



# Money laundering and real estate

Why the real estate sector should  
prepare for regulation

**ACCUITY**

[accuity.com](https://accuity.com)

**Fircosoft**

**Bankers**  
ALMANAC

**NRS**



## Why the real estate sector should prepare for regulation

Money laundering is estimated to have reached \$1.6 trillion a year – equivalent to 3% of the world's GDP. As banks and financial institutions increase their controls to combat financial crime, money launderers are looking for new targets.

Criminals tend to look for the weakest link in the chain and, when it comes to modern-day money laundering, the real estate sector is in their sights.

Real estate is an attractive target for those wanting to hide the proceeds of crime. It allows a lot of cash to be laundered in a single transaction, and the real estate sector has notoriously lax controls around money laundering.

According to the Financial Action Task Force (FATF), real estate accounted for a third of criminal assets confiscated worldwide between 2011 and 2013. Concern is growing in many cities around the world that high-value residential real estate has become vulnerable to criminals using shell or offshore companies to conceal their identity.

At Accuity, we believe the real estate sector will be the next focus of attention for regulators and governments in the fight against financial crime. In this report, we show how anti-money laundering (AML) and counter-terrorist financing (CTF) legislation, developed for the financial services sector, is beginning to spill over into real estate transactions in key jurisdictions around the world. Enforcement actions against real estate professionals who fail to meet these new standards, including fines, are also set to rise.

New AML compliance obligations will require real estate firms and professionals to carry out detailed and thorough due diligence on customers, put in place robust compliance processes and report on their compliance processes to regulators. These are requirements that are on par with those already imposed on banks and casinos; meeting them efficiently and effectively will take planning, good quality data and the best use of available technology. Every professional involved in real estate transactions – agents, brokers, title insurance companies, real estate managers, legal firms and lenders – needs to be prepared for the change ahead.

## Contents

What is money laundering through real estate?.....	4
A worldwide problem.....	5
The case for applying AML to real estate.....	8
Regulators respond: The beginning of a new era?.....	9
US: Geographic Targeting Orders.....	10
Canada: Focus on supervision.....	11
Europe: The AML Directive.....	12
UK: Crackdown on compliance.....	12
Australia and New Zealand.....	14
Hong Kong: Expanding the scope of AML regulation.....	15
What does this mean for real estate professionals?.....	16
Conclusion.....	16
About Accuity.....	17

