Anti-money laundering and counter-terrorist financing measures

Cabo Verde

6th Enhanced Follow-up Report & Technical Compliance Re-Rating

Follow-up Report

May 2025

The Inter-Governmental Action Group against Money Laundering (GIABA) is a specialized institution of ECOWAS and a FATF Style Regional Body that promotes policies to protect member State's financial systems against money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter terrorist financing (CTF) standard.

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6th Enhanced Follow-up Report of Cabo Verde

I. INTRODUCTION

1. The GIABA Plenary adopted the mutual evaluation report (MER) of the Republic of Cabo Verde in May 2019. This Follow-up Report (FUR) analyses Cabo Verde's progress in meeting the technical compliance requirements of the Recommendations that are being re-rated. Technical compliance re-ratings are given where sufficient progress has been demonstrated.

2. This report does not analyse any progress made by Cabo Verde to improve its effectiveness.

3. The assessment of Cabo Verde's application for re-rating of technical compliance and the preparation of this report were carried out by Mr. Tiago Lambin, Institute of Public Markets for Real Estate and Construction (IMPIC), Portugal and Mr. Ibrahim Salvaterra, Central Bank of São Tomé and Príncipe.

4. The experts were supported by Ms. Gina Wood of the GIABA Secretariat.

5. Section III of this report summarises the progress made to improve technical compliance. Section IV contains the conclusion and a table illustrating Cabo Verde's current technical compliance ratings.

II. FINDINGS OF THE MUTUAL EVALUATION AND FOLLOW-UP REPORT

6. Cabo Verde1's ratings in the MER and the improved ratings based on the Second FUR are as follows:

Table 1: TC rating of Cabo Verde after the adoption of the MER/FUR (April 2021)

R.	Rating	R.	Rating
1.	PC (MER 2019)	21.	C (MER 2019) ↓ LC (FUR 2021)
2.	PC (MER 2019)	22.	PC (MER 2019)
3.	C (MER 2019)	23.	LC (MER 2019)
4.	C (MER 2019)	24.	LC (MER 2019)
5.	LC (MER 2019)	25.	LC (MER 2019)
6.	PC (MER 2019)	26.	PC (MER 2019)
7.	LC (MER 2019) ↓ PC (FUR 2021)	27.	PC (MER 2019)
8.	PC (MER 2019)	28.	PC (MER 2019)
9.	C (MER 2019)	29.	LC (MER 2019)
10.	PC (MER 2019)	30.	C (MER 2019)
11.	LC (MER 2019)	31.	C (MER 2019)
12.	LC (MER 2019)	32.	PC (MER 2019)
13.	LC (MER 2019)	33.	C (MER 2019)
14.	LC (MER 2019)	34.	LC (MER 2019)
15.	PC (MER 2019)	35.	LC (MER 2019)
16.	PC (MER 2019)	36.	LC (MER 2019)
17.	PC (MER 2019)	37.	LC (MER 2019)
18.	PC (MER 2019)	38.	LC (MER 2019)
19.	PC (MER 2019)	39.	LC (MER 2019)
20.	PC (MER 2019)	40.	LC (MER 2019)

7. Taking into account the results of the MER and the FUR, Cabo Verde was placed in Enhanced Follow-up from the last FUR.

III. OVERALL ASSESSMENT OF PROGRESS MADE TO IMPROVE TECHNICAL COMPLIANCE

8. In accordance with GIABA's Mutual Evaluation Process and Procedures, this FUR reviews progress made up to 22 November, 2024. In line with GIABA's current ME procedures and the FATF Methodology for assessing technical compliance with the FATF Recommendations and the effectiveness of AML/CFT systems, the review team's review considered the progress made towards addressing the deficiencies identified in the MER and the first FUR, the entirety (all criteria) of each Recommendation under review, noting that this is not detailed in cases where the institutional or operational framework has remained unchanged since the MER or FUR and where there have been no changes to the FATF Standards or their interpretation.

9. This section summarises the progress made by Cabo Verde to improve its technical compliance by addressing the technical compliance deficiencies identified in the MER and the First FUR.

3.1. Progress made to address the technical compliance deficiencies identified in the MER/FUR

10. Cabo Verde has made progress towards addressing the technical compliance deficiencies identified in the MER in relation to Recommendation 2. In view of this progress, Cabo Verde has been re-rated in relation to this Recommendation.

11. GIABA welcomes the progress made by Cabo Verde to improve its technical compliance with Recommendation 15. However, progress is insufficient to justify an improvement in the rating of this Recommendation at this stage.

