

**People's Democratic Republic of Algeria
Ministry of Housing, Urban Planning, and the City**

**Permanent Central Authority Responsible for the Supervision and Oversight of
Real Estate Agents in Matters of AML/CFT/CPF**

Risk-Based Supervision

**Off-site and On-site Assessment Guide for the Anti-Money
Laundering, Counter-Terrorist Financing, and Counter-Proliferation
Financing Framework for Real Estate Agents**

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I. Introduction

This Off-site and On-site Supervision Guide for Anti-Money Laundering, Counter-Terrorist Financing, and Counter-Proliferation Financing (AML/CFT/CPF) serves as an essential tool in preventing and combating the misuse of real estate professionals for money laundering or terrorist financing purposes.

By integrating a risk-based approach with rigorous off-site and on-site supervisory procedures, the Permanent Central Authority for the Supervision and Oversight of Real Estate Agents aims to enhance overall security and confidence in the real estate sector, while contributing to the preservation of its integrity and reputation both nationally and internationally.

This guide is supplemented with several annexes to facilitate off-site and on-site inspections to be conducted by various permanent local supervisory and oversight authorities under the Ministry of Housing, Urban Planning, and the City. These annexes provide detailed explanations of the different processes implemented for effective supervision of AML/CFT/CPF activities.

II. Off-Site Inspection Procedure

The off-site inspection is a critical component of the regulatory and supervisory framework established by the Permanent Central Authority for the Supervision and Control of Real Estate Agents to prevent and combat money laundering, terrorist financing, and the proliferation of weapons of mass destruction. This approach aligns with the authority's commitment to ensuring the integrity and transparency of the real estate market by ensuring that reporting entities adopt and implement effective AML/CFT/CPF policies and procedures.

1. Objectives of the Off-Site Inspection:

The primary objectives of the off-site inspection are to:

- Assess the compliance of real estate sector reporting entities with current legislation on anti-money laundering, counter-terrorist financing, and counter-proliferation financing, as well as with standards and guidelines issued by central and local supervisory and control authorities;
- Identify deficiencies in internal control systems, policies, procedures, and practices implemented by reporting entities to prevent money laundering, terrorist financing, and proliferation financing;
- Provide recommendations to improve the effectiveness of measures adopted by reporting entities to combat money laundering, terrorist financing, and proliferation financing;
- Guide on-site inspections to be conducted by inspectors from local supervisory authorities.

2. Documentation to be Reviewed:

Reporting entities are required to submit annually to central and local supervisory authorities the annual report on the prevention and fight against money laundering, terrorist financing, and proliferation financing, in accordance with the provisions of Article 32 of the Regulation dated 21 May 2025 concerning the prevention and fight against money laundering, terrorist financing, and proliferation financing applicable to real estate agents. The report template is provided in Annex 01.

Upon receipt of the report, inspectors are to:

- Verify the completeness of the reports by referring to specific regulatory requirements applicable to different types of reporting entities;
- Examine any additional documents provided by the reporting entities, such as internal policies, transaction monitoring procedures, and employee training records.

Furthermore, the inspector is authorized to request documents that facilitate the execution of their supervisory duties.

3. Receipt of AML/CFT/CPF Reports:

Local permanent supervisory and control authorities receive the annual report on the prevention and fight against money laundering, terrorist financing, and proliferation financing from reporting entities in the real estate sector (real estate agents, brokers, and property managers), along with any additional documents requested.

4. Processing of Documents:

To standardize the processing of reports received from real estate sector reporting entities and to simplify the task for inspectors, the Permanent Central Authority for Supervision has provided this off-site inspection guide on combating money laundering, terrorist financing, and proliferation financing, along with an analysis template (see Annex 02) that includes specific criteria and control points for report analysis.

The inspector uses the template to analyze the received reports, ensuring that all required sections are properly completed and that the information provided is consistent and compliant with current regulatory requirements.

For cases requiring further investigation, the inspector may request additional information from the concerned reporting entities.

5. Summary Note:

Following a thorough analysis of each individual report, the inspector must draft a detailed summary of relevant observations for each reporting entity. This summary should precisely highlight aspects that comply with current standards and regulations, while exhaustively identifying any deficiencies, gaps, or potential risk areas. It should also explicitly indicate key elements requiring particular attention and enhanced follow-up during future on-site inspections.

This comprehensive summary note constitutes a complete and structured risk profile for each reporting entity, serving as a basis for the regular and rigorous updating of the risk mapping of the real estate sector in the field of combating money laundering, terrorist financing, and proliferation financing. This updated mapping will guide targeted and prioritized on-site inspections by local supervisory authorities to assess the effectiveness of the AML/CFT/CPF framework of sector reporting entities.

6. Follow-Up on Recommendations:

The inspector, acting under the authority of their hierarchy, plays a significant role in monitoring the implementation of recommendations provided to reporting entities. This follow-up ensures that the entities take necessary measures to correct identified deficiencies and strengthen their AML/CFT/CPF prevention and control framework. The follow-up process involves several steps, including:

A. Sending a Notification Letter:

The notification process begins with the drafting of an official letter by the inspector, signed by their hierarchical superior. This letter clearly identifies the deficiencies observed during the off-site evaluation and outlines the recommendations for their correction. It also specifies a deadline for implementing the necessary corrective measures. Once drafted, the letter is sent to the concerned reporting entity, either by postal mail or through a secure electronic channel, ensuring formal and documented communication of these findings and required actions.

B. Verification of the Implementation of Corrective Measures:

At the end of the specified period, the inspector contacts the reporting entity to verify the implementation of the notified corrective measures. This verification may be conducted through a detailed questionnaire, a request for supporting documents, or an on-site visit. The case officer then assesses the relevance and effectiveness of the measures implemented by the reporting entity,

ensuring compliance with regulatory standards and the correction of anomalies identified during the previous evaluation.

C. Follow-Up and Corrective Actions:

After evaluation, if the corrective measures implemented by the reporting entity are deemed satisfactory, the case is closed, indicating the resolution of the identified issues. However, in cases of non-implementation or unsatisfactory implementation of corrective measures, the inspector takes additional steps.

A reminder letter is sent to the concerned reporting entity, accompanied by an additional deadline for compliance. If, despite this, no satisfactory action is taken, the local authority may decide to forward the case to the central supervisory authority. The latter may order the application of more stringent measures, such as administrative sanctions or injunctions, to ensure the correction of anomalies and compliance with AML/CFT/CPF regulatory standards.

D. Documentation and Archiving:

The inspector must ensure the preservation of comprehensive documentation of all stages of the off-site inspection, including communications with the reporting entity and decisions made at each step of the process. This documentation is essential for ensuring the traceability of actions taken and results achieved. Additionally, follow-up documents must be securely archived, guaranteeing their integrity and accessibility for future reference. This rigorous documentation practice contributes to transparency, accountability, and compliance with regulatory standards, while facilitating audit and supervisory processes.

Finally, the follow-up on recommendations is of paramount importance and must be conducted rigorously and professionally. The inspector is responsible for maintaining clear and regular communication with reporting entities throughout the off-site inspection process. In cases of non-cooperation or non-compliance with deadlines by the reporting entity, the supervisory authority (central or local) is obliged to take appropriate measures to enforce the applicable regulations. This may include the application of sanctions or other disciplinary actions to ensure compliance and the integrity of the follow-up process.

III. On-Site Inspection Procedure

Within the scope of its supervisory mandates, the permanent central supervisory authority for real estate agents and the permanent local supervisory authorities across the 58 provinces are tasked with

verifying and assessing, both off-site and on-site, the anti-money laundering, counter-terrorism financing, and counter-proliferation financing (AML/CFT/CPF) frameworks of various types of real estate agents (real estate agencies, real estate brokers, and property managers). These new prerogatives are conferred upon them in accordance with the provisions of Article 10 bis 3 of Law No. 05-01 of February 6, 2005, as amended and supplemented, relating to the prevention and combating of money laundering and terrorism financing.

The evaluation of the AML/CFT/CPF framework (compliance and effectiveness) is systematically integrated into comprehensive inspection missions and may also be conducted more thoroughly during thematic missions.

The on-site inspector must ensure that the obligated entity under inspection has taken all necessary measures and provisions to identify, assess, understand, and mitigate ML/TF/PF risks and that the entity exercises a degree of vigilance commensurate with the level of risk.

The quality of the evaluation of an anti-money laundering framework is highly dependent on the scope and depth of the inspection, the objectives set, and the approach adopted. The extent of the scope and depth of the inspection depends on:

- The purpose of the mission, whether comprehensive or thematic (broad or narrow scope),
- The activity conducted by the obligated entity (its size and volume of operations, specialization, and client profile, etc.).