## What is money laundering through real estate?

### Real estate is attractive to money launderers for several reasons:

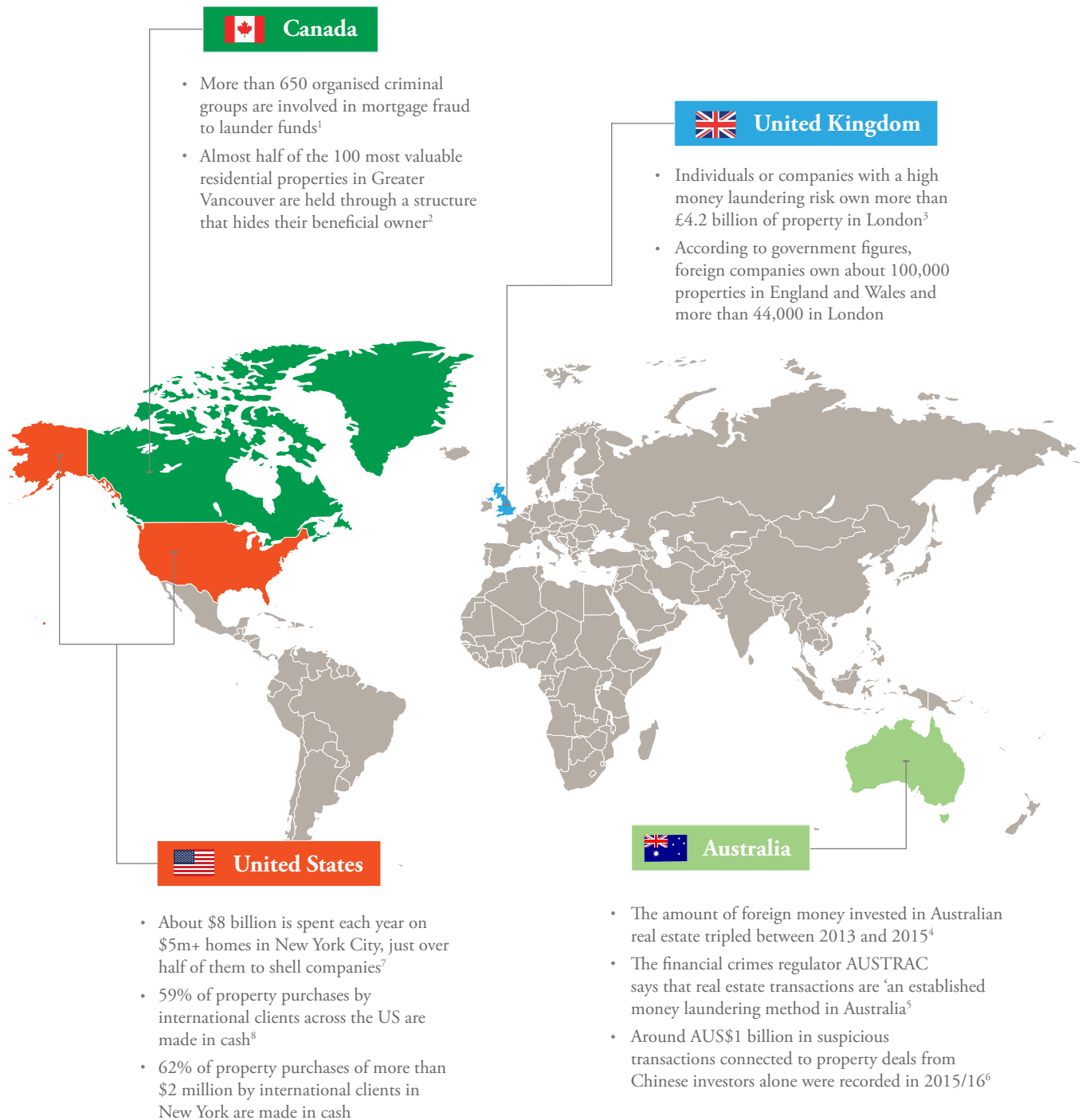
- It allows large amounts of money to be laundered in one transaction
- It is relatively easy in some jurisdictions to conceal the identity of the ultimate owner of a property
- The overheated property markets in many global cities means that an 'investment' won't lose its value and will most likely appreciate

### Money laundering through real estate can take a number of forms:

1. **Cash deposits.** Using cash to buy a property is an unsophisticated, but often effective, method of money laundering. Regulatory reporting thresholds for cash purchases are avoided by making payments from a number of different bank accounts.
2. **Third-party purchases.** Criminals may use a 'clean' third party to distance themselves from a property transaction and disguise ownership, by using them as legal owner of a property and/or using their bank account to deposit and then withdraw money to buy a property. A further problem for authorities is that a third-party purchase complicates asset confiscation.
3. **Loans and mortgages.** Mortgages and loans add a veneer of legitimacy to a real estate deal. A criminal may take out a mortgage to buy a property then settle in full a few months later. Loan-back schemes are a variation of this approach; a criminal 'borrows' their own funds from a foreign offshore company that is, in fact, under their control. The loan is used to buy real estate and repayments are made from illicit funds money to buy a property.
4. **Under-and over-valuation.** This requires the involvement of a vendor or real estate agent who under- or over-estimates the value of a property, with the difference settled in secret cash payments.
5. **Renovation.** Illicit funds are used to pay for renovations of a property and increase its value.
6. **Leasing.** A property is rented to a tenant, who is provided with illicit funds to cover the payments. An alternative is for the criminal to make regular deposits into an account as fictitious rent, giving the appearance of legitimate income.
7. **Shells, trusts and other company structures.** Purchasing property through a shell company allows the name of the owner of the property to be kept secret.