Recommendation 2 (Originally rated Partially Compliant)

12. The mutual evaluation report (MER) and the first enhanced follow-up report (FUR) assessed the implementation of AML/CFT policies in Cabo Verde, highlighting several shortcomings and the lack of significant progress, respectively. Regarding the initial deficiencies in AML/CFT policy coordination, the MER rated Cabo Verde PC on Recommendation 2 due to the lack of a designated entity to coordinate AML/CFT policies, absence of national policies informed by the risks identified, and lack of an operational structure for cooperation between authorities. The 2021 FUR indicated limited progress. Although Cabo Verde reported the automatic transposition of NRA recommendations through sectoral prevention mechanisms and the holding of workshops in 2019, there is no evidence that these measures have been effective or that AML/CFT Acts have been revised.

13. **Criterion 2.1 [Mostly Met]** Cabo Verde is developing and implementing AML/CFT policies based on the risks identified in the 2017 NRA and deficiencies identified in the 2019 MER. On April 3rd, 2023, Cabo Verde published, in the official Gazette of the Republic of Cabo Verde, resolution No. 24/2023, which approved the "National Strategy to Prevent and Combat Money Laundering, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction" ("ENCAVE"). ENCAVE was developed using the technical assistance of the United Nations Office on Drugs and Crime (UNODC) and works as a roadmap for the functions of the CIM, created by Resolution No. 13/2020, of 27 January, to coordinate policies to prevent and combat Money Laundering, Terrorist Financing and the Financing of the Proliferation of Weapons of Mass Destruction (ML/TF/PF).

14. Notwithstanding the approval and entry into force of ENCAVE, which has sought to develop its activity, promoting training, technical and high-level meetings, it is noted that it, despite being informed by the risks identified in the 2017 NRA and by the results obtained in the 2019 Mutual Evaluation Report, they need to be reviewed and updated. This may jeopardise the acuity and timeliness of the risks identified and thus of the policies based on them, regardless of the implementation of a sectoral assessment in 2023, limited to the real estate and tourism sector.

15. Although ENCAVE has an operational plan and is endowed with strategic objectives that should be developed in the time horizon between 2023 and 2027, it lacks a specific deadline for its review.

16. In conclusion, although the National Strategy is based on the NRA 2017 and the 2019 MER – which is to say that the risks identified in 2017 and the deficiencies reported in 2019 are covered by ENCAVE – its non-revision impacts the timeliness of ML/TF risks and thus the timeliness of the policies to be implemented.

17. **Criterion 2.2 [Met]** In 2020, Cabo Verde, through publication of Resolution 13/2020 of 27 January, created the Interministerial Commission responsible for the Coordination of Policies on the Prevention and Combating of Money Laundering, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction (IMC).

18. The CIM has the mandate to coordinate national policies to combat money laundering and terrorist financing and the financing of the proliferation of weapons of mass destruction. The Commission is composed of representatives of Cabo Verde's public and private sector authorities and entities and is coordinated by the Ministry of Finance and the Ministry of Justice and Labour. The Commission has administrative and financial independence and receives its annual budget from the national government. The Commission has a mandate to define, identify, assess, monitor and coordinate responses to the ML/FT/PF risks to which Cabo Verde is or may be exposed, and to contribute to their technical compliance. This resolution was amended by resolution no. 103/2022 of 10 November, which introduced the Executive Committee and a Technical Secretariat within the committee, in order to operationalize and ensure the activities of the commission. The CIM's 2021 activity plan was prepared in accordance with the conclusions and recommendations of the NRA and the MER. In 2022, the CIM was endowed with a sum of money entered in the budget of the Ministry of Justice, to ensure its effective operation.

19. The CIM meets quarterly and is co-chaired by the Deputy Prime Minister and Minister of Finance and Business Development and the Minister of Justice, and its list includes the Financial Intelligence Unit (FIU), Law Enforcement Authorities, Sectoral Supervisors and other relevant entities. The Executive Committee (EC), which operates within the CIM, meets monthly and is responsible, in particular, for the execution of the CIM's deliberations and the functions resulting from the CIM Resolution, revised by Resolution No. 103/2022 of 10 November, which introduced the Executive Committee and a Technical Secretariat within the Committee, in order to operationalize and ensure the Committee's activities. During the quarterly meetings, the EC presents to the plenary of the CIM, and thus to the Government – since the CIM is chaired by the Deputy Prime Minister and Minister of Finance and the Minister of Justice – the actions developed and annual reports on the activities developed under ENCAVE.

20. In view of the above, it is concluded that the CIM was only endowed at the end of 2022 with "bodies" at the executive and technical level that enabled the preparation and implementation of various activities in 2023, among which the Draft AML/CFT/CPF Law, the operational plan of ENCAVE and the development of the National Strategy stand out.