Similarly, defining the objectives and approach of the inspection requires prior interviews with the managers of the real estate agency. In this regard, it is necessary to be presented with the AML/CFT/CPF framework, procedures, and any automated tools implemented (if any).

Finally, after completing all inspection tasks, the on-site inspector will either validate the rating already assigned during the off-site inspection within the risk-based supervision system or assign a new rating based on the conclusions drawn from the mission.

1. Regulatory Framework

- Law No. 05-01 of February 6, 2005, relating to the prevention and combating of money laundering and terrorism financing, as amended and supplemented;
- Law No. 66-156 of June 8, 1966, as amended and supplemented by Law No. 14-01 of February 4, 2014, constituting the Penal Code, Article 87 bis;
- Law No. 06-01 of February 20, 2006, relating to the prevention and combating of corruption;
- Executive Decree No. 06-05 of January 9, 2006, establishing the form, model, content, and acknowledgment of receipt of the suspicious transaction report;

- Executive Decree No. 20-398 of December 26, 2020, establishing the National Committee for the Assessment of Money Laundering, Terrorism Financing, and Proliferation Financing Risks and defining its missions, organization, and functioning;
- Executive Decree No. 23-429 of November 29, 2023, relating to the public register of beneficial owners of legal entities under Algerian law;
- Executive Decree No. 23-430 of November 29, 2023, defining the conditions and modalities for regulatory, control, and/or supervisory authorities to exercise their missions in the field of prevention and combating of money laundering, terrorism financing, and proliferation financing concerning obligated entities;
- Executive Decree No. 25-101 of March 12, 2025, relating to the procedure for freezing and/or seizing funds in the context of preventing and combating terrorism financing and proliferation financing;
- Executive Decree No. 25-103 of March 12, 2025, defining the modalities for listing and delisting individuals and entities on the national list of terrorists and the resulting effects;
- Executive Decree No. 09-18 of January 20, 2009, as amended and supplemented, establishing the regulations governing the profession of real estate agent;
- Order dated 23 Dhou El Kaâda 1446, corresponding to 21 May 2025, establishing the regulation on combating money laundering, preventing the financing of terrorism and the proliferation of weapons of mass destruction, with regard to real estate agents.
- Decision No. 13 of January 16, 2025, appointing members of the permanent central authority responsible for the supervision and control of real estate agents in the field of prevention and combating of money laundering, terrorism financing, and proliferation financing.

. Documentary Prerequisites

A. Sources from Central and Local Supervisory Authorities:

- Identification form of the real estate agent.
- Anti-Money Laundering/Counter-Terrorist Financing/Counter-Proliferation Financing (AML/CFT/CPF) questionnaire completed by the supervisory authorities.
- Auditor's report certifying the financial statements.
- Auditor's report evaluating the AML/CFT/CPF compliance framework.
- Internal control report of the obligated entity.
- External audit report assessing the effectiveness of the AML/CFT/CPF framework.
- Annual report on the institution's AML/CFT/CPF measures.

B. Sources from Real Estate Sector Obligated Entities:

- Organizational chart of the legal entity, highlighting the structure responsible for implementing AML/CFT/CPF measures.
- Copy of the notification letter appointing the Financial Intelligence Processing Unit (FIPU) correspondent, sent to both local and central supervisory authorities and the FIPU, along with the job description.
- Internal AML/CFT/CPF procedures.
- Internal procedures for filing and retaining suspicious transaction reports (STRs).
- Register of beneficial owners.
- Statistics on the number and reasons for STRs submitted to the FIPU over the past three fiscal years.
- External audit reports, if any, addressing AML/CFT/CPF aspects over the past three years.
- List of clients involved in transactions subject to asset freezing measures.
- Training and awareness program on AML/CFT/CPF for the obligated entity.
- Client list detailing: name and legal form, personal and professional addresses, nature of the service requested, start and end dates of the business relationship, and client risk profile.
- Detailed record of transactions conducted by occasional clients from January 1 to December 31 of the year, including the aforementioned specifications.
- List of Politically Exposed Persons (PEPs).
- List of transactions suspended due to verification or information update issues.
- Document outlining ethical and professional standards.
- Statistics on the number of true positive and false positive matches reported concerning UN Security Council Resolutions 1267 and 1373, as well as subsequent resolutions.
- Procedure for asset freezing and handling suspected cases of terrorist financing or proliferation financing.

3. Technical Compliance Assessment

A. Objectives:

The on-site assessment of AML/CFT/CPF measures aims to:

- Ensure the existence of an internal AML/CFT/CPF framework.
- Evaluate the obligated entity's awareness and consideration of AML/CFT/CPF issues.
- Verify compliance with legal and regulatory provisions and assess the framework's conformity.
- Determine the entity's exposure to money laundering, terrorist financing, and proliferation financing risks.

B. Supervisory Methodology:

The technical compliance assessment involves an integrated analysis of the obligated entities' adherence to legal, regulatory, and FATF recommendations. This methodology assists inspectors during on-site missions, focusing on verifying the following aspects:

a. Customer Due Diligence (CDD):

Regulatory References:

- Articles 5 bis 3, 7, 8, 9, and 10 bis 4 of Law No. 05-01, as amended and supplemented.
- Article 58 of Law No. 06-01 of February 20, 2006, on the prevention and fight against corruption.
- Executive Decree No. 23-429 of November 29, 2023, concerning the public register of beneficial owners of Algerian legal entities.
- Article 3 of the Regulation dated May 21, 2025, on AML/CFT/CPF measures for real estate agents.
- Guidelines No. 01 of May 22, 2025, on Customer Due Diligence measures for clients and beneficial owners in the real estate sector.

On-Site Verifications:

- Confirm that the obligated entity has documented AML/CFT/CPF procedures, including prevention, reporting, and mitigation strategies, which are regularly updated.
- Ensure the existence of a client acceptance policy, as defined by the May 21, 2025, Regulation.
- Verify procedures for client identification and transaction monitoring.
- Assess the procedures for ongoing monitoring of high-risk clients and transactions.
- Ensure that the AML/CFT/CPF framework adapts to business developments and client profiles.
- Evaluate the content and compliance of procedures, their implementation, and the controls performed.
- Confirm that the entity has conducted a risk assessment based on risk factors.
- Verify that client identification procedures specify timing—both at the initiation and during the business relationship.
- Ensure procedures mandate updating client information:
 - Annually.
 - Upon significant transactions.
 - When client data changes or significant management alterations occur.
 - When there is suspicion of money laundering, terrorist financing, or proliferation financing, regardless of regulatory thresholds.
 - When doubts arise about the accuracy or relevance of previously obtained client identification data.

Inspectors must also verify that procedures include:

- Implementing Customer Due Diligence measures when:
 - Establishing a business Relationship.
 - Conducting occasional transactions.
 - Suspicions of money laundering, terrorist financing or proliferation financing exist.
 - Doubts about the accuracy or relevance of previously obtained client identification data arise.
- Enhanced due diligence measures for identifying beneficial owners using reliable sources, ensuring the entity knows the true beneficial owners of its corporate clients.
- Ongoing verification that clients are not listed on targeted financial sanctions lists or the national list of terrorist persons and entities.
- Obtaining information on the purpose and intended nature of the business relationship.
- Continuous monitoring of the business relationship, scrutinizing transactions to ensure consistency with the client's profile, and keeping documents and information up to date and relevant.
- Applying Customer Due Diligence measures commensurate with the client's risk level, including enhanced due diligence for high-risk clients and simplified measures for low-risk clients.
- In cases where Customer Due Diligence measures cannot be applied, the entity must refrain from establishing the business relationship, executing the transaction, or must terminate the relationship and consider filing a suspicious transaction report.

Document Retention

Regulatory References:

- Articles 10 bis 07 and 14 of Law No. 05-01 of February 6, 2005, as amended and supplemented;
- Article 21 of the Regulation of May 21, 2025, on the prevention and fight against money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction concerning real estate agents.

On-Site Verification:

The inspector must ensure that the supervised entity has established procedures for retaining:

- All necessary documents related to transactions for at least five years after the completion of the operations;
- All documents obtained within the framework of customer due diligence measures, accounting records, and commercial correspondence, as well as the results of any analysis conducted, for at least five years from the end of the business relationship or the date of the occasional transaction;

- All documents related to operations and transactions that allow for the reconstruction of individual transactions.

c. Politically Exposed Persons (PEPs)

Regulatory References:

- Articles 04 and 07 bis of Law No. 05-01 of February 6, 2005, as amended and supplemented;
- Article 20 of the Regulation of May 21, 2025, on the prevention and fight against money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction concerning real estate agents;
- Guidelines No. 01 of May 22, 2025, on customer due diligence measures and beneficial owners in the real estate professions regarding AML/CFT/CFP.