## A worldwide problem



<sup>1</sup> Anti-money laundering and counter terrorism financing measures Canada, FAFT 2016 <http://www.fatf-gafi.org/media/fatf/documents/reports/mer4/MER-Canada-2016.pdf>

<sup>2</sup> Doors Wide Open: Corruption and Real Estate in Four Key Markets, Transparency International [https://www.transparency.org/whatwedo/publication/doors\\_wide\\_open\\_corruption\\_and\\_real\\_estate\\_in\\_four\\_key\\_markets](https://www.transparency.org/whatwedo/publication/doors_wide_open_corruption_and_real_estate_in_four_key_markets)

<sup>3</sup> Faulty towers: Understanding the impact of overseas corruption on the London property market, Transparency International UK, March 2017. [www.transparency.org.uk/publications/faulty-towers-understanding-the-impact-of-overseas-corruption-on-the-london-property-market/](http://www.transparency.org.uk/publications/faulty-towers-understanding-the-impact-of-overseas-corruption-on-the-london-property-market/)

<sup>4</sup> Foreign Investment Review Board <http://firb.gov.au/real-estate/>

<sup>5</sup> <http://www.austrac.gov.au/money-laundering-through-real-estate>

<sup>6</sup> <http://www.theaustralian.com.au/news/nation/chinas-dodgy-1-billion-in-property/news-story/ff9abde7689e2c863f3a25140747c2b0>

<sup>7</sup> <https://www.nytimes.com/2015/02/08/nyregion/the-hidden-money-buying-up-new-york-real-estate.html?module=RelatedCoverageBottom>

<sup>8</sup> US National Association of Realtors, 2015 <http://www.lirealtor.com/docs/default-source/default-document-library/354078763-2017-profile-of-international-activity-in-us-residential-real-estate.pdf?sfvrsn=2>

**Prevezon Holdings**, a real-estate company incorporated in Cyprus, was accused by US authorities in 2017 of laundering the proceeds of a \$230 million Russian tax fraud scheme through US real estate, after a four-year investigation<sup>9</sup>. The case was settled for \$5.9 million in 2017.

The criminal investigation into the corruption and bribery scandal at Petrobras, Brazil's state-run oil company, (known as **Operation Car Wash**) has been extended to include the money laundering of millions of dollars of bribes through real estate in several countries, including the UK.

In 2016, Spanish police, working with Europol, dismantled a money laundering syndicate of Russian and Ukrainian criminals. The investigation, known as **Operation Usura**, found that at least €62 million had been laundered through real estate investments in Spain by the gang<sup>10</sup>. 191 properties were seized as part of the investigation into the criminal ring, who typically used offshore shell companies to launder money through real estate.

In 2014, the **UK's Office of Fair Trading** fined three real estate agents a total of £247,000 for 'significant and widespread' anti-money laundering lapses. The agents failed to apply adequate due diligence to assess customer risk and ongoing business relationships, as required by the UK's anti-money laundering legislation, as well as failing to maintain proper procedures on record-keeping and risk assessments<sup>11</sup>.

Chen Shui-bian, the former President of **Taiwan**, was sentenced to 19 years in prison in 2009 after being convicted of money laundering and bribery charges. It was alleged that some of the money accepted as bribes by his family was used to purchase real estate overseas, including a £1.6 million apartment in New York<sup>12</sup>.

