

People's Democratic Republic of Algeria
Ministry of Housing, Urban Planning and the City
Supervisory and Oversight Authority for Real Estate Agents

Guideline No. 01 dated on 22 May 2025 on Customer Due Diligence Measures and Identification of Beneficial Owners in the Real Estate Sector in the Context of Combating Money Laundering, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction

Introduction

These guidelines are intended to assist real estate professionals—comprising real estate agencies, real estate brokers, and property managers—in meeting their obligations towards their customers through the effective implementation of due diligence measures in line with the requirements of Law No. 05-01 of 27 Dhu al-Hijjah 1425, corresponding to 6 February 2005, on the prevention and suppression of money laundering and the financing of terrorism, as amended and supplemented. The aim is to protect these professionals from being misused for the purpose of carrying out illicit transactions linked to money laundering, terrorist financing, the financing of the proliferation of weapons of mass destruction, or any other criminal activity.

The guidelines are also intended to enhance understanding of appropriate and proportionate customer due diligence (CDD) measures based on the risk level attributed to each customer. This includes the identification and verification of both the customer and the beneficial owner.

Moreover, the guidelines outline key indicators of money laundering and terrorist financing that real estate agents must consider and integrate into their internal procedures as awareness tools for staff in identifying and reporting suspicious activity or transactions.

It is further emphasized that these CDD obligations must be fulfilled in addition to the requirements of the national anti-money laundering, counter-terrorist financing, and counter-proliferation financing regime applicable to real estate agents, dated 21 May 2025.

I. General Provisions

Real estate agents must undertake customer due diligence measures in the following circumstances:

- When establishing a business relationship;
- When carrying out occasional transactions exceeding the threshold set by , whether conducted as a single operation or as several operations that appear to be linked;
- When executing an occasional transaction in the form of a wire transfer that exceeds the regulatory threshold, or several linked operations whose total amount exceeds the threshold;
- When there is suspicion of money laundering, terrorist financing, or proliferation financing, regardless of the amount involved;

- When there are doubts about the veracity or adequacy of previously obtained customer identification data.

Before entering into a business relationship or executing an occasional transaction, real estate agents must:

- Identify and verify the identity of customers (natural persons, legal persons, non-profit organizations) and their agents, as well as any person acting on behalf of the customer, using reliable, independent source documents, data, or information;
- Identify the beneficial owner and take reasonable measures to verify their identity, based on reliable, independent sources;
- Determine the purpose and intended nature of the business relationship or occasional transaction;
- Promptly take all necessary steps to obtain any missing information needed to accurately identify the customer;
- Verify the authenticity of documents and data provided by the customer if there is suspicion about their accuracy;
- Implement effective measures to ensure compliance with asset freezing and/or seizure obligations and the prohibition on making funds or economic resources available to designated persons. To this end, real estate agents must establish a system to consult and continuously monitor both the UN consolidated sanctions list and the national list. Internal procedures must include mechanisms for the immediate detection—without delay or prior notice—of any transaction involving a designated person, and the freezing/seizure of related funds or assets;
- Apply enhanced due diligence measures before executing a transaction or responding to a customer's request in cases of suspicion of money laundering, terrorist financing, or proliferation financing, or if there are doubts about the reliability or adequacy of previously collected customer identification information;
- Ensure that documents, data, and information obtained as part of the due diligence process are comprehensive, up to date, and appropriate—particularly in the case of high-risk customers.

Where real estate agents are unable to fulfill the above due diligence obligations, or when the customer's transactions are inconsistent with the agent's understanding of the customer's profile, they must, depending on the circumstances, refrain from establishing a business relationship or executing the transaction. In such cases, the business relationship must be terminated, and where appropriate, a suspicious transaction report must be filed.

Customer and Beneficial Owner Identification

A. Identification Procedures for Natural Persons:

• Collection of required identification information:

Real estate agents must establish and maintain a Know Your Customer form, to be completed and signed under the responsibility of the customer (or their legal representative). This form must contain the information listed in the table below, along with a clear indication of the supporting documents required to verify each data point.

Examples of Required Information	Examples of Supporting Documents
<ul style="list-style-type: none">• Full name, date and place of birth• Nationality• Gender (male/female)• Current permanent residence address at the time of data collection• Residence abroad, if applicable• Landline and mobile phone numbers, if applicable• Email address, if applicable• Occupation, job title, or economic activity• Monthly income• Name and address of employer or business• Nature and purpose of the business relationship• Official identification number and type of identification document.• Identity of the beneficial owner, if applicable• Customer's undertaking to update their personal data upon any change	<ul style="list-style-type: none">• Official identification documents bearing the customer's photograph (national identity card, biometric driving license, or passport)• Proof of residence, such as a residence certificate or utility bills (electricity, water, gas, telephone), or any other valid means• Employment certificate or equivalent documentation identifying the employer or the organization with which the customer is affiliated• For merchants: extract from the commercial register• For self-employed professionals: tax identification card• In case of third parties authorized to act on behalf of the customer: supporting documentation, in particular notarized power of attorney.