On-Site Verification:

The inspector should ensure that the procedure includes:

- A definition of PEPs in accordance with current legal and regulatory requirements;
- Enhanced due diligence measures for this category of high-risk clients, whether domestic or foreign PEPs, in addition to the control points mentioned in customer due diligence. These measures include:
 - Obtaining approval from senior management before establishing or continuing (in the case of an existing client) such business relationships;
 - Taking reasonable measures to establish the source of wealth and the source of funds of clients and beneficial owners identified as politically exposed persons; and
 - Ensuring enhanced ongoing monitoring of the business relationship.

d. Internal Control

Regulatory References:

- Articles 10 bis 01, 10 bis 04, and 12 of Law No. 05-01 of February 6, 2005, as amended and supplemented;
- Articles 16 and 28 to 32 of the Regulation of May 21, 2025, on the prevention and fight against money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction concerning real estate agents;
- Executive Decree No. 24-242 of 17 Moharram 1446, corresponding to July 23, 2024, setting the conditions and modalities for the development and implementation of internal control programs by

supervised entities in the context of the prevention of money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.

On-Site Verification:

- The inspector must schedule a working session with the compliance officer responsible for anti-money laundering and counter-terrorist financing and the correspondent of the Financial Intelligence Processing Unit (FIPU). A questionnaire on the evaluation of the said framework is provided to them (see Annex No. 03: Questionnaire).
- The inspector must ensure that the supervised entity has implemented AML/CFT/CFP programs that take into account the risks of money laundering, terrorist financing, and proliferation financing, as well as the scale of the commercial activity, which includes the following policies, procedures, and internal controls:
 - Compliance control mechanisms (including the appointment of an executive as the compliance officer at the management level and an accredited FPIU correspondent (designation decision, minutes of the board meeting, etc.));
 - Study the hierarchical position of the FIPU Correspondent, analyze their job description, examine the relevance and scope of the control and supervision means at their disposal (human resources, equipment, quality of access to the information system, etc.);
 - Examine the work of the FIPU correspondent;
 - Verify that the FIPU correspondent has sufficient independence to file a suspicious transaction report without prior approval from the hierarchy;
 - Ask the FIPU correspondent if they have participated in compliance tests of the information system concerning the current regulations related to anti-money laundering and counter-terrorist financing.
 - Procedures for selecting employees based on stringent criteria;
 - A continuous training program for employees;
 - An independent audit function;
 - The mechanism for preventing, detecting, and combating money laundering and terrorist financing is integrated into the internal control system of the supervised entity.
- The inspector should also ensure that supervised entities in the real estate sector have implemented anti-money laundering, counter-terrorist financing, and counter-proliferation programs that should be applied and adapted to all their branches and subsidiaries. These programs should include the measures mentioned above and also:
 - Policies and procedures for sharing the information required for customer due diligence and the management of money laundering, terrorist financing, and proliferation financing risks;
 - The provision of information, potentially from the supervised entity's branches and subsidiaries, related to clients and operations and transactions, when necessary for

AML/CFT/CFP purposes, compliance functions, audit, and/or AML/CFT/CFP. This information should include data and analyses of transactions or activities that appear unusual (if such analyses have been conducted). Similarly, when relevant and appropriate for risk management, branches and subsidiaries should also receive this information from the parent company's compliance functions.

High-Risk Countries

Regulatory References:

- Article 5 bis 02 of Law No. 05-01 of February 6, 2005, as amended and supplemented;
- Article 27 of the Regulation of May 21, 2025, concerning the prevention and fight against money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction with respect to real estate agents;
- Guidelines No. 01 of May 22, 2025, on customer due diligence measures and beneficial owners in the real estate professions regarding AML/CFT/CFP.

On-Site Verification:

The inspector must ensure that the obligated entity has established procedures that provide for enhanced due diligence measures, proportionate to the risks, in its business relationships and transactions with natural and legal persons from:

- Countries identified by credible sources, such as mutual evaluation reports, detailed assessment reports, or published follow-up reports, as not having adequate AML/CFT/CFP systems;
- Countries subject to sanctions, embargoes, or similar measures imposed, for example, by the United Nations;
- Countries identified by credible sources as having significant levels of corruption or other criminal activities;
- Countries or geographic areas identified by credible sources as providing funding or support for terrorist activities or in which designated terrorist organizations operate.

f. Suspicious Transaction Reporting

Regulatory References:

- Articles 17, 18, 19, 20, 23, 24, 32, and 33 of Law No. 05-01 of February 6, 2005, as amended and supplemented;

- Articles 22 to 26 of the Regulation of May 21, 2025, concerning the prevention and fight against money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction with respect to real estate agents;
- Executive Decree No. 06-05 of January 9, 2006, establishing the form, model, content, and acknowledgment of receipt of the suspicious transaction report.

On-Site Verification:

The inspector must ensure that the obligated entity has implemented a procedure defining the conditions for reporting suspicious transactions to the Financial Intelligence Processing Unit (FIPU), as well as the criteria for ethics and professionalism.

Furthermore, the procedure for preparing a suspicious transaction report should stipulate that when the obligated entity suspects, or has reasonable grounds to suspect, that funds from its client are the proceeds of criminal activity or are related to the financing of terrorism, it is required to immediately file a suspicious transaction report with the FIPU, including attempts at suspicious operations or transactions, regardless of the amount or nature of the operation or transaction.

The inspector should verify that:

- The procedures for reporting suspicious transactions are clear, define the conditions for reporting, and are known to all;
- The suspension of the execution of any operation or transaction involving funds or activities that appear to originate from an offense or seem intended for money laundering and/or the financing of terrorism and/or the financing of proliferation is provided for in the procedures;
- The procedures stipulate that suspicious transaction reports are exclusively intended for the FIPU, and that the follow-up actions fall within the scope of professional secrecy and cannot be disclosed to the client or the beneficiary of the operations or transactions;
- These procedures specify that the law protects individuals who report in good faith from any prosecution and from administrative, civil, and criminal liability, as well as the sanctions incurred in the event of failure to report and/or deliberate disclosure of information to the client.

Assessment of the Effectiveness of the AML/CFT/CPF Framework

A. Objectives

The objective of the assessment of the effectiveness of the AML/CFT/CPF framework is primarily to identify and evaluate the risks to which the obligated entity is exposed, as well as the tools implemented to mitigate these risks.

Inspectors must ensure that the obligated entity has a sound understanding of the nature and level of ML/TF/PF risks it is exposed to, and has implemented all necessary tools—such as policies, internal controls, and AML/CFT/CPF programs—to adequately mitigate these risks.

Furthermore, they must verify that the obligated entity has implemented customer due diligence measures to identify and verify the identity of its clients (including beneficial owners) and maintains ongoing monitoring; effectively detects and reports suspicious transactions; and complies with other AML/CFT/CPF obligations.

B. Supervisory Methodology

Regulatory References:

- Articles 04, 05 bis 03, and 05 bis 04 of Law No. 05-01, as amended and supplemented;
- Articles 28 and 29 of the Regulation dated May 21, 2025, concerning the prevention and fight against money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction in relation to real estate agents.

Supervision Methodology Based on the Risk-Based Approach (RBA):

The assessment of the effectiveness of the AML/CFT/CPF framework implemented by the obligated entity is carried out through the review of its AML/CFT/CPF risk self-assessment. This includes risk factors and information gathered from external sources, including the national risk assessment (NRA), sectoral risk assessments, and statistical data collected from obligated institutions, broken down by risk factors as follows:

- **Customer-related risk factors:**
 - Terrorist financing;
 - Legal nature of the client (natural or legal person);
 - Client type (regular or occasional);
 - Client profile (PEP, non-resident client, business relationships established under unusual circumstances, etc.);
 - Identity of involved parties (agents, beneficial owners, etc.);
 - Other relevant information.
- **Risk factors related to products, services, operations, or distribution channels:**
 - Cash transactions (cash deposits);
 - Sales or purchases;
 - Credit operations (business loans, household loans, leasing);
 - Other relevant information.

- **Country risk factors:**
 - Geographical location (country risk);
 - Other relevant information.

The sample size selected by inspectors will be determined based on the risk rating assigned during the off-site supervision, which establishes the risk profile of real estate sector entities.

a. Customer Due Diligence Obligations

Regulatory References:

- Articles 05 bis 03, 07, 08, 09, and 10 bis 04 of Law No. 05-01, as amended and supplemented;
- Articles 8 to 19 of the Regulation dated May 21, 2025, concerning the prevention and fight against money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction in relation to real estate agents;
- Guidelines No. 01 of May 22, 2025, on customer due diligence and beneficial ownership measures in the real estate profession, in the context of AML/CFT/CPF.