21. **Criterion 2.3 [Met]** With the adoption of Resolution 13/2020 of 27 January and subsequent amendment made by Resolution No. 103/2022 of 10 November, which introduced the Executive Committee and a Technical Secretariat within the CIM, to operationalize and ensure the activities of the commission, as well as with the adoption of ENCAVE and the dedicated structure composed of a Plenary – which meets once a year – in which they have seat of all ENCAVE member institutions; the Executive Committee (EC) Cabo Verde now has an operational structure that allows the coordination of policies to prevent and combat ML/TF/PF based on the national strategy and also to promote the development and implementation of these same policies and activities. Both levels (policy and strategy definition, as well as the operational level) are covered.

22. **Criterion 2.4 [Met]** Both the CIM and the structure assigned to ENCAVE are responsible for the coordination of policies to prevent and combat ML, TF and the financing of proliferation. Cooperation between the entities with competence in this matter is ensured, in terms of legal framework, by these two mechanisms, and also through the signing of bilateral protocols. The protocols mentioned by the country seem to be more linked to matters of prevention and combat of ML and TF and not so much to PF. Nevertheless, the national authorities are legally empowered to cooperate and produce cooperation MoU's or protocols in PF issues.

23. **Criterion 2.5 [Mostly Met]** Cabo Verde has an Interministerial Committee for the cooperation and coordination of AML/CFT policies among the competent authorities. One of the functions of the Committee is to promote the sharing of information for AML/CFT purposes. Cabo Verde has legal frameworks on privacy and data

protection (e.g., Law 41/VIII/2013, General Legal Regime for the Protection of Personal Data of Natural Persons; Law No. 42/VIII/2013, National Data Protection Commission (CNPD); and Law No. 86/VIII/2015 - Regulation on the Installation and Use of Video Surveillance Systems in Public Spaces). The National Data Protection Commission is the data protection authority in Cabo Verde.

24. The compatibility between the legal framework on preventing and combating ML/TF/PF and the legal regimes of data protection and privacy are ensured in the CIM. The protocols indicated by Cabo Verde seek to make the necessary compatibility and result from the national cooperation and coordination carried out by the CIM.

Weighting and conclusion

25. Cabo Verde has made significant progress since the adoption of MER. The operationalisation of the CIM, the elaboration of ENCAVE and the operationalisation of its structure, enables the country to have a mechanism to operationalise the cooperation between the relevant entities in terms of preventing and combating ML/TF/PF, being equipped, in terms of legal framework and organizational structure, with the necessary tools to improve the cooperation tools and procedures in qualitative and quantitative terms. The adoption of the national strategy, based on the 2019 NRA and the 2017 MER, is an important step in the national coordination of AML/CFT/PF policies. However, because it is based on a 2017 NRA, without having been subject to a more recent reassessment, impacts its timeliness and may call into question some of the strategic options assumed in the document, which aims to be a framework document for all policies and actions in terms of preventing and combating ML/TF/PF. In terms of PF, the country is legally endowed with the capacity for cooperation and coordination in terms of PF through the functions and competences of the CIM and the structure of ENCAVE.

26. **On this basis, Recommendation 2 is re-rated as Largely Compliant.**

Recommendation 15 (originally rated Partially Compliant)

27. Cabo Verde was rated as PC on R.15 in its 2nd MER because there was no obligation for subject entities to identify and assess ML/TF risks that may arise in the development of new products and new business practices, including new delivery channels, and the use of new or developing technologies for both new and pre-existing products. These existing deficiencies are still pending. During the first follow-up with technical compliance re-rating, Cabo Verde did not provide information on the remaining criteria of R. 15.

28. **Criterion 15.1[Not Met]** The provision of paragraph 1 of article 19 of Law no. 120/VIII/2016 Anti-Money Laundering Act ("AML Act") requires the central authority in matters of international cooperation in criminal matters, financial institutions to identify and assess the risks of money laundering that may result from:

a) the development of new products and new business practices, including new distribution mechanisms,
b) the use of new or developing technologies related to new or pre-existing products.

29. Financial institutions (FIs) are required to assess ML risk prior to launching new products or commercial practices or using new or developing technologies (Art. 19(2), AML Act).

30. The provisions of Article 19(1) and (2) of the AML/CFT Act do not cover terrorist financing. In addition, FIs are not required to assess the ML/TF risks that may arise for pre-existing products. Also, regardless of the legal provisions, Cabo Verde did not provide evidence of identification and assessment of ML/TF risks that may arise in relation to the creation of new products and new business practices, including new delivery channels, and the use of new or developing technologies for new and pre-existing products by the country and FIs.

31. **Criterion 15.2 [Partly Met]** The legal framework has not changed since the country's MER and there have been no changes to the FATF Standards or their interpretation for this sub-criterion.

