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

Guidelines No. 04 dated on 22 May 2025, concerning the identification and verification of beneficial owners by real estate agents in the context of preventing and combating money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.

Introduction

These guidelines aim to raise awareness among real estate professionals—real estate agencies, real estate brokers, and property managers—of the applicable legislative and regulatory provisions, and to enhance their understanding of the obligations related to the identification and verification of beneficial owners. They provide a practical reference to assist real estate agents in implementing effective measures for identifying the beneficial owner, with a focus on identifying the individuals who ultimately own or control, directly or indirectly, the customer or their representative, or who exercise effective control over a legal arrangement for which a transaction is conducted or a business relationship is established.
These guidelines are intended to support real estate agents in aligning their practices with international standards, thereby contributing to enhanced compliance and increased transparency in real estate transactions.

These guidelines are based primarily on Recommendations 10 and 24 of the Financial Action Task Force (FATF), which relate to customer due diligence and the transparency of beneficial ownership of legal persons.

I. Legal and Regulatory References

- Ordinance No. 66-156 of 8 June 1966, corresponding to 18 Safar 1386, establishing the Penal Code, as amended and supplemented;
- Law No. 05-01 of 6 February 2005, corresponding to 27 Dhu al-Hijjah 1425, on the prevention of and fight against money laundering and terrorist financing, as amended and supplemented;
- Law No. 23-09 of 21 June 2023, corresponding to 3 Dhu al-Hijjah 1444, on monetary and banking law;
- Executive Decree No. 22-36 of 4 January 2022, corresponding to 1 Jumada al-Thani 1443, setting out the responsibilities, organisation and functioning of the Financial Intelligence Processing Unit;
- Executive Decree No. 23-429 of 29 November 2023, corresponding to 15 Jumada al-Awwal 1445, on the public register of beneficial owners of legal persons governed by Algerian law;
- Executive Decree No. 25-101 of 12 March 2025, corresponding to 12 Ramadan 1446, on measures for the freezing and/or seizure of funds and assets in the context of the prevention and fight against terrorist financing and proliferation financing;
- Executive Decree No. 25-102 of 12 March 2025, corresponding to 12 Ramadan 1446, setting out the composition, organisation and functioning of the Committee for Monitoring Targeted International Sanctions;
- Executive Decree No. 25-103 of 12 March 2025, corresponding to 12 Ramadan 1446, laying down the procedures for listing and delisting individuals and entities on the national list of terrorists and terrorist entities, and the consequences thereof;
- 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.

II. Importance of the Concept of Beneficial Ownership

The primary purpose of identifying and verifying the beneficial owner is to determine the natural person(s) who ultimately own or control the customer or the customer's agent and/or the natural person on whose behalf a transaction is conducted or a business relationship is established. It also includes the natural persons

who ultimately exercise effective control over the customer.
This enables appropriate and effective monitoring and decision-making based on the level of risk associated with money laundering, terrorist financing, and proliferation financing posed by the customer and the beneficial owner.

Moreover, this approach seeks to collect accurate and up-to-date information, make it available to competent authorities to prevent and combat such illicit activities, and ensure that the sanctions provided for under applicable legislation are enforced effectively when appropriate.

III. Importance of Beneficial Ownership Information for Combating ML/TF/PF

The lack of accurate and reliable information on beneficial ownership facilitates the occurrence of money laundering, terrorist financing and proliferation financing, primarily through:

- Concealing the identity of known or suspected criminals;
- Obscuring the purpose of a transaction or the ownership of a legal entity;
- Concealing the source or destination of funds or assets linked to a legal entity;
- Using nominees—individuals who present themselves as the legal owners of assets to hide the identity of the real beneficial owner;
- Using shell companies to carry out transactions without owning assets or engaging in any actual business activities, even if registered;
- Creating complex ownership and control structures, making it difficult to identify the beneficial owner—especially when there are multiple layers of ownership involving other legal persons;
- Using legal persons as administrators;
- Using intermediaries such as lawyers or service providers to establish legal persons.

Criminals and criminal networks frequently exploit legal persons to conceal their true identities, obscure illicit financial flows, and facilitate money laundering, terrorist financing, and proliferation financing. They often use complex ownership and control structures that make it difficult to trace and identify the beneficial owner who ultimately owns or controls the legal person. This difficulty is heightened when such entities are established in multiple or diverse jurisdictions.

In this context, accurately identifying beneficial owners is of paramount importance at both the national and international levels. It enables obliged entities, including real estate agents, to apply anti-money laundering, counter-terrorist financing, and counter-proliferation financing measures in a risk-based, proportionate, and reasonable manner.
By improving transparency and the traceability of beneficial ownership information, real estate agents can significantly enhance their ability to combat these illicit activities.

Note:
Although Algerian commercial law defines the legal forms of legal persons, certain shareholders, partners, or beneficial owners who are non-residents may adopt structures not explicitly provided for in this legislation. In such cases, due diligence obligations must be applied to both the legal person and these alternative arrangements.

It is essential to recognise that such structures may be used to obscure the identity of beneficial owners or to circumvent regulatory obligations.

Real estate agents must identify and monitor risk indicators associated with complex arrangements, such as the presence of offshore structures, complicated ownership chains, or a lack of transparency in capital flows. They must also establish clear procedures for collecting and verifying beneficial ownership information, including strict reporting requirements.