Assessment of the Effectiveness of the AML/CFT/CPF Framework

A. Objectives

The primary objective of the assessment is to identify and evaluate the risks faced by the obligated entity, as well as the tools implemented to mitigate these risks. Inspectors must ensure that the entity understands the nature and level of risks related to money laundering (ML), terrorist financing (TF), and proliferation financing (PF) to which it is exposed, and that it has implemented effective policies, internal controls, and programs to mitigate these risks. They must also verify that the entity has implemented customer due diligence (CDD) measures, including the identification and verification of clients and beneficial owners, ongoing monitoring of business relationships, detection and reporting of suspicious transactions, and compliance with other AML/CFT/CPF obligations.

B. Inspection Methodology

Regulatory References

- Articles 04, 05 bis 03, 05 bis 04 of Law No. 05-01, as amended and supplemented;
- Articles 28 and 29 of the Regulation dated 21 May 2025 on the prevention and fight against money laundering, terrorist financing, and proliferation financing concerning real estate agents.

Risk-Based Approach

The inspection methodology is based on reviewing the entity's self-assessment of ML/TF/PF risks, including:

- Customer-related risk factors: terrorist financing, legal nature, status (regular or occasional), profile (PEP, non-resident, etc.), identity of involved parties.
- Product, service, transaction, or distribution channel risk factors: cash transactions, sales/purchases, credit operations.
- Geographical risk factors: high-risk geographic areas.

The sample to be examined is determined based on the entity's risk profile, as established by the desk review.

a. Customer Due Diligence

Regulatory References

- Articles 05 bis 03, 07, 08, 09, and 10 bis 04 of Law No. 05-01, as amended and supplemented;
- Articles 8 to 19 of the Regulation dated 21 May 2025 concerning real estate agents;
- Guidelines No. 01 dated 22 May 2025 on CDD measures for real estate agents.

On-site Verifications

The inspector must:

- Examine a sample of physical files, selected based on criteria such as size, sector of activity, nature of operations, and client risk profile.
- Review the content of files, focusing on updating records of high-risk clients.
- Verify that the entity has obtained information on the purpose, activity, and intended nature of the business relationship.
- Confirm that the entity has verified the identity of the beneficial owner by comparing held data with the beneficial ownership register.
- Ensure that the entity identifies, verifies the identity and authorization of agents and any person acting on behalf of the client.
- Check transaction data, particularly successive purchases and sales over a short period.
- Verify that file updates are conducted similarly to those at the establishment of the business relationship.
- Ensure that the entity substantiates the accuracy of all information collected from clients.
- Confirm that the entity has identified the beneficial owner and has taken reasonable measures to verify their identity using reliable sources.

- Verify that the entity inquires about the origin and destination of funds, as well as the purpose of complex or unusual transactions.
- Check for the existence of client profiles and ensure that enhanced due diligence measures are applied to high-risk clients.
- Ensure that the entity accurately monitors transactions throughout the business relationship, ensuring their consistency with held client information.
- By sampling, verify the existence of necessary information to document transactions (originator, beneficiary, economic justification).
- Confirm that the entity ensures the origin of funds from non-profit organizations.
- Ensure that the entity refuses to establish relationships with clients for whom due diligence measures are incomplete.

b. Politically Exposed Persons (PEPs)

Regulatory References

- Articles 04 and 07 bis of Law No. 05-01 dated 06 February 2005, as amended and supplemented;
- Article 20 of the Regulation dated 21 May 2025 concerning real estate agents;
- Guidelines No. 01 dated 22 May 2025 on CDD measures for real estate agents.

On-site Verifications

The inspector must:

- Ensure the implementation of risk management systems to identify whether the client or beneficial owner is PEP.
- Examine a sample of physical files related to Politically Exposed Persons (PEPs) and analyze them.
- Review the content of files and their updates.
- Ensure the application of specific due diligence for enhanced and ongoing monitoring of PEPs.

c. Terrorist Financing and Proliferation Financing, Freezing of Operations and Transactions, and Freezing or Seizure of Funds

Regulatory References

- Articles 04, 16, 17, 18, 18 bis, 18 bis 1, 18 bis 2, 18 bis 3, 18 bis 4 of Law No. 05-01 dated 06 February 2005, as amended and supplemented;
- Article 34 of the Regulation dated 21 May 2025 concerning real estate agents;

- Guidelines No. 04 dated 22 May 2025 on freezing and/or seizure measures in the context of targeted financial sanctions;
- Executive Decree No. 25-101 dated 12 March 2025 on the procedure for freezing and/or seizure of funds in the context of preventing and combating terrorist financing and proliferation financing;
- Executive Decree No. 25-103 dated 12 March 2025 setting the modalities for listing and delisting from the national list of terrorist persons and entities and the resulting effects.

On-site Verifications

The inspector must:

- Ensure that the entity regularly reviews sanction lists, including the national list of terrorist persons and entities, via sources such as:
 - United Nations Security Council website;
 - Financial Intelligence Processing Unit (FIPU) website;
 - Ministry of Interior, Local Authorities, and Territorial Planning website;
 - Official Journal publications.
- Ensure that these consultations are conducted daily, including on weekends and public holidays.
- Examine the filtering methods (manual or automatic) for new clients during the establishment of business relationships, as well as existing clients during one-off transactions.
- Ensure that the client, their potential agents, and their beneficial owners are not listed on the aforementioned lists.
- Ensure that the entity has made an immediate declaration to the FIPU in case of a positive match, has notified the concerned persons and entities, and has promptly applied freezing and/or seizure measures.
- Verify that negative cases are also reported to the FIPU.
- Examine files related to freezing or suspension operations carried out by the entity and verify whether these operations have been reported to the FIPU.

d. Record Keeping

Regulatory References

- Articles 10 bis 07 and 14 of Law No. 05-01 dated 06 February 2005, as amended and supplemented;
- Article 21 of the Regulation dated 21 May 2025 concerning real estate agents.

On-site Verifications

The inspector must:

- Verify that record-keeping procedures are known to all operational staff, applied, and monitored.
- Examine a sample of physical files related to suspended transactions.
- Examine a sample of files related to already execute operations to ensure that the documents allow for the reconstruction of individual operations and can provide evidence in case of prosecutions related to criminal activity.
- Verify that documents are retained for at least five (05) years after the completion of the transaction, the termination of the business relationship, or...

e. Quality of the Suspicious Transaction Reporting System

Regulatory References

- Articles 17, 18, 19, 20, 23, 24, 32, and 33 of Law No. 05-01 dated 06 February 2005, as amended and supplemented;
- Articles 22 to 26 of the Regulation dated 21 May 2025 concerning real estate agents;
- Executive Decree No. 06-05 dated 9 January 2006 setting the form, model, content, and acknowledgment of receipt of the suspicious transaction report.

On-Site Verifications

- Request statistics on Suspicious Transaction Reports (STRs).
- Verify that STRs are prepared in accordance with the regulatory template.
- Ensure that STRs include an acknowledgment of receipt.
- Examine cases where acknowledgments of receipt contain specific notes on provisional measures recommended by the FIPU (Financial Intelligence Unit) and assess the actions taken by the reporting entity in response.
- Cross-reference the information in the STRs with the physical files.
- Confirm that transactions falling under Article 23 of the Regulation dated 21 May 2025, concerning the prevention and combating of money laundering, terrorist financing, and proliferation financing by real estate agents, have been reported to the FIPU.
- Categorize STRs by risk level (statistical analysis: number of STRs per risk category) to determine the risk profile of the reporting entity and identify the main threats they face (see Annex No. 05: Number of STRs per Risk).
- Ensure that staff is informed that the law protects individuals who, in good faith, submit STRs from any administrative, civil, or criminal liability.

Note: The inspector's assessment of the quality of STRs will consider both the appropriateness of the reports concerning detected atypical or unusual situations and the relevance of the information provided to the FIPU in describing these situations.

Internal Control

Regulatory References

- Articles 10 bis 01, 10 bis 04, and 12 of Law No. 05-01 dated 6 February 2005, as amended and supplemented.
- Articles 28 to 32 of the Regulation dated 21 May 2025, concerning the prevention and combating of money laundering, terrorist financing, and proliferation financing by real estate agents.
- Executive Decree No. 24-242 dated 17 Moharram 1446 (23 July 2024), establishing the conditions and modalities for the development and implementation of internal control programs by reporting entities within the framework of preventing money laundering, terrorist financing, and proliferation financing.