32. **Criterion 15.3 [Partly Met]**

(a) **[Not Met]** Cabo Verde has not identified and assessed the ML/TF risks arising from virtual assets and VASP activities or operations. The initiative to understand the fintech activities that was launched by Bank of Cabo Verde (BCV) is not sufficient evidence of identification and assessment of ML/TF risks associated with VA/VASPs. The initiative is at information gathering stage (through the administration of questionnaires from 3 December 2024 to 2 April, 2025), which commenced after the deadline to submit information for the re-rating request. In addition, Cabo Verde did not include VASPs in the 2017 NRA.

(b) **[Not Met]** In the absence of identification and assessment of ML/TF risks emerging from virtual asset activities and activities or operations of VASPs (see c.15.3(a) above), Cabo Verde does not apply a risk-based approach to ensure that measures to prevent or mitigate ML/TF are commensurate with the risks identified.

(c) **[Partly Met]** Entities that intend to carry out virtual assets activities in the national territory are subject to compliance with the preventive duties and obligations prescribed in the legislation that establishes measures to prevent and suppress the crime of laundering of money, goods, rights and values, as well as the obligations provided for in the legislation that establishes measures of a preventive and repressive nature, against terrorism and its financing and other applicable regulations (Article 3(1) of Law No. 30/X/2023). The legislation that imposes an obligation on compliance with these criteria by other subject entities (Article 10 of Law No. 120/VIII/2016) referred to only provides for the duty to identify, assess and mitigate the risk of money laundering, leaving out the risk of terrorist financing. Cabo Verde has a medium-low risk of terrorist financing (2017 NRA).

33. **Criterion 15.4(a) [Met]**

(d) **[Met]** Entities (*whether legal persons and natural persons*) that intend to exercise, or exercise, in a professional capacity, exclusively or simultaneously with other economic activities, one or more activities with virtual assets, in the national territory, are subject to registration with the BCV (Article 3(3), Law No. 30/X/2023 (VASPs Law) and Article 3 of Notice No. 02/2024).

(e) **[Met]** The competent authorities take the necessary legal or regulatory measures to prevent criminals or their associates from holding, or being the beneficial owners of, a significant or controlling shareholding, or holding a management function in a VASP. BCV is required to evaluate fitness and propriety under the terms provided for in Law No. 62/VIII/2014 in its current wording, as a condition for granting and maintaining registration (article 3 of Notice No. 02/2024).

34. **Criterion 15.5 [Not Met]** Cabo Verde did not demonstrate actions taken to identify natural or legal persons that carry out VASP activities without the requisite license or registration, and applied appropriate sanctions to them.

35. **Criterion 15.6 [Not Met]**

(f) **[Not Met]** BCV is responsible for regulation of VASPs for compliance with AML/CFT requirements (Art. 3(2), VASPs Law). However, Cabo Verde did not provide information to demonstrate that VASPs are subject to adequate regulation. Also, BCV is not empowered by law to conduct risk-based supervision or monitoring of VASPs. The country is yet to assess the ML/TF risks of VASPs to facilitate risk-based supervision or monitoring, including systems for ensuring their compliance with national AML/CFT requirements.

(g) [**Not Met]** BCV lacks adequate powers to supervise or monitor and ensure compliance by VASPs with requirements to combat ML/TF, including the authority to conduct inspections, compel the production of information and impose a range of disciplinary and financial sanctions, including the power to withdraw, restrict or suspend the VASP's license or registration, where applicable.

36. **Criterion 15.7 [Not Met]** Competent authorities and supervisors have not established guidelines, and provided feedback, which will assist VASPs in applying national measures to combat ML and TF, and, in particular, in detecting and reporting suspicious transactions.

37. **Criterion 15.8 [Not Met]** There is no range of proportionate and dissuasive sanctions, whether criminal, civil or administrative, available to deal with VASPs that fail to comply with AML/CFT requirements. In addition, there is no provision requiring sanctions to be applicable not only to VASPs, but also to their directors and senior management.

38. **Criterion 15.9 [Partly Met]**

(a) [Not Met] Article 3(1) of Law no. 30/X/2023 refers to article 12 of Law 120/VIII/2016 regarding compliance with the CDD by VASP in occasional transactions. However, the article establishes the limit of the amount equal to or more than 1,000,000.00 (One million) of Cabo Verdean Escudo equivalent to 10,000.00 Euros, the limit from which VASP are required to carry out the CDD.

(b) [Partly Met] Law No. 30/X/2023 refers to Article 27 of Law No. 120/VIII/2016, in relation to compliance by VASP with the requirements of Recommendation 16. Article 27 of law 120/VIII/2016 does not provide for many criteria relevant to Recommendation 16, namely criteria 16.2, 16.3, 16.4, 16.6, 16.16, 16.17, 16.18, with the latter being of more relevance to the fight against terrorism.