## Fines to date

Year	Defendant	Country	Penalty	Charge
2010	HomeLife Effect Realty	Canada	US\$27,000	Violating the Proceeds of Crime (ML) and Terrorist Financing Act
2013	RE/MAX Active Realty Inc	Canada	US\$6,770	Four violations of the Act
2014	Hastings International UK Limited	UK	£80,000	Significant and widespread AML lapses

<sup>9</sup> <https://www.justice.gov/usao-sdny/pr/acting-manhattan-us-attorney-announces-59-million-settlement-civil-money-laundering-and>

<sup>10</sup> <https://www.europol.europa.eu/newsroom/news/russian-money-laundering-criminal-network-dismantled>

<sup>11</sup> <http://www.fcpablog.com/blog/2014/4/4/uk-fines-real-estate-agents-for-aml-lapses.html>

<sup>12</sup> <https://www.thenation.com/article/how-new-york-real-estate-became-dumping-ground-worlds-dirty-money/>

Year	Defendant	Country	Penalty	Charge
2014	Jackson Grundy	UK	£281,000	Significant and widespread AML lapses
2014	Jefferey Ross	UK	£48,000	Significant and widespread AML lapses
2014	Chen Chih-Chung, son of Chen Shui-bian	US	\$1,275,000	Cash from bribery was used to purchase a property
2015	Tanya Marchiol	US	4 year jail term	Helping drug dealers buy a house and failing to pay income tax
2015	Countrywide Generations Realty Ltd.	Canada	US\$11,440	Six violations of AML legislation
2016	Anthony Keslinke, real estate agent	US	\$50,000	Bank fraud and money laundering
2016	Hector Javier Villareal Hernandez, former secretary of finance of Coahuila, Mexico	US	\$6,500,000	Purchased \$31 million of real estate using money collected from fraudulent loans
2017	Prevezon Holdings Ltd.	US	\$5,900,000	Money laundering through real estate

## The case for applying AML to real estate

Until now, governments around the world have focused their regulatory efforts to tackle money laundering on the banking sector. Recently, as concerns about the global scale of money laundering have grown, regulators have started focusing on other organisations that facilitate financial transactions, including digital payment services and retailers.

Financial criminals are opportunists and the real estate sector is an attractive target for money laundering. But while the lenders involved in real estate transactions are subject to anti-money laundering legislation (AML) – many countries require banks to make suspicious activity reports when large amounts of cash are transferred, for example – AML requirements do not widely apply to the main gatekeepers of real estate transactions: real estate agents, brokers and management firms, title insurance companies, conveyancers and legal firms.

A report by the OECD in 2014 found that in 44% of its member countries, real estate agents and brokers are not required to perform due diligence on buyers<sup>13</sup>. Transparency International's more recent *Doors Wide Open* report, which looked into money laundering through real estate in the UK, United States, Canada and Australia, highlighted several issues that are hampering the ability to tackle criminal activity. It found that:

- None of the countries extend due diligence requirements to all professionals involved in real estate transactions

- Foreign companies purchasing property are not required in any of the four countries to provide information about their owners to any company or land registry
- None of the countries has 'fit and proper' tests in place for professionals working in the real estate sector to assess whether they are aware of their AML obligations
- Supervision of the real estate sector is weak and sanctions against real estate professionals rare.

### Shell companies

The rise in the use of shell companies to buy high-end real estate in some markets – notably the US and UK – is a growing concern. While shell and offshore companies have legitimate tax planning uses, they hide the identity of the ultimate owner of the property and, as a result, are an attractive tool for money launderers. Separating out suspicious shell companies is a considerable challenge; the beneficial owner can only be identified through a registry record, if one exists, but in some jurisdictions data privacy laws prevent the release of that information.

<sup>13</sup> [https://www.oecd.org/corruption/Illicit\\_Financial\\_Flows\\_from\\_Developing\\_Countries.pdf](https://www.oecd.org/corruption/Illicit_Financial_Flows_from_Developing_Countries.pdf)



## Low levels of compliance and enforcement

In those countries where real estate agents and brokers are required to monitor for suspicious activity, the level of compliance appears to be low. In Canada, for example, only 279 suspicious transactions were reported to the authorities between 2003 and 2013.

An added complication is that enforcement of requirements, where they exist, is poor. While AML enforcement in the banking sector is tightening by the week – in the past few years, global institutions have been fined billions of dollars for AML or sanctions violations and 18% of banks have recently experienced enforcement actions by a regulator<sup>14</sup>—relatively few regulatory penalties have been handed out for real estate money laundering offences against other professional firms involved in transactions.