On-Site Verifications

The inspector must ensure that:

- Periodic control missions address the AML/CFT and proliferation financing framework.
- External audit reports, if available, cover aspects related to AML/CFT and proliferation financing, and that conclusions and recommendations are drawn and followed up accordingly.
- Internal control ensures that United Nations sanctions lists are updated and that this control is documented.
- Findings and recommendations concerning the AML/CFT and proliferation financing framework, as well as the actions taken in response to these recommendations, are verified to assess progress since the last periodic control.
- The effectiveness of control procedures related to STRs is evaluated.
- Control missions encompass training and awareness programs for staff regarding the understanding and application of procedures, as well as the timely and confidential submission of suspicious transactions to the FIPU correspondent.

Staff Awareness and Training

Regulatory References:

- Article 10 bis1 of Law No. 05-01 of 6 February 2005, as amended and supplemented;

- Article 33 of the Regulation of 21 May 2025 on the prevention of and fight against money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction concerning real estate agents.

On-site Inspections:

The inspector must:

- Verify that the various operational entities of the reporting entity possess the procedures manual containing all necessary instructions;
- Ensure that each staff member has the opportunity to report any suspicious transaction to the compliance officer responsible for AML/CFT and proliferation financing;
- Verify that the schedule and content of training sessions are adapted according to the specific needs of the reporting entity and legislative and regulatory changes;
- Verify that staff have practical knowledge of the procedures;
- Verify that new staff members are informed of the procedures;
- Request the content of the courses and the frequency of training sessions;
- Ensure that staff are informed (in a timely manner) of legislative and regulatory changes;
- Ensure that staff are informed that the law protects individuals who, in good faith, have made a suspicious transaction report, from any administrative, civil, or criminal liability;
- Ensure that staffs are informed of the criteria of ethics and professionalism concerning reporting.

h. Branches and Subsidiaries

On-site Inspections:

The inspector must:

- Verify whether the reporting entity has branches and/or subsidiaries;
- Ensure that the reporting entity ensures that its subsidiaries or branches in which it holds a majority stake adopt and implement measures in accordance with the provisions of Law No. 05-01, as amended and supplemented;
- Also ensure that its subsidiaries or branches in which it holds the majority of the share capital apply policies and procedures for information exchange;
- Ensure the application by these branches and subsidiaries of the provisions of the Regulation of 21 May 2025 on the prevention of and fight against money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction concerning real estate agents.

I. Role of External Control Bodies

Regulatory References:

- Article 14 of the Regulation of 21 May 2025 on the prevention of and fight against money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction concerning real estate agents.

On-site Inspections:

- Verify whether the reporting entity has implemented an action plan to address the recommendations of the statutory auditor's report concerning the compliance of its internal system for preventing and combating money laundering and the financing of terrorism, with reference to current normative and prudential practices.

Conclusion

In light of the results obtained from the inspection of the reporting entity's AML/CFT/CPF system, inspectors will be able to establish the risk profile of the reporting entity by classifying the findings according to risks and will complete the following annexes:

- Annex No. 06: Findings related to customer identification (Tables 01, 02);
- Annex No. 07: Findings related to non-compliance with obligations under United Nations Security Council Resolutions No. 1267 and No. 1373;
- Annex No. 08: Findings related to suspicious transaction reports.

Annex 01

Template for the Annual Report

On the AML/CFT/CPF Framework Implemented by Real Estate Agents

Table of Contents

Introduction

1. Overview of the Reporting Entity in the Real Estate Sector
(Real estate agent, real estate broker, property manager)
2. Presentation of Money Laundering, Terrorist Financing, and Proliferation Financing Risks
Risks to which the reporting entity is exposed.

I. AML/CFT/CPF Governance

1. Role and Involvement of Decision-Making Bodies
(Managers, managing directors, etc.)
2. Organization of the AML/CFT/CPF Function
3. Appointment of Responsible Persons

II. Internal Regulatory Framework

1. Description of the Reporting Entity's AML/CFT/CPF Policy
2. Current Procedures
3. Latest Updates to Internal Standards

III. Operational Framework

1. Customer Due Diligence at Onboarding
(Identification, verification, detection of PEPs, beneficial owners, etc.)
2. Ongoing Due Diligence Measures
(Reassessments, enhanced monitoring, etc.)
3. Criteria and Scenarios for Detecting Unusual or Atypical Transactions
4. Processes for Further Analysis and Suspicion Qualification
5. Procedures for Filing Suspicious Transaction Reports with the Financial Intelligence Unit (FIU)

IV. Technical Resources

1. Dedicated Technical Tools
2. Databases Utilized
3. Interfaces with Other Applications
4. Current and Upcoming AML/CFT/CPF Projects

V. Control Program

1. Ongoing Controls
2. Periodic Audit Missions Conducted
3. Main Deficiencies and Recommendations
4. Control and Audit Plan for the Upcoming Year

VI. Training and Awareness

1. AML/CFT/CPF Training Plan
2. Summary of Trainings Provided
3. Internal Communications and Awareness Actions
4. Training Materials and Documentation

VII. Key Figures and Analyses

1. Statistics on Customer Onboarding, Suspicious Transaction Reports, etc.
2. Year-over-Year Comparison and Trend Analyses
3. Specific Cases or Typologies of Detected ML/TF/PF Transactions

VIII. Action Plan

1. Main Ongoing and Upcoming AML/CFT/CPF Projects and Initiatives
2. Strategic Areas for Strengthening the Framework
3. Dedicated Resources (Human, Budgetary, etc.)

Appendices

1. Excerpt from the Reporting Entity's AML/CFT/CPF Customer Risk Mapping
2. Organizational Chart of the Operational AML/CFT/CPF Framework
3. Internal/External Audit Reports (Excerpts)
4. KYC (Know Your Customer) Template Used by the Reporting Entity

Annex 01

Annual Report Template on the AML/CFT/CPF Framework Implemented by Real Estate Agents

Table of Contents

Introduction

1. Presentation of the Reporting Entity in the Real Estate Sector (Real Estate Agent, Real Estate Broker, Property Manager)
2. Overview of the Money Laundering (ML), Terrorist Financing (TF), and Proliferation Financing (PF) Risks to Which the Reporting Entity Is Exposed

I. AML/CFT/CPF Governance

1. Role and Involvement of Decision-Making Bodies (Managers, General Directors, etc.)
2. Organization of the AML/CFT/CPF Function
3. Appointment of Responsible Persons

II. Internal Regulatory Framework

1. Description of the Reporting Entity's AML/CFT/CPF Policy
2. Current Procedures
3. Latest Updates to Internal Standards

III. Operational Framework

1. Customer Due Diligence (CDD) at Onboarding (Identification, Verification, PEP Detection, Beneficial Owners, etc.)
2. Ongoing Due Diligence Measures (Reassessments, Enhanced Monitoring, etc.)
3. Criteria and Scenarios for Detecting Unusual or Suspicious Transactions
4. Processes for Further Analysis and Suspicion Assessment
5. Procedures for Submitting Suspicious Transaction Reports (STRs) to the Financial Intelligence Unit (FIU)

IV. Technical Resources

1. Dedicated Tools (Screening, Profiling, Transaction Monitoring, etc.)
2. Databases Utilized
3. Interfaces with Other Applications
4. Current and Upcoming AML/CFT/CPF IT Projects

V. Control Program

1. Ongoing Controls
2. Periodic Audit Missions Conducted
3. Main Deficiencies and Recommendations
4. Control and Audit Plan for the Upcoming Year

VI. Training and Awareness

1. AML/CFT/CPF Training Plan
2. Summary of Training Sessions Conducted
3. Internal Communication and Awareness-Raising Actions
4. Course Materials and Documentation

VII. Key Figures and Analyses

1. Statistics on Customer Onboarding, Suspicious Transaction Reports, etc.

2. Year-over-Year Comparisons and Trend Analyses
3. Specific Cases or Typologies of Detected ML/TF/PF Activities

VIII. Action Plan

1. Main Ongoing and Upcoming AML/CFT/CPF Projects and Initiatives
2. Strategic Directions for Strengthening the Framework
3. Dedicated Resources (Human, Budgetary, etc.)

