# SECTORAL TERRORISM FINANCING RISK ASSESSMENT OF THE SECURITIES MARKET SUMMARY REPORT 2025

COMISSÃO DO MERCADO DE CAPITAIS
REPÚBLICA DE ANGOLA

**SECTORAL TERRORISM FINANCING RISK ASSESSMENT OF THE SECURITIES MARKET**

**SUMMARY REPORT 2025**

## Table of Contents

## ABBREVIATIONS/ACRONYMS

| | |
|---|---|
| **I ("AI")** | **Intermediaries** |
| **NRA ("ANR")** | National Risk Assessment |
| **SRA ("ASR")** | Sectoral Risk Assessment |
| **ML/TF/PWMD** | Money Laundering, Terrorism Financing and the Proliferation of Weapons of Mass Destruction |
| **CMC** | Capital Markets Commission |
| **FATF** | Financial Action Task Force |
| **ESAAMLG SM** | **Eastern and Southern Africa Anti-Money Laundering Group** |
| **("MVM")** | Securities Market |
| **SBF ("SCVM")** | Securities Brokerage Firms |
| **SDF("SDVM")** | Securities Dealer Firms |
| **CISMC ("SGOIC")** | Collective Investment Scheme Management Companies |
| **FIU** | Financial Intelligence Unit |
| **CB ("OP")** | Corporate Bonds |
| **FCTB ("OT-ME")** | Foreign Currency Treasury Bonds |
| **DITB ("OT-TX")** | Dollar-Indexed Treasury Bonds |

## EXECUTIVE SUMMARY

The Sectoral Risk Assessment (SRA) is a fundamental strategic tool for understanding the risks to which the Securities Market (SM) is exposed. It enables the systematic identification, analysis, and evaluation of threats, vulnerabilities, and risks associated with terrorism financing (TF). The results/findings of the SRA provide critical support in defining policies, establishing strategic priorities, and implementing risk-based mitigation measures, while also guiding the effective allocation of human, financial, and technological resources.

The Capital Markets Commission (CMC) conducts risk assessments of the sector under its supervision and governed by its specific rules, aimed at identifying, assessing, and mitigating the risks of terrorist financing (TF). This responsibility is carried out pursuant to sub-subparagraph (iii) of subparagraph (a), paragraph (4) of Article 3 of Law No. 5/20 of January 27 (the Law on the Prevention and Combating of Money Laundering, Terrorist Financing, and the Proliferation of Weapons of Mass Destruction (AML/CFT/CPWMD Law)).

The Capital Markets Commission (CMC) conducted the most recent Sectoral Risk Assessment (SRA) on AML/CFT/CPWMD at the beginning of 2024, based on information from 2022 and 2023.

In this regard, the present update was based on 2024 and 2025 data, applying the World Bank methodology as well as the methodology adopted by the Financial Intelligence Unit (FIU) in the 2025 National Risk Assessment (NRA), where the threats and vulnerabilities of the Securities Market (SM) were established, and their impact likewise verified.

Accordingly, the magnitude of the threat was assessed as presenting a **Medium-Low** level of risk, while the magnitude of the vulnerability was assessed as presenting a **Low** level of risk, resulting in an overall TF sector risk assessment of **Medium-Low**.

# I. INTRODUCTION

## 1.1. OBLIGATION TO CONDUCT A TERRORISM FINANCING RISK ASSESSMENT

During the period between October 2021 and March 2023, Angola was subject to a mutual assessment conducted by the *Eastern and Southern Africa Anti-Money Laundering Group* (ESAAMLG), a regional body established to monitor countries' progress regarding compliance with and implementation of the Financial Action Task Force (FATF) Recommendations on the prevention and combating of Money Laundering (ML) and Terrorism Financing (TF).

In September 2024, Angola was assessed by the Financial Action Task Force's (FATF) *International Co-operation Review Group* (ICRG). Subsequently, on October 25, 2024, the FATF Plenary Meeting decided to return Angola to the list of countries under increased monitoring and issued a set of recommendations to be implemented across all sectors, Terrorism Financing and Proliferation of Weapons of Mass Destruction.

Accordingly, in compliance with FATF Recommendation 1 and with the objective of addressing specific gaps in the Securities Market (SM) sector—particularly the need to deepen the understanding of terrorist financing (TF) risks—the Capital Markets Commission (CMC) conducted its third Sectoral TF Risk Assessment (SRA), prepared separately from the proliferation of weapons of mass destruction (PWMD) assessment. This assessment was carried out pursuant to paragraphs 1 and 2 of Article 5 of Law No. 5/20, the Law on the Prevention and Combating of Money Laundering, Terrorist Financing, and the Proliferation of Weapons of Mass Destruction.