Since 2014, \$14 million of fines relating to money laundering through real estate have been imposed in Canada, the UK and the US. Rising property prices in major cities is driving public unrest about housing affordability, though, and this is increasing the pressure on regulators and governments to take a more focused approach on money laundering through real estate.

## Regulators respond: The beginning of a new era?

In the past two years, regulators around the world have begun to target money laundering through real estate more explicitly. Broadly, regulators are focusing on two main areas:

- Identification of the beneficial owner of companies buying luxury property
- The reporting of suspicious transactions

Regulators have taken different routes worldwide to address this issue, placing a variety of new compliance demands on real estate professionals, legal advisers and lenders.

<sup>14</sup> PwC Global Financial Crime Survey 2016 <https://www.pwc.com/gx/en/services/advisory/forensics/economic-crime-survey/anti-money-laundering.html>



### US: Geographic Targeting Orders

With the exception of financial services institutions, US professionals involved in real estate deals are exempt from AML requirements. The USA Patriot Act of 2001 contained a proposal for those involved in real estate deals to carry out due diligence on their customers, but an exemption was awarded by the Treasury Department and has never been lifted.

More recently, regulators have begun to target real estate dealings. In January 2016, the Financial Crime Enforcement Network (FinCEN) issued Geographic Targeting Orders<sup>15</sup> (GTO), which required title insurance companies, and their subsidiaries and agents to report on the beneficial owner of legal entities, including shell companies that are used to buy certain luxury residential real estate in Manhattan and parts of Miami.

The real estate transactions covered by GTOs are residential properties over a set threshold (\$3 million in Manhattan) that are carried out through a shell company without a bank loan and settled at least in part using a cashier's cheque or something similar. Since then, the GTOs have been extended to include similar high-end real estate transactions in all boroughs of New York City, five counties in California (including the

cities of Los Angeles, San Francisco and San Diego), Honolulu, and San Antonio, Texas. The GTOs also now cover transactions that use wire transfers. Title insurance companies are required to report details of the transactions to FinCEN within 30 days of completion.

FinCEN believes the measures are working, disclosing in August 2017 that more than 30% of real estate transactions reported to it under the GTOs between January 2016 and May 2017 involved a purchaser who had previously been flagged in an unrelated suspicious activity report filed by a US institution.

An Advisory Report<sup>16</sup> for real estate professionals issued by FinCEN at the same time strongly encouraged real estate brokers, escrow agents and others to file suspicious activity reports on a voluntary basis. These real estate professionals, said FinCEN, “are well-positioned to identify potentially illicit activity as they have access to a more complete view and understanding of real estate transaction and of those involved.” In September 2017, Senators Marco Rubio and Ron Wyden introduced an amendment to the Corporate Transparency Act, which would require the government to gather the identity of beneficial owners of companies operating in the US.

<sup>15</sup> <https://www.fincen.gov/sites/default/files/shared/Real%20Estate%20GTO%20Order%20-%20208.22.17%20Final%20for%20execution%20-%20Generic.pdf>

<sup>16</sup> [https://www.fincen.gov/sites/default/files/advisory/2017-08-22/Risk%20in%20Real%20Estate%20Advisory\\_FINAL%20508%20Tuesday%20%28002%29.pdf](https://www.fincen.gov/sites/default/files/advisory/2017-08-22/Risk%20in%20Real%20Estate%20Advisory_FINAL%20508%20Tuesday%20%28002%29.pdf)



### **Canada: Focus on supervision**

AML requirements in Canada have applied for the past 15 years to approximately 20,000 real estate agents, brokers and developers, and to accountants, obliging them to keep records and report large cash deals and suspicious transactions to the Financial Transactions and Reports Analysis Centre for Canada (FINTRAC). The requirements for law firms are more complex and varied – AML requirements apply to notaries in British Columbia, for example, but not to notaries in Quebec, described by Transparency International as a major loophole. There is currently no requirement for real estate professionals to identify the beneficial owner of a property during due diligence.

