to attract foreign investment in the portfolio, there are almost no foreign transactions due to operational constraints, the main reasons being the lack of regional/global custodians and the legal sector's handling of financial disputes. It should be noted that the fact that BODIVA is not integrated with international stock exchanges dilutes the risk of transferring illicit funds.

➤ **Other vulnerable factors from the type of institution**

Low level of literacy in BCFTPADM matters, not only among investors but also among market operators.

3.3. Assessment of the impact on the Securities Market

2

3.3.1. Effectiveness of supervision/surveillance activities

The CMC carries out its supervisory duties in accordance with the law and has all the necessary mechanisms to monitor entities, based on a risk-based approach to preventing BCFTPADM. However, it is necessary for the CMC to automate supervision, which will be a gain for the market, safeguarding the effectiveness and timeliness of supervision.

In addition, the CMC is exposed to the risks resulting from the informality of the national economy, which has a negative impact on the verification of the origin of investors' funds in the CM. Furthermore, the absence of a publicly available national list of PEPs, designated persons and a Central Registry of Beneficial Owners are also risks to which it is exposed.

However, we would like to highlight the mitigants used by the CMC in direct and indirect monitoring, as well as in licensing, which have made it possible to identify risk situations in the securities market, despite the lack of automated tools.

Rating: Medium (2)

3.3.2. Availability and application of administrative sanctions

The CMC, as the supervisory and inspection authority, has the power and autonomy, in relation to the entities subject to its supervision, to instruct sanctioning

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proceedings on BCFTPADM, impose fines and ancillary sanctions on offenders, under the terms of article 77 of Law no. 5/20, and the fine imposed may be published in a national daily newspaper, at the expense of the offender, as provided for in article 74(e) of Law no. 5/20.

However, within the scope of the BCFTPADM, no administrative sanctions were imposed on the supervised entities during the reference period.

Rating: Medium (2)

IV. SECTORAL RISK CONSOLIDATION

4.1. Sector risk

2 Medium / Level 12

Following the World Bank's methodology combined with that of the UIF, the quantities assessed were classified as follows:

- Threats (3 - High);
- Vulnerability (2 - Medium);
- Impact (2 - Medium).

This results in a Sector Risk Level of 12, i.e. the maximum limit of Average Risk (2), as presented earlier in the methodology (Chapter II). Note that we have the same result as in the period from 2018 to 2021. Maintaining the risk level was essentially due to the fact that in 2023 the PC/BCFTPADM measures were still being fine-tuned as a result of the mutual assessment of Angola carried out by ESAAMLG.

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The fact that it is at the upper limit of Medium Risk (2) shows that the sector urgently needs to take additional steps in 2024 to reduce the level of risk.

4.2. Priority ranking

The assessment made of the potential risks and vulnerability factors existing in the securities sector in Angola, shows a vulnerability of 12 (Medium), for this reason, we are presenting the following priorities for intervention and monitoring:

Figure 22 - Priority ranking

PRIORITY RANKING	VULNERABILITIES IDENTIFIED	VULNERABILITY No.
1	Availability of independent sources of information	12
2	Availability of reliable identification infrastructures	11
3	Availability and application of administrative sanctions	03
4	Effectiveness of the compliance function	08
5	Availability of and access to information on beneficial owners	10
6	Effectiveness of supervisory procedures and practices	02
7	Integrity of securities company employees	06
8	Scope of the legal framework of the LPC/BCFTPADM	01
9	LPC/BCFTPADM knowledge of securities company staff	07
10	Efficient monitoring and reporting of suspicious operations	09
11	Availability and effectiveness of entry controls	05
12	Availability and application of criminal sanctions	04

4.3. Action Plan

Once the priority areas that meet the CMC's 2023-2025 strategy with regard to the PC/BCFTPADM have been identified, the following plan was drawn up, some of the measures of which require cooperation with other entities to materialize:

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Figure 23 - Action Plan 2023/24

Measure	Promote improved knowledge of the LPC/BCFTPADM among employees (governing bodies, RFGR, front office) of supervised entities.
Actions	Ensuring that training sessions are held for employees of institutions under CMC supervision, in collaboration with the other financial sector supervisors and the FIU.
	Hold awareness-raising sessions for employees and non-banking financial institutions to clarify the rules governing BCFTPADM activity.
Measure	Promote the effectiveness of sanctioning measures within the scope of BC/FT.
Actions	Updating the BCFTPADM Suspicion Indicator Guide, as well as the creation of a specific reporting channel for suspicious operations and investor complaints.
	Apply sanctions to unlicensed entities operating on the CM.
	Draw up a half-yearly report on non-compliance with CM obligations under the BCFTPADM.
	Apply proportionate and dissuasive sanctioning measures in the event of non-compliance, both in supervisory actions and in the monitoring of suspicious operations.
	Create annual statistics on sanctions applied in relation to CM obligations under the BCFTPADM, in order to verify their dissuasive impact.
	Draw up a study of non-compliance with CM obligations under the BCFTPADM.
	Carry out specific, risk-based inspections of BCFTPADM control and prevention mechanisms, with emphasis on implementing and improving the control procedures of the entities' Compliance and Internal Audit areas.
Measure	Promote improved knowledge of the BCFTPADM among CMC employees.
Actions	Hold training sessions for CMC employees on the BCFTPADM, specifically the Supervision Department and Task Force.
	Participate in the Technical Committee of PRO.REACT promoted by the European Union, carried out by UNODC.
	Hold training sessions for CMC employees, specifically on: Effective Beneficiaries. Supervision of virtual assets.
	Hold training sessions for CMC employees, specifically on: Effective Beneficiaries. Supervision of virtual assets.
Measure	Promote the effectiveness of the Compliance function and control areas.
Actions	Carry out specific, risk-based inspections of BCFTPADM control and prevention mechanisms, with emphasis on implementing and improving the control procedures of the entities' Compliance and Internal Audit areas.