## 1.2. ASSESSMENT SCOPE

The Sectoral Risk Assessment (SRA) was based on 2024 and 2025 information and data, following the World Bank methodology as well as the methodology applied by the Financial Intelligence Unit (FIU) in the 2025 National Risk Assessment (NRA). The assessment identified the threats and vulnerabilities affecting the Securities Market (SM) and also evaluated their potential impact.

The SRA focuses exclusively on the activities regulated and supervised by the Capital Markets Commission (CMC). It encompasses the entities under its supervision/supervised entities[1], as provided for in subparagraph (a) paragraph 1, paragraph 3, and subparagraph (i) of paragraph 7, all of Article 2 of Law No. 5/20 on the Prevention and Combating of Money Laundering, Terrorism Financing and Proliferation of Weapons of Mass Destruction. Specifically, these entities comprise those engaged in securities investment activities, namely Securities Dealer Firms and Securities Brokerage Firms (SDBFs and SBFs) and Collective Investment Scheme Management Companies (CISMCs).

The remaining entities, which provide ancillary services to the financial system, are excluded from the scope of the SRA for ML/TF prevention and combating purposes under the CMC's supervision, given the nature of the activities they perform.

# II. METHODOLOGY AND DATA COLLECTION

## 2.1. METHODOLOGY

To evaluate the securities sector's exposure to terrorist financing (TF) risk, the Capital Markets Commission (CMC) applied the World Bank methodology, which broadly determines risk based on sectoral vulnerabilities. In addition, the CMC utilized the Financial Action Task Force (FATF) methodology, which assesses TF risk by examining both threats and vulnerabilities. These methodologies provide guidance in formulating relevant questions and in interpreting specific assessment criteria and associated variables.

[1] Financial institutions provided for under the law establishing their respective regulatory framework (paragraph (a) of Article 2(1) of Law No. 5/20); management of funds, securities or other assets of a different nature (Article 2(3) of Law No. 5/20); and management companies of regulated markets, settlement systems, clearing houses or central counterparties, and centralized securities depositories (paragraph (i) of Article 2(7) of Law No. 5/20).

The risk assessment, conducted in accordance with the World Bank methodology, evaluated a range of factors related to threats and vulnerabilities. Each factor was rated using the following scale: Low, Medium-Low, Medium, Medium-High, or High.

With respect to vulnerabilities, and in accordance with the World Bank methodology, the following variables were assessed: i) ***control input variables, which consider the level of preparedness and resilience of both supervisory authorities and supervised entities in preventing and combating terrorism financing (TF); and*** ii) ***inherent vulnerabilities, which take into account the specific characteristics of the sector in order to evaluate the inherent risks associated with the products and services offered to the market.***

For the purpose of vulnerability classification, a score ranging from 0 to 1 was assigned in accordance with the methodology matrix set forth below:

**Figure 1** - Vulnerability Level Classification

| Excellent | Almost Excellent | Very High | High | Medium -High | Medium | Mediu m-Low | Low | Very Low | Almost None | Non-Existent |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 0.9 | 0.8 | 0.7 | 0.6 | 0.5 | 0.4 | 0.3 | 0.2 | 0.1 | 0.0 |

**Source:** World Bank

For the assessment of threats, in accordance with the aforementioned methodology, the ratings were assigned as illustrated in Figure below:

**Figure 2** - Threat Classification

| Non-existent | Rare/limited | Moderate | Not Reviewed | Significant |
|---|---|---|---|---|
| 0.1 | 0.3 | 0.6 | 0.8 | 0.9 |

**Source:** World Bank

The assessment was conducted by evaluating the level and nature of the threats, taking into account the ability of potential offenders to exploit the system for illicit purposes. Therefore, risk is determined by the combination of threats and vulnerabilities:

**Figure 3 -** Risk Calculation Methodology

SECTORAL THREATS + GENERAL SECTOR VULNERABILITIES (CONTROL AND INHERENT VULNERABILITIES) = SECTORAL RISK

- ✓ **Threats** arising from factors external to the Securities Market (SM);
- ✓ **Vulnerabilities** identified in the securities sector, taking into consideration the 12 vulnerabilities identified by the World Bank, in light of the specific risk factors of the securities sector and the country's potential risks;
- ✓ **Risk** – the likelihood that an entity may be used, intentionally or unintentionally, to conceal or disguise the illicit origin of funds.