Both compliance and enforcement have historically been relatively poor. FINTRAC has issued only 12 fines since 2008 against real estate companies, most of them for much less than CAN\$100,000. The Canadian Federal AML agency carried out 800 examinations between 2012 and 2016 and found that 60% of companies reviewed had ‘significant’ or ‘very significant’ deficiencies in their compliance processes. The agency also found that 25% of real estate firms had not fully implemented a compliance regime, with some saying they had yet to begin the process.

In September, 2016 the Financial Action Task Force ordered FINTRAC to apply ‘more intensive supervisory measures’ to the real estate sector and authorised it ‘to request and obtain from any reporting entity further information related to suspicions of money laundering, predicated offences and terrorist financing’. FINTRAC also released guidance for real estate professionals to help them identify real estate money laundering<sup>17</sup>.

There remains some confusion over how this should be interpreted in practice, however, and the Canadian Real Estate Association has asked for more guidance from FINTRAC.

<sup>18</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/606611/beneficial-ownership-register-call-evidence.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/606611/beneficial-ownership-register-call-evidence.pdf)





### **Europe: The AML Directive**

The European Union's 4th Anti-Money Laundering Directive reflects many of the recommendations made in 2012 by the Financial Action Task Force to combat money laundering. In terms of the real estate sector, the Directive proposes more due diligence of customers and clients, including more extensive screening of Politically Exposed Persons (PEPs) and greater investigation of beneficial owners of companies buying real estate. It also recommended that Member States should put in place a central register, available to national authorities, containing information on the beneficial owners of companies.

The EU required its Member States to encompass the Directive into their own laws by 26 June 2017 but, as of July 2017, the only nations to confirm to the European Commission that they had implemented the majority of the Directive's measures on time were Austria, Belgium, the Czech Republic, Croatia, France, Germany, Italy, Spain, Slovenia, Sweden, and the UK.

### **UK: Crackdown on compliance**

Revised AML regulations, based on the 4th EU Directive, came into effect in the UK on 26 June 2017. They require all estate agents to carry out due diligence on their customers (and the beneficial owners of their customers if the client is a company) before entering into 'a business relationship' with them. The revised regulations clarify that a 'customer' means both the buyer and seller of a property – 'entering into a business relationship' is taken to mean the point at which the purchaser's offer is accepted by the seller. Carrying out due diligence on both parties to a transaction will undoubtedly slow down the buying process – some estimates say by up to 180 days.

The new regulations also require a firm-wide risk assessment of AML factors, and regulated firms must have in place risk management systems and procedures to determine whether a customer is a domestic or foreign PEP, or a family member or known close associate of a PEP.



The new requirements come at a time when enforcement of AML regulations is being tightened considerably. HMRC took over regulatory duty of the real estate sector from the Office of Fair Trading in April 2014 and immediately signalled its intent to improve compliance. As of 2017, anyone who carries out work defined as 'estate agent activity' (covering everything from high street residential estate agencies to land auctioneers, relocation agents and construction companies with sales offices onsite) is legally required to register with HMRC.

HMRC has put in place a programme of announced and unannounced inspections to make sure that real estate businesses are complying with AML rules and have the procedures in place to identify the owners of foreign companies that purchase UK property. Businesses and individuals who do not meet HMRC's standards are liable to fines and even prosecution.

The National Crime Agency's records show that suspicious activity reports originating from real estate agents doubled to 355 in 2014/15, from 179 in 2013/14 – although this is still far below the 4,000 originating annually from legal firms.

The Royal Institute of Chartered Surveyors (RICS) also plays a significant role in compliance in the UK. RICS members are governed by its code of conduct, which includes details of anti-money laundering obligations. RICS repeated recently that its role was to make sure that its members were properly equipped to recognise and prevent money laundering, that it will take 'robust action' against members who fail to act with integrity.