Annexes

1. Excerpt from the AML/CFT/CPF Risk Mapping of the Reporting Entity's Clients
2. Organizational Chart of the Operational AML/CFT/CPF Framework
3. Excerpts from Internal/External Audit Reports
4. KYC (Know Your Customer) Template Used by the Reporting Entity

Introduction

1. Presentation of the Reporting Entity

a) Identification of the Reporting Entity

Name of the reporting entity, legal form, registered office, license number, and contact information. The reporting entity must also indicate relevant registration details, such as the commercial register number, tax identification number (TIN), and any other pertinent information.

b) Business Activity Description:

A clear summary of the core business activities, highlighting the specific services provided by the reporting entity that places it under the Anti-Money Laundering/Countering the Financing of Terrorism/Counter-Proliferation Financing (AML/CFT/CPF) regulatory regime. This could include, for example, real estate investment advisory services, brokerage, etc.

c) Organizational Structure:

An overview of the reporting entity's organizational structure, including its main departments or divisions, with particular emphasis on those involved in AML/CFT/CPF risk management (such as the compliance department).

d) Legal and Regulatory Framework:

Details on the licenses, authorizations, and regulatory obligations governing the activities of the reporting entity, particularly in relation to AML/CFT/CPF compliance.

2. Overview of AML/CFT/CPF Risks to Which the Reporting Entity is Exposed

a) Customer-Related Risks:

Identification of customer categories that present a higher risk level (e.g., Politically Exposed Persons [PEPs], companies located in high-risk jurisdictions).

b) Product and Service Risks:

Details of products or services that may be particularly susceptible to increased AML/CFT/CPF risks (e.g., products that facilitate anonymity in transactions).

I. AML/CFT/CPF Governance

1. Role and Involvement of Governing Bodies (Managers, Directors, etc.)

a) Managers and Executives:

Role of managers in:

- Defining the overall AML/CFT/CPF policy of the reporting entity;
- Approving major strategies and policies;
- Ensuring adequate resources are allocated to the AML/CFT/CPF function;
- Overseeing the effectiveness of implemented policies and procedures.

b) Specialized Functions:

List existing specialized units such as internal audit, risk management, or a dedicated AML/CFT/CPF function, and their roles in ensuring effective compliance oversight.

2. Organization of the AML/CFT/CPF Function**a) Hierarchical Reporting:**

Description of the reporting lines of the AML/CFT/CPF functions within the entity.

b) Staffing:

Details about the staff dedicated to the AML/CFT/CPF function, specifically:

- Total number of employees;
- Distribution of staff;
- Qualifications and skills;
- Resource needs;
- Recent developments.

c) Qualifications:

Details on the qualifications of employees in charge of AML/CFT/CPF responsibilities, including:

- Academic and professional qualifications;
- Work experience;
- Ongoing training;
- Specific competencies.

3. Appointment of Key Personnel**a) Compliance Officer (FIU Liaison Officer):**

Detailed information about the appointed officer, including:

- Name;
- Position;
- Powers and responsibilities;
- Qualifications and experience;
- Specific training received.

II. Internal Policy Framework**1. Description of the AML/CFT/CPF Policy****a) Scope:**

Clearly define the business areas and organizational structure covered by the AML/CFT/CPF policy.

b) Guiding Principles:

Outline the fundamental principles that guide actions and decisions in the AML/CFT/CPF domain, such as integrity, transparency, accountability, and compliance with applicable laws and regulations.

c) Dissemination:

Describe how the policy is communicated within the organization. This may include mandatory training sessions for all employees, availability of the policy on the intranet, and regular updates or newsletters to keep staff informed of relevant developments.

Current Procedures

2. Current Procedures in Force

a) KYC (Know Your Customer):

Explain the KYC procedures in place, including the measures for identifying and verifying customers' identities, understanding the nature of their business activities, and assessing their AML/CFT/CPF risk profile.

b) Ongoing Due Diligence (Monitoring):

Detail the measures implemented for the continuous monitoring of transactions and business relationships to detect suspicious or unusual activity. Include information on any automated systems used (if applicable).

c) Risk Analysis:

Description of the processes for assessing the risks associated with customers, products, services, and geographic locations. Indicate how these risk assessments are used to calibrate the level of monitoring and control.

d) Suspicious Transaction Reporting:

Specify the procedures for reporting suspicious activities to the Financial Intelligence Unit (FIU). Include information on the internal decision-making process from initial detection to the formal filing of a suspicious transaction report (STR).

3. Recent Updates to Internal Standards

a) Regular Updates:

Provide details on the latest revisions of AML/CFT/CPF policies and procedures, specifying the dates and reasons for the updates. Indicate how these revisions have been incorporated into the daily practices of the reporting entity.

b) Response to Regulatory Changes:

Explain how legislative or regulatory developments have been integrated into the internal compliance framework.

c) Feedback and Improvements:

Discuss internal feedback mechanisms such as internal and external audits, and compliance reviews that contribute to the refinement and improvement of AML/CFT/CPF policies and procedures.

III. Operational Mechanism

1. Customer Onboarding Due Diligence (Identification, Verification, PEP Screening, Beneficial Ownership, etc.)

a) Customer Identification and Verification:

Describe the measures implemented to formally identify all new clients, including the collection of valid identity documents and other relevant information based on the customer's risk profile.

b) Identification of Politically Exposed Persons (PEPs) and Beneficial Owners:

Explain the specific process for identifying PEPs, which requires enhanced due diligence due to their position and the increased risk of involvement in corruption or money laundering. Apply the same level of explanation for beneficial ownership identification.

2. Ongoing Monitoring Measures (Reassessments, Enhanced Monitoring, etc.)

a) Periodic Reassessments:

Discuss how often and under what circumstances client risk profiles are reassessed, particularly based on their risk classification.

b) Enhanced Due Diligence (EDD):

Detail the conditions and processes for applying enhanced monitoring to higher-risk customers, transactions, or geopolitical contexts.

3. Criteria and Scenarios for Detecting Atypical or Unusual Transactions

a) Definition of Atypical Transactions:

Clarify the criteria used to identify a transaction as atypical or unusual, based on thresholds, patterns, frequency, volumes, and other indicators.

b) Detection Scenarios:

List and explain the various behavioral or transactional patterns that are systematically monitored to detect potentially suspicious activities.

4. Process for Additional Analysis and Suspicion Qualification

a) Analytical Steps:

Describe the workflow followed once an atypical or unusual transaction is detected, including the initial assessment, further investigation, and qualification of the activity as suspicious or not.

b) Suspicion Qualification Criteria:

Detail the specific criteria used to determine whether a transaction should be classified as suspicious and reported to the competent authorities.

5. Suspicious Transaction Reporting Procedures to the FIU

a) Reporting Process:

Outline the formal steps to be followed for submitting a suspicious transaction report (STR), including formats, communication channels, and mandatory deadlines.

b) Internal Coordination:

Explain how information flows between departments (e.g., compliance, operations, security) to ensure coherent and effective reporting.

c) Data Protection and Confidentiality:

Mention the measures taken to safeguard sensitive information throughout the STR reporting process.

Technical Tools

1. Dedicated Tools (Screening, Profiling, Transaction Monitoring, etc.)

a) Screening:

Description of the systems used to screen transactions and customers against watchlists, including targeted financial sanctions lists (e.g., United Nations Security Council lists and national lists) and watchlists for suspicious transactions.

b) Profiling:

Explanation of how profiling tools are used to identify abnormal transaction patterns or increased risks based on clients' historical behavior or predefined risk models.

2. Databases Used (Internal and External Lists)

a) Internal Lists:

Overview of internal databases developed to track and manage information on customers, suspicious transactions, and historical investigations.

b) External Lists:

Discussion on the use of third-party lists, including international sanctions lists, PEP databases, and other critical sources used for background screening of clients and associated parties.

3. Ongoing and Upcoming AML/CFT/CPF IT Projects

a) Enhancements:

Summary of upgrades and improvements made to existing tools to increase their efficiency and coverage.

b) New Deployments:

Presentation of new tools and technologies adopted during the year or planned for future implementation to address evolving money laundering, terrorist financing, and proliferation financing threats.

V. Control Program

1. Ongoing Controls (Monitoring Areas, Responsible Parties, Methodology)

a) Monitoring Areas:

Detailed description of the processes and procedures followed to continuously monitor for suspicious activity.

b) Responsible Parties:

Identification of individuals or departments responsible for carrying out controls, including details about their roles and responsibilities.

c) Methodology:

Description of the methods and techniques used to conduct controls, including the use of IT systems, data analytics, and risk-based approaches.

2. Periodic Audit Missions Conducted

a) Audit Frequency and Type:

Specify how often audits are conducted and whether they are internal or external.

b) Key Findings:

Summary of the main observations made during audit missions.

c) Follow-up Actions:

Description of measures taken in response to audit findings.

3. Main Weaknesses and Recommendations

a) Identified Weaknesses:

List of key deficiencies found in the AML/CFT/CPF control framework during the year.

b) Recommendations:

Suggestions for improving the existing controls, based on identified weaknesses and industry best practices.