**Figure 4** - Risk Calculation Method

| GENERAL THREATS | | | | | |
|---|---|---|---|---|---|
| H | H | H | MH | H | H |
| MH | M | M | MH | MH | H |
| M | ML | M | M | MH | MH |
| ML | ML | ML | M | M | M |
| L | L | ML | | M | M |
| | L | ML | M | MH | H |
| | GENERAL VULNERABILITIES | | | | |

## 2.2. SOURCES OF INFORMATION

For the purposes of the Sectoral Terrorism Financing Risk Assessment of the Securities Market, the following sources were used: (i) the 2025 TF National Risk Assessment (NRA) Report; (ii) the 2024 Sectoral TF Risk Assessment (SRA) Report; (iii) Angola's Mutual Evaluation Report; (iv) Angola's Post-Observation Period Report (POPR); (v) questionnaires addressed to Market Entities; (vi) [2]Statistical data on Suspicious Transaction Reports (STRs) submitted to the Financial Intelligence Unit (FIU); (vii) Guidance on a Risk-Based Approach in the Securities Sector; and (viii) the Report on transactions carried out in the Securities Market during 2025.

## 2.3. IDENTIFICATION OF RISK FACTORS

In assessing the level and nature of vulnerability, consideration was given to the characteristics of the sector and the gaps existing within the system, based on the assessment of the factors selected from the file provided by the World Bank (Step 3. Sectoral TF Risk Assessment)[3], and others, depending on the specific nature of the sector as determined by the national risk assessment, selected by the supervisor, namely:

- **Threats**

The following factors were used to classify threats: (i) Existence of global TF typologies; (ii) Existence of regional TF typologies; (iii) Geographic factors; (iv) Demographic factors; (v) National threat level.

---

[2] SBF ("SCVM"), SDF("SDVM") and CISMC ("SGOIC")

[3] File provided by the World Bank for risk assessment.

## ❖ Vulnerabilities

### • Control Vulnerabilities

With regard to **control vulnerabilities**, the following factors were selected: (i) Comprehensiveness of the PC/ML/TF/PWMD Legal Framework; (ii) Effectiveness of Supervisory Procedures and Practices; (iii) Availability and Application of Administrative Sanctions; (iv) Availability and Application of Criminal Sanctions; (v) Availability and Effectiveness of Entry/Access/input Controls; (vi) Integrity of employees working in the Securities Sector/Industry; (vii) TF Prevention and Combating Legal Framework knowledge of employees working in the Securities Sector/ industry; (viii) Effectiveness of the Compliance Function; (ix) Effectiveness of Suspicious Activity/Transaction Monitoring and Reporting; (x) Availability of and Access to Beneficial Ownership Information; (xi) Availability of Reliable Identification Infrastructure; and (xii) Availability of Independent Sources of Information.

### • Product-Inherent Vulnerabilities

With regard to **inherent product vulnerabilities**, the following factors were selected: (i) Overall Size/Turnover of the Securities Sector/Industry; (ii) Outbound International Transactions/Operations; (iii) Outbound International Transactions/Operations involving/(to) Higher-Risk Geographic Locations/Areas/Countries; (iv) Inbound International Transactions/Operations; (v) Inbound International Transactions involving/(from) Higher-Risk Geographic Locations/; (vi) Level of Monetary Activity; (vii) Use of Agents, Suppliers, and Other Intermediaries; and (viii) TF Prevention and Combating Legal Framework Suitability/Usefulness.

# III. ANALYSIS/ASSESSMENT

## 3.1. THREAT ASSESSMENT/CLASSIFICATION

The overall threat level for terrorism financing is 0.32, classified as "low-medium".

**Figure 5 -** Summary Chart of the General Threat Classification

| Intermediaries | CISMC ("SGOIC") |
|---|---|
| **0.32 (Medium Low)** | **0.32 (Medium Low)** |

**Figure 6 -** Variables assessed in the threat chart

| Threat | Intermediaries | CISMC ("SGOIC") |
|---|---|---|
| Types of TF at the regional level | 0.3 | 0.3 |
| Types of FT at the global level | 0.3 | 0.3 |
| Threats Posed by Geographic Factors | 0.3 | 0.3 |
| The Threat Posed by Demographic Factors | 0.3 | 0.3 |
| National Threat Level | 0.3 | 0.3 |

| Non-existent | Rare / Limited | Moderate | Not assessed | Significant |
|---|---|---|---|---|
| 0.1 | 0.3 | 0.6 | 0.8 | 0.9 |

## 3.2. VULNERABILITY CLASSIFICATION

The sector's overall vulnerability rating for terrorist financing is **0.09**, classified/categorized as "**low**", and reflects both control vulnerabilities and product-related inherent vulnerabilities.