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	Follow up with the supervised entities on the degree of compliance with the recommendations resulting from the report of the specific inspections carried out.
Measure	Promote the improvement of regulation and supervision in matters of the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction.
Actions	Outline procedures for identifying FT and FP situations through inherent risk assessments centered on customers, products/services, delivery channels and geographical risks.
	Disclose guidelines to supervised entities, depending on the outcome of sector assessments, supervisory actions or any other relevant fact.
	Sign a Memorandum of Understanding with the relevant institutions covering the sharing of relevant information linked to the BCFTPADM.
	Updating the BCFTPADM suspicion indicators according to new situations.
Measure	Promote the effectiveness of supervisory procedures and practices.
Actions	Prepare and publish the Annual BCFTPADM Sector Risk Report on the CMC website and send it to all registered entities.
	Hold workshops to discuss the risks identified in the sectoral risk assessment with the supervised entities.
	Update the Risk Matrix and define the CP/BCFT supervision plan.
	Improve the BCFTPADM Internal Investigation Guide in order to assess matters related to Terrorist Financing.
	Revise the CF/TF Internal Supervision Guide to include matters related to Terrorist Financing
	Implement a computerized system for the supervision and oversight of ML.
Measure	Promote the improvement of the Integrity of the employees of securities companies.
Actions	Ensure, with the publication of the Instruction on the minimum content of the (self-) Assessment of Suitability for the Exercise of Regulated Functions, that supervised entities carry out a high level of scrutiny during the hiring phase of governing bodies and RFGR and that they implement a BCFTPADM risk matrix applicable to all the entity's employees.
	Ensure, with the publication of the Instruction on the minimum content of the BCFTPADM Risk Assessment Report, that supervised entities carry out scrutiny of the risks associated with their activity and implement a BCFTPADM risk matrix covering clients as well as employees.
Measure	Promote improvements in the availability and effectiveness of entry controls.
Actions	Define the stratification criteria for entities.
	Require supervised entities to implement automated controls, including the generation of alerts, on persons (legal and individual) who represent a high risk of BCFTPADM.

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	Ensure, with the publication of the Regulation on the Suitability of Members of the Management and Supervisory Bodies and Relevant Management Function Holders, the implementation of fit and proper analysis procedures.
Measure	Promote greater cooperation between financial system supervisors and other competent authorities
Actions	Draw up annual statistical reports on the exchange of information between supervisors, in the context of technical assistance, spontaneous exchanges of information and suspicious transactions.
	Carry out and disseminate studies on indicators or trends of ML/TF in the financial sector whenever justified (with the FIU), and financial supervisors, with a view to improving the duty of communication imposed on financial institutions.
	Ensure that joint inspections are carried out.
Measure	Promote the existence of reliable identification infrastructures.
Actions	Work with MINJUSDH, as well as BNA and ARSEG, to contribute to the implementation of a transversal infrastructure for the identification of people in the financial market, as well as to the implementation of a Central of Effective Beneficiaries.

ANNEX I

METHODOLOGY - SECTORAL RISK

CATEGORY		DESCRIPTION	RATING	MEDIUM	FINAL RISK ¹¹
THREATS	1	Nature and scale of criminal activity	2	3	12
	2	Amounts of funds derived from criminal activity	3		
	3	Physical inflows and outflows of funds from criminal activities	3		
VULNERABILITIES	1	Scope of the AML legal framework	2	2	
	2	Effectiveness of supervision procedures and practices	2		
	3	Availability and application of administrative sanctions	3		
	4	Availability and application of criminal sanctions	1		
	5	Availability and effectiveness of entry controls	2		
	6	Integrity of securities firms' personnel	2		
	7	AML knowledge of securities staff	2		
	8	Effectiveness of the compliance function (organization)	3		
	9	Effectiveness of monitoring and reporting suspicious activity	2		
	10	Availability of and access to beneficial ownership information	2		
	11	Availability of a reliable identification infrastructure	3		
	12	Availability of independent sources of information	3		
IMPACTS	1	Effectiveness of supervision/surveillance activities	2	2	
	2	Availability and application of administrative sanctions	2		