4. Control and Audit Plan for the Coming Year

a) Strategic Objectives:

Definition of clear objectives for enhancing control and audit processes.

b) Audit Planning:

Audit calendar including the nature (internal or external) and frequency of audits to be carried out.

c) Training Initiatives:

Planned training programs aimed at increasing staff awareness and competence in AML/CFT/CPF matters.

Training and Awareness

1. AML/CFT/CPF Training Plan (Modules, Target Population)

a) Training Modules:

Detailed overview of the various modules or courses comprising the training program, with a brief explanation of the content of each module.

b) Target Population:

Identification of employee groups required to complete the training, based on their roles or exposure to AML/CFT/CPF risks.

2. Summary of Training Delivered (Topics, Participants, Formats)

a) Topics Covered:

List of subjects addressed during training sessions (e.g., identification of suspicious behavior, reporting procedures for suspicious activity, etc.).

b) Participants:

Number and profile of employees who attended the training sessions.

c)

Training

Formats:

Description of the training methods used (e.g., online, in-person, workshops, webinars, etc.).

3. Internal Awareness Communications and Activities

a) **Regular Communications:**
Information on internal communications such as newsletters, emails, or internal notices related to AML/CFT/CPF.

b) Special Events:

Details on awareness-raising events organized by the institution, such as AML/CFT awareness days, seminars, or internal campaigns.

c) Employee Feedback and Engagement:

How employees are encouraged to provide feedback and actively engage in the culture of compliance.

4. E-learning Platforms and Documentation

a) E-learning Platforms:

Details on online learning platforms used for AML/CFT/CPF training, including interactive features and knowledge assessments.

b) Documentation:

List of manuals, guides, standard operating procedures (SOPs), and other documents supporting staff training and awareness on AML/CFT/CPF obligations.

VII. Key Figures and Analytical Insights

1. Statistics on Customer Onboarding, Suspicious Activity Reports, etc.

a) Customer Onboarding:

Number of new business relationships established during the year, possibly broken down by client type or business sector.

b) Suspicious Activity Reports (SARs):

Total number of SARs filed during the year, with breakdown by grounds for suspicion.

c) Additional Indicators:

Useful statistics such as the number of transactions monitored, alerts generated by monitoring systems, or cases escalated to the Financial Intelligence Unit (FIU).

2. Year-over-Year Comparison and Trend Analysis

a) Trends and Developments:

Comparison of current year figures with those of the previous year to highlight significant trends, increases, or decreases.

b) Root Cause Analysis:

Explanation of possible causes for the changes observed, whether linked to regulatory changes, market developments, technological advancements, or internal initiatives.

3. Noteworthy Cases and Identified Typologies

a) Noteworthy Cases:

Description of significant, complex, or unusual cases. Include context, detection method, handling process, and lessons learned.

b) Typologies:

If new money laundering or terrorist financing methods or schemes were identified during the year, describe them in detail to illustrate the entity's capacity to adapt to evolving threats.

Action Plan

1. Key Ongoing and Upcoming AML/CFT/CPF Projects and Initiatives

a) Ongoing Projects:

Presentation of current projects or initiatives under development or implementation, detailing their objectives, progress status, and the expected benefits for the AML/CFT/CPF framework.

b) Upcoming Projects:

List of projects planned for the upcoming year, specifying their scope, strategic goals, and how they align with the overall AML/CFT/CPF strategy.

2. Strategic Areas for Strengthening the Framework

a) Enhancement of Monitoring Systems:

For example, integration of advanced data analytics technologies or artificial intelligence-based solutions to improve the detection of suspicious activities.

b) Training and Awareness:

Detailed overview of programs aimed at reinforcing employees' knowledge and vigilance in relation to AML/CFT/CPF obligations.

c) Collaboration and Information Sharing:

Initiatives to improve cooperation with other obliged entities (financial institutions and DNFBPs), regulatory bodies, supervisory and control authorities, and law enforcement agencies.

d) Policy and Procedure Updates:

Plans to revise internal policies to ensure continued alignment with the most recent laws and regulatory requirements.

3. Dedicated Resources (Human, Financial, etc.)

a) Budget Allocations:

Information on the budget dedicated to AML/CFT/CPF initiatives, including any planned increases to support new projects or enhancements of existing systems.

b) Technological Investments:

Description of specific investments in advanced technologies aimed at improving detection capabilities and risk management related to AML/CFT/CPF.

Annexes:

1. Extract from the AML/CFT/CPF Risk Mapping of the Reporting Entity's Customer Base
2. Flowchart of the AML/CFT/CPF Operational Framework within the Reporting Entity's Organization
3. Extracts from Internal and External Audit and Control Reports
4. KYC Template Used by the Reporting Entity

Annex 2

| No. | Subject | Processed | | Inspector's summary and observations |
|--|--|-----------|----|--------------------------------------|
| | | Yes | No | |
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| | Structure of the AML/CFT/CPF Function Appointment of Designated Officers | | | |
| II. Internal Regulatory Framework | | | | |
| | Description of the AML/CFT/CPF | | | |

| | | | | |
|-----------------------------------|---|--|--|--|
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| | Applicable Procedures | | | |
| | Latest Updates to Internal Standards | | | |
| III. Operational Framework | | | | |
| | Onboarding Measures (Identification, Verification, Detection of PEPs and Beneficial Owners, etc.) | | | |
| | Ongoing Due Diligence Measures (Reassessments Enhanced Monitoring, etc.) | | | |
| | Criteria and Scenarios for Detecting A typical or Unusual Transactions | | | |
| | Processes for Further Analysis and Suspicion Qualification | | | |
| | Procedures for Suspicious Transaction Reporting to the FIU. | | | |
| IV. Technical Resources | | | | |
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| | | | | |
|--------------------------------------|---|--|--|--|
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| VII. Key Metrics and Analyses | | | | |
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| | | | | |
|--|---|--|--|--|
| | Extract from the AML/CFT/CPF Risk Mapping of the Reporting Entity's Customer Base | | | |
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Annex 03: AML/CFT/CPF Compliance Assessment Questionnaire

People’s Democratic Republic of Algeria
Ministry of Housing, Urban Planning and the City

AML/CFT/CPF COMPLIANCE ASSESSMENT QUESTIONNAIRE

Provincial Housing Directorate of Wilaya:
Permanent Local Supervisory Authority for Real Estate Agents

Date of On-Site Inspection:

IDENTIFICATION OF THE REAL ESTATE PROFESSIONAL

- **Full Name of the Real Estate Agent:**
- **Business Address:**
- **License Number:**
- **Date of Issuance:**
- **Issued on by:**
- **Contact Information:**
 - **Phone:**
 - **Mobile:**
 - **Email:**

| Questions to ask the obliged entity and verify on site | | | Inspector's observations | | |
|--|---|-----|--------------------------|-------------------|---------------------|
| No. | Description | Yes | No | Project under way | Inspector's comment |
| A. General | | | | | |
| I. Organisation and Procedures | | | | | |
| 1 | Does the obliged entity have a written programme for the prevention, detection and mitigation of money-laundering, terrorist-financing and proliferation-financing (AML/CFT/CPF)? | | | | |
| 2 | Does this programme include, in particular: <ul style="list-style-type: none"> • documented procedures; • controls; • a customer due-diligence methodology; • appropriate staff training; and • Arrangements for interacting with the Financial Intelligence Unit (CTRF) (e.g., liaison officer and suspicious-transaction reporting)? | | | | |
| 3 | Has the obliged entity appointed an AML/CFT Compliance Officer? If yes, what is that officer's hierarchical position? | | | | |
| 4 | How is the AML/CFT/CPF function structured within the organisation? To whom does it report? | | | | |
| 5 | What human and material resources are allocated to that function? | | | | |
| 6 | Has the obliged entity issued a procedure manual covering customer due diligence, record-keeping, detection of unusual or suspicious transactions and reporting obligations? | | | | |
| 7 | Is the manual updated on a regular basis? | | | | |

| Liaison Officer to the Financial Intelligence Uni(FIU) | | | | | |
|---|---|--|--|--|--|
| 8 | Has the obliged entity designated a FATF Liaison Officer? | | | | |
| 9 | Is the Liaison Officer's name and contact details communicated to the FATF immediately upon appointment? | | | | |
| 10 | Are those same details communicated to the local and central supervisory authorities for real-estate agents? | | | | |
| 11 | Is the Liaison Officer also the entity's AML/CFT Compliance Officer? | | | | |
| 12 | Are the Liaison Officer's duties and responsibilities clearly defined in a job description? | | | | |
| B. Effectiveness of the Framework | | | | | |
| I. Risk-Based Approach | | | | | |
| 13 | Does the risk classification adopted by the obliged entity cover the characteristics of all of its customers? | | | | |
| 14 | Does it also cover all products or services offered? | | | | |
| 15 | Does it take into account the specific conditions of every type of transaction (nature, complexity, etc.)? | | | | |
| 16 | Has the obliged entity incorporated terrorist-financing risk factors into its overall risk taxonomy? | | | | |
| | II. Customer and Transaction Due Diligence | | | | |
| 17 | Has the obliged entity defined and established internal standards for customer and transaction due diligence? | | | | |
| 18 | Are those standards updated regularly? | | | | |