**Figure 7 -** Sector Summary Chart of the Overall Vulnerability Classification

| Intermediaries | CISMC ("SGOIC") |
|---|---|
| **0.09 (Low)** | **0.09 (Low)** |

### 3.2.1 Control Vulnerability Classification

After assessing the 12 securities market control vulnerability criteria, it was concluded that the Control Vulnerability Risk Level is **0.40**, classified as "**Medium Low**".

**Figure 8 -** Entry Control Vulnerability Classification

| Input Control Vulnerability Classification | Intermedíries | CISMC |
|---|---|---|
| Comprehensiveness of the TF Legal Framework | 0.5 | 0.5 |
| Effectiveness of Supervisory Procedures and Practices | 0.5 | 0.5 |
| Availability and Application of Administrative Sanctions | 0.5 | 0.5 |
| Availability and Application of Criminal Sanctions | 0.9 | 0.9 |
| Availability and Effectiveness of Entry Controls | 0.6 | 0.6 |
| Integrity of Securities Firms' Employees | 0.4 | 0.4 |
| AML Knowledge of Securities Companies | 0.4 | 0.4 |
| Effectiveness of the Compliance Function (Organization) | 0.3 | 0.3 |
| Effectiveness of Application of TF Criminal Sanctions | 0.7 | 0.7 |
| Effectiveness of Suspicious Activity/Transaction Monitoring and Reporting | 0.5 | 0.5 |
| Availability of and Access to Beneficial Ownership Information | 0.3 | 0.3 |
| Availability of Reliable Identification Infrastructure | 0.4 | 0.4 |
| Availability of Independent Information Sources | 0 | 0 |

### 3.2.2 Product-Inherent Vulnerability Classification

After assessing the 12 securities market product-Inherent vulnerability criteria, it was concluded that the Vulnerability Risk Level is **0.11**, classified as **"Low"**.

**Figure 9 -** Product-Inherent Vulnerability Classification

| Inherent Vulnerabilities | Intermediaries | CISMC ("SGOIC") |
|---|---|---|
| Overall Size/Turnover of the Securities Sector | **0.1 (Low)** | **0.1 (Low)** |
| Outbound International Transactions/Operations | **0.2 (Limited Level)** | **0.2 (Limited Level)** |
| Outbound International Transactions/Operations involving/(to) Higher-Risk Geographic Locations | **0 (Non-existent)** | **0 (Non-existent)** |
| Inbound International Transactions/Operations | **0 (Non-existent)** | **0 (Non-existent)** |
| Inbound International Transactions involving/(from) Higher-Risk Geographic Locations | **0.2 (Limited Level)** | **0.2 (Limited Level)** |
| Profile of the Customer Base | **0.1 (Low)** | **0.1 (Low)** |
| Level of Monetary Activity | **0.1 (Low)** | **0.1 (Low)** |
| Use of Agents, Suppliers, and Other Intermediaries | **0.1 (Low)** | **0.1 (Low)** |
| TF Usefulness | **0.1 (Low)** | **0.1 (Low)** |
| Other Inherent Vulnerability Factors | **0 (Non-existent)** | **0 (Non-existent)** |

| Low | Medium-Low | Medium | Medium-High | High |
|---|---|---|---|---|
| 0.00-0.20 | 0.20-0.40 | 0.40-0.60 | 0.60-0.80 | 0.80-1.00 |

## IV. OVERALL RESULTS/FINDINGS

The TF risk to which the Securities Market Industry/Sector is exposed is **0.21**, classified as a **Medium-Low** risk level.

**Figure 10 -** Summary Chart of FT Risk Level Findings

| Intermediaries | CISMC ("SGOIC") |
|---|---|
| **0.21 (Medium Low)** | **0.21 (Medium Low)** |