39. **Criterion 15.10 [Mostly Met]** Article 3 of Law No. 30/X/2023 refers to Law No. 119/VIII/2016. In this regard, the communication mechanisms, reporting obligations and monitoring referred to in criteria 6.5(d), 6.5(e), 6.6(g), 7.2(d), 7.2(e), 7.3 and 7.4(d)[1] apply to VASPs. Accordingly, the rating for to the aforementioned criteria of Recommendations 6 and 7 in the MER apply.

40. **Criterion 15.11 [Not Met]** There is no requirement for Cabo Verde to rapidly provide the widest possible range of international cooperation in relation to ML, predicate offences, and TF relating to virtual assets, on the basis set out in Recommendations 37 to 40, including any legal basis for the BCV to exchange information with their foreign counterparts, regardless of the supervisors' nature or status and differences in the nomenclature or status of VASPs.

Weighting and Conclusion

41. Cabo Verde's implementation of R.15 has major shortcomings. These relate to the identification and assessment of the ML/TF risks that may arise in relation to the creation of new products and new business practices, including new delivery mechanisms, and the use of new or developing technologies for new and pre-existing products by the country and financial institutions; application of a risk-based approach to ensure that ML/TF management and mitigation measures in place are commensurate with the identified risks; risk-based supervision or monitoring of VASPs by a competent authority, including systems for ensuring their compliance with national AML/CFT requirements; guidelines and feedback, which will assist VASPs in applying national measures to combat ML and TF, and, in particular, in detecting and reporting suspicious transactions; identification of natural or legal persons that carry out VASP activities without the requisite license or registration, and application of appropriate sanctions to them; a range of proportionate and dissuasive sanctions for non-compliance with relevant requirements; a legal framework regarding the supervisor's power to supervise, inspect on a risk-based basis, sanction VASPs and other requirements provided for in Recommendation 15; the threshold for occasional transactions; rapid international cooperation, including information exchange. In arriving at this conclusion, more weight was placed on the deficiencies related to risk identification and assessment (c.15.1 & c.15.3), risk-based approach to supervision or monitoring, and the threshold for occasional transactions.

[1] The criteria were rated as follows: C.6.5(d) – Met; C. 6.5(e) – Not Met; C. 6.6(g) – Met; C. 7.2(d) – Met; C.7.2(e) – Not Met; C. 7.3 – Partly Met; and C.7.4(d) – Met.

42. **On this basis, Recommendation 15 is re-rated NC.**

IV. CONCLUSION

43. Overall, Cabo Verde has made significant progress in addressing the technical compliance deficiencies identified in its MER and has been re-rated Largely Compliant in one (01) Recommendation. Insufficient progress has been made to support a re-rating for Recommendation 15.

44. Table 2 below shows Cabo Verde's MER ratings and reflects the progress it has made, including any re-ratings based on this report:

Table 2: Cabo Verde's TC ratings after the adoption of the MER/FUR (November 2024[2])

R.	Rating	R.	Rating
1.	PC (MER 2019)	21.	C (MER 2019) ↓ LC (FUR 2021)
2.	PC (MER 2019) ↑ LC (FUR 2025)	22.	PC (MER 2019)
3.	C (MER 2019)	23.	PC (MER 2019)
4.	C (MER 2019)	24.	LC (MER 2019)
5.	LC (MER 2019)	25.	LC (MER 2019)
6.	PC (MER 2019)	26.	PC (MER 2019)
7.	LC (MER 2019) ↓ PC (FUR 2021)	27.	PC (MER 2019)
8.	PC (MER 2019)	28.	PC (MER 2019)
9.	C (MER 2019)	29.	LC (MER 2019)
10.	PC (MER 2019)	30.	C (MER 2019)
11.	LC (MER 2019)	31.	C (MER 2019)
12.	LC (MER 2019)	32.	PC (MER 2019)
13.	LC (MER 2019)	33.	C (MER 2019)
14.	LC (MER 2019)	34.	LC (MER 2019)
15.	PC (MER 2019) ↓ NC (FUR 2025)	35.	LC (MER 2019)
16.	PC (MER 2019)	36.	LC (MER 2019)
17.	PC (MER 2019)	37.	LC (MER 2019)
18.	PC (MER 2019)	38.	LC (MER 2019)
19.	PC (MER 2019)	39.	LC (MER 2019)
20.	PC (MER 2019)	40.	LC (MER 2019)

45. Cabo Verde has 15 Recommendations rated as NC/PC. Cabo Verde will remain under the enhanced follow-up regime and will report to GIABA in May 2026 on the progress made in improving the implementation of its AML/CFT measures.

[2] Paragraph 8, 6th FUR.