| | | | | | |
|----|---|--|--|--|--|
| 19 | <p>Do they specifically address:</p> <ul style="list-style-type: none"> • Customer identification and transaction monitoring; and • Ongoing monitoring of the business relationship? | | | | |
| 20 | Does the account-opening procedure spell out the high-risk client profiles and list the criteria for that classification? | | | | |
| 21 | Before entering into a business relationship, does the entity identify and verify the identity and address of the customer and, where applicable, the beneficial owner? | | | | |
| 22 | If it proves impossible to verify the customer's or beneficial owner's identity, or to obtain information on the purpose and intended nature of the relationship, does the entity refrain from establishing the relationship? | | | | |
| 23 | Does the framework require the creation of a risk profile for every business relationship? | | | | |
| 24 | For a new relationship with a natural person, is an original, valid official ID document mandatory? | | | | |
| 25 | For a new relationship with a legal person, is an original copy of the articles of association required? | | | | |
| 26 | Is address verification carried out by collecting an official document that proves the customer's address? | | | | |
| 27 | When transactions are carried out by proxies or agents acting on behalf of others, must the power of attorney and ID/address documents of the ultimate owners of the funds be provided? | | | | |
| 28 | Where a person appears not to be acting on his or her own behalf, is there a procedure to identify the true principal? | | | | If so, does the procedure require cancelling the onboarding when the true principal cannot be identified? |

| | | | | | |
|---|--|--|--|--|--|
| 29 | Does the obliged entity periodically—at least upon a significant transaction or a substantial change in documentation standards—update the identification and address data of its customers? | | | | |
| 30 | When the reporting entity detects missing information in a customer identification file, does it promptly initiate corrective measures to regularize the file? | | | | |
| 31 | Does the reporting entity verify the identity and address of clients when the lawful origin of the funds is uncertain? | | | | |
| A-Politically Exposed Persons | | | | | |
| 32 | Does the reporting entity have a system in place to detect politically exposed persons at the beginning of the business relationship? | | | | |
| 33 | Before establishing a relationship with any new client who qualifies as a politically exposed person under the provisions of Law No. 05-01, as amended and supplemented, does the reporting entity gather sufficient information on the source of funds? | | | | |
| 34 | Does the reporting entity apply enhanced and ongoing monitoring to business relationships involving politically exposed persons? | | | | |
| B- Targeted Financial Sanctions and Freezing of Transactions or Assets | | | | | |
| 35 | Does the reporting entity consult the list of individuals and organizations identified as involved in terrorism financing, as published on the official website of the Algerian Financial Intelligence Unit and the United Nations? | | | | |
| 36 | Does the reporting entity ensure that the list it uses is the most up-to-date version available? | | | | |
| 37 | Does the reporting entity have a manual or automated screening mechanism to detect matches between its | | | | |

| | | | | | |
|---|---|--|--|--|--|
| | customer base (new and existing clients) and the names appearing on the list published by the Financial Intelligence Unit? | | | | |
| 38 | Does the reporting entity have a formal procedure for handling cases suspected to involve the financing of terrorism or the proliferation of weapons of mass destruction? | | | | |
| III. Record Keeping | | | | | |
| 39 | Does the reporting entity retain all documents related to client identification, address verification, and real estate transactions for a minimum period of five (5) years from the termination of the business relationship or the date of the last transaction? | | | | |
| 40 | Has the reporting entity developed procedures for its staff specifying which information should be retained regarding customer identification, individual transactions, and the legal and regulatory retention periods? | | | | |
| Suspicious Transaction Reporting | | | | | |
| 41 | Has the reporting entity established a formal procedure detailing the circumstances and conditions under which suspicious transaction reports must be filed with the Financial Intelligence Unit? | | | | |
| 42 | Does the reporting entity refrain from executing any transaction suspected to involve funds derived from a criminal offense or that may be intended for money laundering and/or terrorism financing? | | | | |
| 43 | Does the reporting entity report to the Financial Intelligence Unit any transaction involving funds suspected of originating from criminal activity or intended for money laundering and/or the financing of terrorism? | | | | |

| | | | | | |
|-----------|---|--|--|--|--|
| 44 | Are such reports made as soon as a suspicion arises, even if the transaction could not be suspended or was already executed? | | | | |
| 45 | Is any new information that reinforces or refutes the initial suspicion communicated without delay to the Financial Intelligence Unit after the report has been submitted? | | | | |
| 46 | Are these reports prepared in accordance with the model set out in Executive Decree No. 06-05 of 9 January 2006? | | | | |
| 47 | Does the reporting entity comply with the precautionary measures provided by the law, including the administrative freezing of funds for 72 hours and judicial freezing orders? | | | | |
| 48 | Does the reporting entity respect professional secrecy by not informing the client or the beneficiary of the transaction that a suspicious transaction report has been filed or of the consequences of such filing? | | | | |
| 49 | Are employees of the reporting entity made aware that the law protects individuals who file reports in good faith from any administrative, civil, or criminal liability? | | | | |
| 50 | Has the reporting entity developed documentation, made available to all staff members, outlining the ethical and professional standards to be observed when filing suspicious transaction reports? | | | | |

V – Training

| | | | | | |
|-----------|--|--|--|--|---|
| 51 | Has the reporting entity established a permanent training program for its entire staff on the prevention of money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction? | | | | If yes, how many employees have received such training? |
|-----------|--|--|--|--|---|

| | | | | | |
|------------------------------|---|--|--|--|--|
| 52 | Are the procedures related to anti-money laundering, counter-terrorism financing, and counter-proliferation financing communicated to all staff of the reporting entity? | | | | |
| VI – Internal Control | | | | | |
| 53 | Is the framework for preventing, detecting, and combating money laundering, terrorist financing, and proliferation financing integrated into the internal control system of the reporting entity? | | | | |
| 54 | Is this framework subject to an annual report submitted to the local or national supervisory authority? | | | | |
| 55 | Has the risk of money laundering, terrorist financing and proliferation financing been subject to an internal and/or external audit within the past three (3) years? | | | | |
| 56 | If yes, is there a follow-up mechanism in place to ensure the implementation of the recommendations and action plans? | | | | |

Name and Position of the Inspector:

Date and Signature:

Annex 04: Statistics declared by obliged entities on the number of positive cases and false positives related to the provisions of UN Security Council Resolutions No. 1267 and No. 1373

| Year | Resolution No. 1267 | | Resolution No. 1373 | |
|--------------|----------------------------|------------------------|----------------------------|------------------------|
| | Positive cases | False positives | Positive cases | False positives |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| Total | | | | |

Annex 05: Number of STRs/Risk

| Year | Number of STRs | Risks |
|--------------|-----------------------|--------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| Total | | |

Annexes to be completed by supervision inspectors.

Annex 06: Findings related to customer identification

Table 01: Findings related to customer due diligence measures

| Risk | Customer and representative identification | Beneficial owner identification | Understanding the purpose and nature of business relationship | Data updating | Ongoing monitoring of transactions | Total |
|---------------------------|---|--|--|----------------------|---|--------------|
| Number of findings | | | | | | |

Table 02: Findings related to enhanced due diligence measures

| Risk | Verification of source of funds for high-risk customers | PEPs | Total |
|---------------------------|--|-------------|--------------|
| Number of findings | | | |

Annex 07: Findings related to non-compliance with obligations linked to the provisions of UN Security Council Resolutions No. 1267 and No. 1373

| Year | Number of findings | Reasons |
|-------|--------------------|---------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| Total | | |

Annex 08: Findings related to STRs

| Year | Quality of declaration | Independence of FIU correspondent | Professional secrecy | Follow-up actions to STR |
|-------|------------------------|-----------------------------------|----------------------|--------------------------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| Total | | | | |

Glossary:

- **STR:** Suspicious Transaction Report (DS = Déclaration de Soupçon in French)
- **PEPs:** Politically Exposed Persons
- **FIU:** Financial Intelligence Unit (CTRF = Cellule de Traitement du Renseignement Financier in French)
- **UN Resolution 1267:** Related to sanctions against Al-Qaeda and associated individuals/entities
- **UN Resolution 1373:** Related to counter-terrorism measures and financing