**Figure 11 -** Summary of TF Risk inherent in the Securities Sector

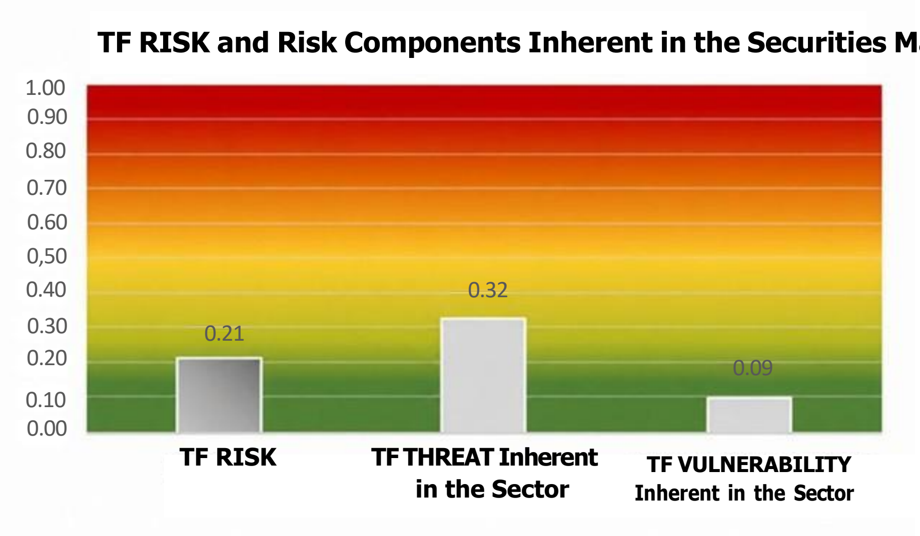
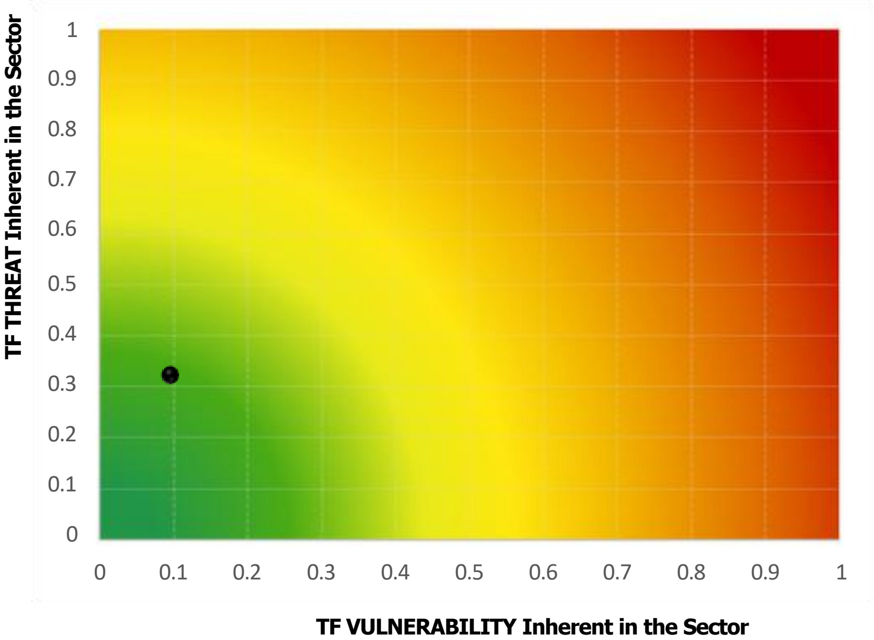



**Figure 12 -** TF Risk Level Chart



## V. PRIORITY CLASSIFICATION

The results/findings relating to the sector's TF vulnerability assessment serve as a guiding framework for the CMC's actions associated with TF prevention, resulting in the definition of priority actions based on the risks identified, whether related to the quality of the controls implemented or to the inherent vulnerabilities detected.

In this regard, the figure below presents the main vulnerabilities that require priority intervention, as identified in relevant the assessment.

**Figure 13** - Priority Classification

| ATF CONTROL FACTORS | PRIORITY (0 to 5) |
|---|---|
| Securities Industry Employees' ATF Knowledge and Awareness | 3 |
| Effectiveness of the Compliance Function (Organization) | 2 |

Accordingly, in order to mitigate the identified TF vulnerabilities, a total of 43 actions are planned, namely 4 direct supervisory actions, 35 indirect supervisory actions, and 4 TF Workshops/training and Awareness-raising actions, as shown in the figure below.

**Figure 14** - Planned Actions for 2026

| Year | Planned Actions | | |
|---|---|---|---|
| | On-site actions | Off-site actions | Workshop |
| 2026 | 4 | 35 | 4 |

Notwithstanding the information and data provided above, extraordinary supervisory actions are planned to address the situations identified during the year. In this regard, the CMC's action plan is aligned with the main vulnerabilities identified.

In view of the above, the CMC will continue to implement a risk-based approach, not only by maintaining the work conducted to address the vulnerabilities identified in the 2024 sectoral report, but also by adjusting its perspective to the different variables now assessed.

Accordingly, CMC will develop, within each sector under its supervision, the necessary initiatives for the dissemination/disclosure and mitigation of the TF vulnerabilities specifically identified in this report.