Verification procedures:

Real estate agents must verify the accuracy of the customer information before initiating any business relationship. This verification must be carried out using reliable, independent sources, including but not limited to the documents listed above. Particular attention must be paid to the following:

1. The authenticity of the official documents provided by the customer;
2. The coherence between the information declared and the supporting evidence;
3. The cross-checking of data with external, trustworthy databases or systems when available;

4. Any indication of inconsistency, forgery, or suspicious patterns in identity documents or the customer's declarations must trigger enhanced due diligence procedures or the rejection of the business relationship.

B. Identification Procedures for Legal Persons (Including Non-Profit Organisations) and Legal Arrangements

• Collection of required identification information:

Real estate agents must collect the following information for each legal person or legal arrangement, including non-profit organizations, prior to establishing a business relationship:

Examples of Required Information	Examples of Supporting Documents
<ul style="list-style-type: none"> - Name (commercial name) - Legal form - Nature of business activity - Capital - Date of establishment - Registration or license number and date authorising business activity - Business address - Registered office address, if different - Turnover or revenue data - Telephone and fax numbers - Email address and website - Commercial register number, date and issuing authority - Tax identification number and issuing authority - Name, address and nationality (or nationalities) of the owner (in case of sole proprietorship) - Identity of shareholders, partners, founding members, directors, and legal representatives (or their equivalent under foreign law), including their ownership percentages - Identity of board members - Purpose of the relationship - Information concerning the beneficial owner(s): 	<ul style="list-style-type: none"> - Articles of incorporation and bylaws, or official gazette publication containing them and any amendments thereto - Extract from the commercial register - Tax identification certificate - License or certificate authorising business activity - Preliminary incorporation deed (for companies under formation) - Proof of identity document in the case of a single-member company - Documents proving the delegation of authority to persons representing the legal person or arrangement - Proof of identity documents for natural persons holding 20% or more of the capital or voting rights of the company - Proof of identity documents for natural persons exercising control over the company through other direct or indirect means if no one meets the 20% threshold - Proof of identity of the legal representative of the company or arrangement when the beneficial owner cannot be identified using the previous criteria - Signature specimens of persons

<ul style="list-style-type: none"> ○ A. Names, addresses, and nationalities of natural persons holding a controlling interest (20% or more of the capital or voting rights) in the company. ○ b. Names, addresses, and nationalities of natural persons exercising control over the company or legal arrangement through other means (direct or indirect), if no person holds the above-mentioned ownership share. ○ c. Name, address, and nationality of the legal representative of the company or legal arrangement, if the beneficial owner cannot be identified under criteria (a) and (b). - Commitment to update the entity's or legal arrangement's information in the event of any change or upon request by the real estate agent. 	<p>authorised to act on behalf of the entity</p>
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Verification Procedures:

Real estate agents must verify the accuracy of the information provided by the customer prior to establishing a business relationship. This verification must be carried out using data, information, or documents obtained from other reliable and independent sources, including the documents listed in the previous table. Real estate agents must examine the original documents used to verify the data and information and retain clear photocopies of them. Each copy must be certified as a true copy of the original by the designated employee through their signature.

3. Updating of Information:

- Real estate agents are required to update, on an ongoing and appropriate basis and at suitable intervals, the data, information, and documents obtained when applying customer due diligence measures. This is particularly important for high-risk categories of customers. Agents must refer to the provisions in the section on risk management of money laundering, terrorist financing, and proliferation financing contained in these guidelines. The update frequency must be reduced proportionally as the risk level increases.
- For existing customers and pre-existing business relationships prior to the entry into force of these measures, real estate agents must apply these procedures at times commensurate with the assessed level of risk. This must take into consideration whether customer due diligence measures had previously been applied, when they were applied, and whether the data obtained at the time remains adequate and reliable.

4. Ongoing Monitoring of Transactions:

Real estate agents must establish internal procedures that allow for the continuous monitoring of transactions. This includes reviewing operations conducted throughout the duration of the business relationship with the customer to ensure that transactions are consistent with the agent's knowledge of the customer, the nature of the customer's business, and the risks they pose. This also includes, when necessary, information concerning the source of funds.

Real estate agents must give special attention to all complex or unusually large transactions, or to patterns of transactions that are unusual and which do not appear to have a clear legitimate or economic purpose. Examples of such transactions and patterns may include:

- Complex or large-scale transactions relative to the nature of the customer's business and past transactional behaviour.
- Transactions that exceed the regulatory thresholds in force.
- Transactions executed by individuals residing in jurisdictions identified as having inadequate or insufficient implementation of international standards for combating money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction, as published by the Financial Intelligence Unit.

5. Risk Management of Money Laundering, Terrorist Financing, and Proliferation Financing

A. Risk Assessment

Real estate agents must take appropriate steps to identify, assess, and understand the risks of money laundering, terrorist financing, and proliferation financing to which they are exposed. These risks may be associated with real estate products or services, transactions, delivery channels, customers, or geographic areas. This process shall include the following:

- Maintaining documentation relating to the preparation of the risk assessment.
- Taking into account all relevant risk factors associated with money laundering, terrorist financing, and proliferation financing prior to determining the overall level of risk and the type and level of measures to be taken to mitigate such risks.
- Regularly updating the risk assessment and whenever necessary.
- Establishing appropriate mechanisms for communicating the results of the risk assessment to the supervisory authority for real estate agents and other competent authorities, upon completion or upon request.