In 2018, the UK may become the first country to introduce a central public register of beneficial owners, following the publication of a consultation proposal by the Department for Business, Energy and Industrial Strategy<sup>18</sup>.

<sup>18</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/606611/beneficial-ownership-register-call-evidence.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/606611/beneficial-ownership-register-call-evidence.pdf)





## Australia and New Zealand

Australia was identified as the weakest of the four countries examined by Transparency International's *Doors Wide Open* report. Real estate agents and developers, as well as law firms and accountants involved in real estate, in Australia are not bound by the Anti-Money Laundering and Countering Terrorism Financing Act of 2006, and are not required to report suspicious transactions.

There is no requirement to carry out due diligence, PEP checks or establish the beneficial owner of a company that purchases property.

A federal government review of the AML/CFT Act in 2016 recommended that professionals who deal in high-risk industries, including real estate, should be subject to the legislation. A consultation paper<sup>19</sup> was issued in November 2016 outlining a possible model for the sector, covering real estate agents, brokers, property management companies and conveyancing, but to date no steps have been taken to change existing requirements.

This contrasts with New Zealand, where the Ministry of Justice recently updated the country's own AML/CFT Act. As part of the consultation exercise<sup>20</sup> the Ministry

asked if its requirements should be extended to the real estate sector; previously, the Act only applied to agents who receive funds to settle a real estate transaction.

The change was agreed following the consultation and as of 1 October 2018, anyone who represents a client who is selling or buy real estate, or who accepts a deposit in cash of AUD 10,000 or more from someone who is buying real estate, will have to comply with the AML/CFT Act.

In practice, this means that those individuals, firms and companies affected will have to:

- Appoint an AML/CFT compliance officer
- Assess the AML risks the businesses may face
- Establish an AML/CFT compliance programme which sets out how risks will be detected and managed
- Verify the identity of clients
- Verify the identity of purchasers who pay a cash deposit of \$10,000 or more
- Report to the Police Financial Intelligence Unit if a client wants to conduct a transaction in cash of more than \$10,000, or a wire transfer of \$1,000 or more
- Monitor clients' accounts and report any suspicious activity.

<sup>19</sup> <https://www.ag.gov.au/Consultations/Documents/AML-CTF/real-estate-model-for-regulation.pdf>

<sup>20</sup> [https://consultations.justice.govt.nz/policy/tackling-money-laundering-and-terrorist-financing/user\\_uploads/aml-phase-2-draft-consultation-document-v4.pdf](https://consultations.justice.govt.nz/policy/tackling-money-laundering-and-terrorist-financing/user_uploads/aml-phase-2-draft-consultation-document-v4.pdf)



### Hong Kong: Expanding the scope of AML regulation

Hong Kong, which is due to be evaluated by the FAFT in 2018, is planning to expand the scope of its AML and counter-terrorism financing legislation to some non-financial businesses and professions – namely solicitors, real estate agents, accountants, and trust and company service providers. The AML legislation will apply to specified transactions, including real estate transactions, the management of client money and company formation.

There are two significant changes introduced by the legislation, which should be effective from early 2018:

- Real estate agents and solicitors will be required to carry out due diligence on customers as outlined in the Act, and keep detailed records
- Real estate agents and solicitors will have to take 'proactive steps' to identify the beneficial owners of companies involved in real estate transactions.

Country	Are real estate professionals bound by AML requirements to carry out due diligence on customers?	Are they required to report suspicious transactions?	Are they required to screen for Politically Exposed Persons?	Must they establish beneficial ownership?
US	No	No	No	No
Canada	Partly (notaries in Quebec are exempt)	Partly (yes in BC, no in Quebec)	No	No
UK	Yes, but for sellers only	Yes	Yes	Yes
Australia	No	No	No	No
New Zealand	Yes	Yes	Yes	Yes
Hong Kong	Yes	Yes	TBD	TBD

## What does this mean for real estate professionals?

Many nations are united in the need to tackle the growing problem of money laundering through real estate. Real estate professionals, as the gatekeepers of the sector, are perfectly placed to act as de-facto regulators.