Technical Compliance Summary – Key Deficiencies

Compliance with the FATF Recommendations

Recommendation	Rating	Factor (s) underlying the rating
1. Risk assessment and use of RBA	Partially Compliant	• Cabo Verde did not update the AML/CFT National Strategy nor did it adopt the Integrated National Plan for the Fight against Drugs (PNILDC); • The same can be said of the Strategic Internal Security Plan (PESI). • Although the mechanism is described in the Law, the national risk assessment did not find any sector of activity likely to benefit from exemptions or simplified due diligence mechanisms. • BCV Notice No. 4/2017, of September 7, establishes concrete measures that implement Article 10(4) of Law no. 120/VIII/2016, of March 24, leaving insurance entities and DNFBPs outside the scope of application of said Notice. • Although for financial institutions there are measures foreseen in the legislation and regulations of the BCV that aim to comply with the requirements of the FATF methodology in relation to this criterion, this is not the case for insurance entities and DNFBPs.
2. National cooperation and coordination	Partially Compliant (MER 2019)↔PC(FUR 2021)↑LC(FUR 2025)	• There is no designated entity or authority to coordinate policies and strategies to combat the proliferation of WMD. • There is no designated entity or authority to coordinate AML/CFT policies and strategies. • NRA recommendations have not yet been transposed into a policy or coordination mechanism responsible for national AML/CFT policies. • There is no operational or coordinated structure or structure for policies and strategies for AML/CFT that could coordinate cooperation between law enforcement authorities and the consequent development and implementation of AML/CFT policies and activities
3. Money laundering offence	Compliant	• The Recommendation is fully met
4. Confiscation and provisional measures	Compliant	• The Recommendation is fully met
5. Terrorism financing offence	Largely Compliant	• Criterion 5.10 is linked to where the offender is in Cabo Verde and cannot be extradited.
6. Targeted financial sanctions related to terrorism and TF	Partially Compliant	• The prohibition on persons or entities making funds or other economic resources available to persons or entities designated under UNSCRs does not extend to persons acting on behalf of designated persons or entities. • The freezing obligation does not apply to funds or other assets owned by designated persons (natural or legal), as well as funds controlled by them or by persons acting on their behalf or at their request. • With regard to DNFBPs there is no provision specifically imposing the obligation to report the freezing of funds and other economic resources.
7. Targeted financial sanctions related to proliferation	Largely Compliant (2019 MER) ↓Partially Compliant (2021 FUR)	• There is no express provision to permit the addition to frozen accounts interests or other income owed to them and payments due under contracts. • There is no protection for bona fide third parties acting in good faith. • The freezing requirement under CFT does not apply to funds or other assets of persons and entities acting on behalf of, or at the direction of, designated persons or entities. • Reporting entities are not obliged to report to competent authorities any assets frozen or actions taken in compliance with the prohibition requirements, including attempted transactions, of the relevant UNSCRs. • There is no protection of the rights of bona fide third parties acting in good faith. • There are no specific measures for monitoring and ensuring compliance by reporting entities with their obligations under Recommendation 7. • Cabo Verde has not revised its legal framework to incorporate the updates to R.7 (1874(2009), 2087(2013), 2094(2013), 2270(2016),2321(2016) and 2356(2017) and UNSCR 2231(2015)). Cabo Verde has not revised its framework nor issued guidelines on specific restrictions including targeted financial sanctions for Iran under the Joint Comprehensive Plan of Action (JCPOA).
8. Non-Profit Organizations	Partially Compliant	• Authorities do not monitor the compliance of NPOs with the requirements of R.8 including risk-based measures applied to them • Cabo Verde has not:

Recommendation	Rating	Factor (s) underlying the rating
		- identified the subset of organizations covered by the FATF definition of NPOs; - taken steps to identify the characteristics and types of non-profit organizations that, by virtue of their activities, may be at risk of TF abuse; - reviewed and the adequacy of their related measures with the NPOs sub-sector that can be used abusively for TF support; • The authorities have not conducted RBA supervision of NPOs on terrorism financing issues; • There is no information to demonstrate that the authorities periodically reassess the potential vulnerabilities of NPO sector to terrorist activities.
9. Banking secrecy rules	Compliant	• There is a legal framework for this recommendation
10. Customer due diligence	Partially Compliant	• There is no legal obligation to identify and verify the identity of the customers of financial entities (criterion 10.4). • There is no legal obligation for financial entities to apply CDD measures provided for in criterion 10.12 to the beneficiaries of life insurance policy. • There is no legal obligation regarding the requirements of criteria 10.15 and 10.20. • The AML does not provide for the requirements set out in recommendation 10 to prevent and combat TF.
11. Document conservation	Largely Compliant	• There is a legal framework for this recommendation
12. Politically Exposed Persons	Largely Compliant	• All criteria of this recommendation, except for criterion 12.4, were considered to be with regard to. • The corresponding requirements for TF are not in law
13. Corresponding banks	Largely Compliant	• There are no legal provisions for this Recommendation in relation to TF.
14. Money and Value Transfer Services	Largely Compliant	• There is a legal framework for this recommendation. However, the compliance program of MVTS agents, provided for in AML Article 18, does not include measures to prevent and combat the financing of terrorism.
• 15. New technologies	• PC (MER 2019) ↓NC (FUR 2025)	• The ML/TF risks that may arise in relation to the creation of new products and new business practices, including new delivery mechanisms, and the use of new or developing technologies for new and pre-existing products by the country and financial institutions have not been identified and assessed. • There is no application of a risk-based approach to ensure that ML/TF management and mitigation measures in place are commensurate with the identified risks. • VASPs are not subject to risk-based supervision or monitoring by a competent authority, including systems for ensuring their compliance with national AML/CFT requirements. • There are no guidelines and feedback, which will assist VASPs in applying national measures to combat ML and TF, and, in particular, in detecting and reporting suspicious transactions. • There is no range of proportionate and dissuasive sanctions for non-compliance with relevant requirements. • There is no evidence of actions taken to identify natural or legal persons that carry out VASP activities without the requisite license or registration, and applied appropriate sanctions to them. • There is no legal framework regarding the supervisor's power to supervise, inspect on a risk-based basis, sanction VASPs and other requirements provided for in Recommendation 15. • The threshold for occasional transactions is very high. • There is no requirement for rapid international cooperation, including information exchange.
16. Wire transfers	Partially Compliant	• There is no legal obligation for FIs to collect information on the name and address of the beneficiary of cross-border wire transfers. • There is no legal obligation as to the requirements set out in criteria 16.2, 16.3, 16.4, 16.6, 16.16, 16.17 and 16.18. • It was not possible to verify any legal provision requiring FIs to adopt freezing measures and to comply with the prohibitions to carry out transactions with designated persons and entities in accordance with the obligations laid down in the relevant UN Security Council Resolutions on TF prevention and elimination, such as UNSCR 1267 and 1373 and its subsequent resolutions (criterion 16.18).

Recommendation	Rating	Factor (s) underlying the rating
17. Reliance on third parties	Partially Compliant	• There is no requirement for FIs to immediately obtain the relevant CDD information, and for the third party to have measures in place for compliance with CDD and record keeping requirements. • There is no provision in the AML Act dealing with a situation where FIs rely on a third party in the same financial group. • There is confusion regarding the meaning of "third parties of intermediaries".
18. Internal controls and branches and subsidiaries abroad	Partially Compliant	• There is no legal requirement regarding the application of a ML/TF program, adequate to ML/TF risk and commercial activity dimension (criterion 18.1). • There is no legal requirement regarding information sharing policies and procedures required to comply with customer due diligence and for ML/TF risk management (the ML/TF program applicable at group level) criterion 18.2. • There is no requirement as set out in Recommendation 18 to prevent and combat TF.
19. Countries at higher risk	Partially Compliant	• There is no legal obligation to apply countermeasures proportional to risks: a) whenever the FATF so requests; and b) irrespective of any request by the FATF to that effect (criterion 19.2). • There is no requirement as set out in Recommendation 19 to prevent and combat TF.
20. Suspicious transactions reporting	Partially Compliant	• There is legal framework for this recommendation only for ML suspicions. There is no framework for TF suspicions.
21. Tipping-off and confidentiality	Compliant (MER 2019)↓LC(FUR 2021)	• There is a legal framework for this Recommendation.
22. DNFBP: customer due diligence	Partially Compliant	• There is a legal framework for this Recommendation, which is interlinked with recommendation 10.
23. DNFBP: other measures	Largely Compliant	• There is a legal framework for all the criteria of this Recommendation, with the exception of criterion 23.3, as it was not possible to verify any legal obligation for DNFBPs to apply the measures set out in Recommendation 19 on countries at a higher risk.
24. Transparency and beneficial ownership of legal persons'	Largely Compliant	• Cabo Verde has not assessed the ML/TF risks associated with all types of legal persons created in the country. • There is no provision in the Act that expressly provides for mechanisms to monitor the quality of assistance received from other countries in relation to BOI • Reporting entities are required to cooperate and provide information to law enforcement authorities, particularly the judiciary authorities (Judge and Public Prosecutor) and the FIU, with the exception of criminal police agencies (Judiciary Police and National Police) • There are no specific requirements to ensure that legal persons cooperate with competent authorities in determining their beneficial owners. • There is no legal provision for the explicit materialization of mechanisms to monitor the quality of assistance received from other countries with regard to BOI.
25. Transparency and beneficial owners of entities without legal personality	Largely Compliant	• There is no provision in the Cabo Verde legal order that provides for instances where trusts may be set up abroad but operated by trustees of those who have ownership / control in Cabo Verde.
26. Regulation and supervision of FIs	Partially Compliant	• Deficiencies in the implementation of risk-based supervision covering all financial sectors are identified. RAS implementation in banking system supervision will partly address these deficiencies but does not cover entities under the auspices of the AGMVM or the insurance sector. • ML risk is only one of the RAS criteria. • RAs is still in the process of implementation. • TF risk is not present in the RAS criteria.
27. Powers of Supervisors	Partially Compliant	• Although the BCV is endowed, through the AML, its Organic Law and Organic Regulation, with the necessary and adequate powers to supervise or monitor and ensure compliance by FIs with their obligations to prevent and combat ML, such powers do not cover TF.
28. Regulation and supervision of designated non-financial businesses and professions	Partially Compliant	• The absence of risk-based DNFBP supervision has a strong implication in the final rating of this recommendation. • There are measures relating to the holding and acquisition of significant shareholdings or control in casinos (Article 11 (2) of the GL). However, these measures only apply to a minimum of 60% of the shares that the concessionaires need to have represented by nominative or registered