- Considering the high-risk threats identified in the national risk assessment and its updates, as well as any other high-risk threats identified by the State and formally communicated to real estate agents.

B. Areas of Risk

In conducting their risk assessments related to money laundering, terrorist financing, and proliferation financing, real estate agents must cover all relevant areas of risk, including, at a minimum, the following:

1. Risks related to real estate services and products:

These risks relate to the types of real estate services that may be vulnerable to misuse for purposes of money laundering, terrorist financing, or proliferation financing. This includes new services and products. The following are examples of factors that may guide real estate agents in identifying such risks:

- Services designated as high-risk by the Financial Intelligence Unit in coordination with the supervisory authority of real estate agents.
- Services that do not allow for the disclosure of sufficient information concerning the identity of their users, or services that are international in nature, such as those provided via the internet.

2. Customer-related risks:

These refer to risks arising from customers themselves, their transactions, or the sectors to which they belong. Real estate agents must rely on both the monitoring of customers' transaction patterns and the information gathered through customer due diligence procedures, including information about the customer's identity, activity, and the beneficial owner. The following are examples of factors that may guide the assessment of such risks:

A. Risks related to the customer:

- Customers whose beneficial owner is difficult to identify.
- Customers with a questionable reputation or suspicious transactional history.
- Non-resident customers.
- Customers who show resistance or reluctance to complete the required procedures upon learning that identification or supporting documentation is required.
- Customers exhibiting abnormal behaviour, such as undue urgency or indifference to obtaining the best terms and prices.
- Customers providing permanent addresses located outside the agent's service area, such as in another province or abroad.
- Customers providing invalid or deactivated telephone numbers.
- Customers providing information that is difficult to verify.
- Politically exposed persons (PEPs), due to their increased risk exposure.

B. Risks related to customer transactions:

- Situations where the type of real estate service requested is inconsistent with the customer's declared activity.
- High-value transactions or those lacking a clear economic or lawful purpose.
- Transactions involving a real estate agency that is located far from the customer's residence or place of work, despite the availability of equivalent services closer to them and without clear justification.
- Transactions involving a sudden and unexplained change in the customer's usual transaction pattern.
- Customers reported to be involved in illegal activities.
- Unjustified use of intermediaries when dealing with the real estate agent.
- Situations where the customer requests excessive secrecy for certain transactions.
- Non-face-to-face transactions, particularly those using modern technologies, such as online real estate services paid for through electronic payment methods.

C. Risks Related to the Sectors of Activity in Which Customers Are Engaged:

- Associations and activists within non-profit organizations, especially those located outside Algeria.
- Customers engaged in real estate trading and property development.
- Customers involved in the trade of precious metals and precious stones.
- Persons acting on behalf of others in the following activities:
 - Buying, selling, or managing real estate, funds, or other financial assets.
 - Performing legal procedures necessary to establish or manage a legal entity, or to buy or sell commercial enterprises.

D. Risks Related to Certain Geographic Areas

These risks include:

- The place of residence or business of the customer, or the country where the customer conducts a significant volume of transactions.
- The country or countries of which the customer is a national.

Real estate agents may be guided by the following when identifying geographic areas with elevated levels of risk:

- Countries known for widespread drug production or drug trafficking.
- Countries known for a high level of terrorist activity, support for terrorism, or arms trafficking.
- Countries known for a high level of human exploitation or trafficking in persons.
- Countries known for human smuggling.

- Countries with high levels of corruption.
- Countries that lack adequate systems for combating money laundering and the financing of terrorism, or where such systems are insufficient.

6. Enhanced Due Diligence Measures:

Real estate agents must, to the greatest extent reasonably possible, examine the background and purpose of all complex, large, or unusual transactions, as well as all unusual patterns of transactions that do not have a clear economic or lawful purpose.

They must apply enhanced due diligence measures whenever there is a high risk of money laundering or terrorist financing, in accordance with the level of risk identified.

In particular, they must increase the degree and depth of monitoring the business relationship, in order to determine whether any transactions or activities appear unusual or suspicious.

Examples of enhanced due diligence measures that may be applied to high-risk business relationships—bearing in mind that these measures are applied in addition to the standard due diligence requirements for all customers—include:

- Obtaining additional information about the customer (for example, the volume of their assets or properties, or public information available through databases, the internet, etc.).
- Reducing the frequency of updates to customer identification and beneficial ownership information.
- Obtaining further information about the nature of the intended business relationship.
- Collecting information on the source of the customer's funds or assets.
- Obtaining explanations regarding the reasons for expected or completed transactions.
- Securing approval from senior management (such as the manager or director general) before starting or continuing the business relationship.
- Implementing enhanced monitoring of the business relationship, by identifying types of transactions that require further scrutiny and establishing stricter internal control measures where necessary.

**Done in Algiers oncorresponding to
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Signature