The willingness of governments in key jurisdictions, combined with concerns over rising property prices and the possible link with money laundering, is creating a perfect environment for regulatory action. The sector should also expect a corresponding increase in enforcement action, regulatory checks and visits.

The AML obligations placed on real estate professionals will be similar to those that already apply to banks and casinos. In practical terms, real estate firms and brokers, title insurance companies, real estate management companies, law firms and lenders will need to:

- Carry out more detailed and intensive customer due diligence, including KYC checks and PEP screening
- Screen individual transactions for suspicious activity
- Establish the ownership of companies involved in real estate transactions
- Prepare regular AML compliance reports and keep documentation for the relevant authorities
- Be able to demonstrate to regulators that they have robust AML screening and compliance procedures in place.

There is work to be done – and if the Canadian authority's review is anything to go by, many real estate firms are under-prepared.

## About Accuity

It is clear that momentum is building worldwide for stricter AML regulation of the real estate sector. We believe it is only a matter of time before the real estate professionals around the world will be asked to comply as a matter of routine with AML legislation.

This will require action from individuals and firms. Good AML compliance is about much more than satisfying regulators' requirements on a basic level; screening of customers is a complex exercise and if carried out inefficiently, a costly and time-consuming one. The consequences of ineffective compliance could be severe in terms of regulatory attention and reputational damage.

The best compliance procedures and systems have accuracy and efficiency at their core:

- They are based on **high-quality data** that's up-to-date and comprehensive
- They make **good use of technology** to maximise the efficiency of the process and leave a strong audit trail for regulators
- They **protect the customer** experience by making sure that checks are thorough but minimise the inconvenience for everyone.

This need not be a significantly disruptive change for real estate professionals. Banks and other financial institutions that are already bound by AML legislation are making good use of available technology and data, such as the comprehensive databases provided by Accuity, to meet their AML obligations. Accuity's databases collate and validate the latest information from enforcement agencies, regulators, court filings, company records and sanctions lists, providing firms with the confidence that screening is comprehensive and accurate. Systems are flexible and adaptable to each individual firm's requirements and many tools are available that make searches quick and effective.

Action will also be required from the sector as a whole. Duplication of compliance checks is a real danger because each segment in the real estate transaction chain – agents, brokers, legal firms, title insurance agents and lenders – has a different role and will carry out their own screening. Coordination of screening efforts across the chain could help to reduce the disruption for honest customers without increasing the risks for real estate professionals.

## **About Accuity**

Accuity offers a suite of innovative solutions for payments and compliance professionals, from comprehensive data and software that manage risk and compliance, to flexible tools that optimise payments pathways. With deep expertise and industry-leading data-enabled solutions from the Fircosoft, Bankers Almanac and NRS brands, our portfolio delivers protection for individual and organizational reputations.

Part of RELX Group, a world-leading provider of information and analytics for professional and business customers across industries, Accuity has been delivering solutions to banks and businesses worldwide for 180 years.





[accuity.com](https://accuity.com)

**Fircosoft**

**Bankers**  
ALMANAC

**NRS**

Boston, Chicago, Dubai, Frankfurt, Hong Kong, India,  
London, Miami, Mumbai, New York, Paris, Pretoria, San Diego,  
São Paulo, Shanghai, Singapore, Strassen, Sydney, Tokyo.

#### About Accuity

Accuity offers a suite of innovative solutions for payments and compliance professionals, from comprehensive data and software that manage risk and compliance, to flexible tools that optimize payments pathways. With deep expertise and industry-leading data-enabled solutions from the Fircosoft, Bankers Almanac and NRS brands, our portfolio delivers protection for individual and organizational reputations.

Part of RELX Group, a world-leading provider of information and analytics for professional and business customers across industries, Accuity has been delivering solutions to banks and businesses worldwide for 180 years.