Recommendation	Rating	Factor (s) underlying the rating
		shares, which may imply that the concessionaires may not know shareholders holding the remaining capital.
29. Financial Intelligence Units	Largely Compliant	• There are no obligations for reporting entities to communicate TF suspicious transactions and the FIU receives information on related predicate offences. • The FIU does not carry out strategic analysis and its operational autonomy is doubtful. • There is no requirement for the FIU to disseminate the results of its analysis to relevant competent authorities, other than the AG and the JP, whether spontaneously or upon request.
30. Responsibility of law enforcement and investigative authorities	Compliant	• The Recommendation is fully met.
31. Powers of law enforcement and investigative authorities	Compliant	• Special investigative mechanisms, such as covert actions, controlled deliveries and joint operations provided for in the criminal investigation law, do not apply to investigations into TF and proliferation.
32. Cash Couriers	Partially Compliant	• Cabo Verde lacks a formal mechanism that allows for greater coordination and cooperation among customs, immigration and other related authorities on cross -border transportation of currency and BNIs. • There is no requirement to stop or restrain currency or BNI where there is suspicion of TF or predicate offences. • The formal mechanisms for cooperation between Customs authorities and their international counterparts are inadequate. • There are no specific sanctions for persons who are carrying out a physical cross-border transportation of currency and BNIs that are related to ML/TF.
33. Statistics	Compliant	• The results of criminal investigations and convictions or of the operation of criminal intelligence in the context of which data and information exchange between the Public Prosecutor's Office, the Judiciary Police and the FIU are not known or communicated • Statistical data on the average proportion of investigations initiated from STRs are not known.
34. Guidelines and information feedback	Largely Compliant	• Supervisors of DNFBPs have not issued guidelines to DNFBPs to facilitate compliance with AML/CFT obligations.
35. Sanctions	Largely Compliant	• The sanctions provided for in the AML Act must apply to both FIs and DNFBPs, as well as to members of corporate bodies, persons who exercise management, leadership or managerial tasks, or act on their behalf; the mention of mere disciplinary responsibility restricts the scope that the measure should have.
36. International instruments	Largely Compliant	• Cabo Verde has not fully implemented the requirements of the instruments due to deficiencies in its AML/CFT system.
37. Mutual legal assistance	Largely Compliant	• No requirement to use investigative techniques for TF purposes • There is no provision in the Cabo Verdean legislation establishing procedures for the implementation and maintenance of a process of monitoring progress in the execution of MLA regarding forms of international judicial cooperation in criminal matters
38. Mutual legal assistance: freezing and loss	Largely Compliant	• There is no provision regarding situations where the perpetrator is unavailable by reason of flight or absence.
39. Extradition	Compliant	• The Recommendation is fully met.
40. Other forms of international cooperation	Largely Compliant	• It is unclear whether feedback also covers information on ML predicate offences • Law enforcement authorities are not able to use special criminal investigation mechanisms to obtain information on behalf of foreign counterparts in terrorist financing and proliferation offences in accordance with domestic law, except in response to a request for mutual legal assistance • Inability of the FIU to receive information on ML predicate offences, when using the FIU Law as a legal basis to cooperate • Inability of the FIU in TF cases, when using the AML Act as a legal basis to cooperate • Reason why the need to harmonize the legal framework the FIU uses to cooperate and prevent gaps should be considered relevant

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Anti-money laundering and counter-terrorist financing measures in Cabo Verde

Follow-up Report & Technical Compliance Re-Rating

The report also examines whether Cabo Verde's measures meet the requirements of the FATF Recommendations that have changed since their Mutual Evaluation in 2019.

Follow-up Report