IV. Definitions

- **Legal Persons**: Legal persons include:
    - the State, provinces, and municipalities;
    - public institutions of an administrative nature;
    - civil and commercial companies;
    - associations and foundations;
    - endowments;
    - Any group of persons or assets to which the law grants legal personality.
- **Real Estate Professionals**: Refers to real estate agencies, real estate brokers, and property managers.
- **Beneficial Owners**: A beneficial owner is any natural person who ultimately exercises, directly or indirectly, one of the following:
    - holds at least 20% of the capital or voting rights of a legal person, or exercises effective control over its management, supervisory bodies, or general assembly;
    - owns or controls the customer, whether the customer is a legal person, an agent acting on behalf of the customer, or a natural person on whose behalf a transaction is carried out;
    - exercises effective control through a dominant ownership stake or controlling position over the legal person.

  Where no beneficial owner can be identified according to the criteria above, the main executive officer of the entity may be designated as the beneficial owner, provided that the real estate professional is able to justify having taken comprehensive verification measures to determine the beneficial owner.

- **Ownership or Control**: Refers to natural person(s) who directly or indirectly own at least 20% of the capital or voting rights and who exercise control — de facto or legal, by any means, directly or indirectly — over the management, administration, governance bodies, or general assembly, or over the operations of the legal person.
- **Customer**:
    - any person or entity with whom a real estate professional establishes a business relationship;
    - any person or entity carrying out occasional transactions exceeding the regulatory threshold, including transactions executed as a single operation or in several operations that appear to be linked;
    - any person carrying out occasional transactions in the form of electronic transfers exceeding the regulatory threshold, including cases where multiple lower-value transactions appear to be linked.

V. Identification of the Beneficial Owner

The identification of the beneficial owner involves determining the natural person(s) who ultimately control the customer or benefit from a transaction. This includes the following measures:

- assessing the ownership and control structure of the customer (legal person), as well as any agents or life insurance beneficiaries;
- analyzing the transactions carried out and the nature of the business relationship to identify the individuals behind the legal entities;
- verifying control mechanisms that enable certain natural persons to exercise effective control over legal persons.

This approach aims to ensure transparency and to prevent attempts to conceal the identity of individuals in the context of a business relationship.

V.1. Identification of Beneficial Owners

This involves identifying the natural persons who directly or indirectly own or control a significant share of the capital or voting rights of the legal person. Under applicable regulations, a threshold of 20% is considered sufficient to qualify a person as a beneficial owner.

If no individual holds at least 20%, the governance and management structure must be examined to identify persons exercising effective control.

V.2. Control Through Ownership Structure or Other Means

Real estate professionals must understand the ownership structure of legal persons and identify their beneficial owners.

V.2.1. Indirect Ownership or Control

Real estate professionals must carefully review cases where ownership or control is exercised indirectly, whether through a third party, an intermediary, or complex ownership mechanisms (e.g., through other entities within the ownership chain). If control is fragmented among multiple natural or legal persons, the real estate professional must identify the natural person(s) who ultimately exercise effective control over the legal person.

Complex Cases: Identifying Control beyond Ownership Thresholds

Where no individual owns at least 20% of the legal person, real estate professionals must conduct a more in-depth analysis of control mechanisms, such as:

- strategic decision-makers who can influence contracts, agreements, or decisions that significantly affect the operations or strategy of the legal person;
- members of the board or executives with the authority to appoint or dismiss members of the management;
- natural persons who exercise control through family ties or close personal relationships;
- individuals with veto power over key decisions;
- individuals entitled to receive at least 20% of the assets in the event of the legal person's dissolution.

V.2.2. Family-Owned Structures and Partnerships

For family-owned businesses or partnerships, real estate professionals must consider implicit agreements between family members or partners. As a group, they may exercise significant control even if none of them individually holds more than 20%. In such cases, their shares must be aggregated to identify the beneficial owner.

V.2.3. Control Through Management, Oversight Bodies, or the General Assembly

In certain cases, it may not be possible to identify the beneficial owner solely through the ownership structure. In such cases, real estate professionals must identify the natural persons who exercise effective control through governance, supervisory, or management bodies, including:

- **Senior executives** (e.g., CEOs, managing directors) who determine strategic direction or make key decisions on behalf of the legal person;
- **Persons exercising executive control** over day-to-day activities and able to influence the operations and essential functions of the entity;
- **Supervisory board members** who oversee management activities, validate key strategic decisions, or have the authority to block certain decisions;

- **General assembly members**, particularly when they hold decision-making powers or control over critical matters such as approving financial statements, appointing directors, or amending the articles of association.

Persons Acting on Behalf of the Customer
When a person is authorized to act on behalf of a customer, it is essential to determine whether they are acting on behalf of the customer or on behalf of a third party. In such cases, the identity of the beneficial owner must be clearly established.
The beneficial owner is defined as the natural person(s) who ultimately own or control the customer or on whose behalf a transaction or activity is being conducted, whether the customer is a natural or legal person.

5.2.V Identification of Beneficial Owners of Non-Profit Organizations (NPOs)
In accordance with FATF guidance, the beneficial ownership of a non-profit organization must be clearly identified. This includes any individual who has the power to direct or influence the organization through ownership, management, or other means of control.
In this context, the ownership and control structure of the organization must be considered. For example, if the NPO is established as a legal entity, the reporting entities must identify the natural persons who exercise significant influence over its activities, whether through their role on the board of directors, executive positions, founding status, or decision-making powers in strategic matters.
Where the organization has a large and complex membership structure, making it difficult to identify the beneficial owners, real estate agents must focus on identifying senior management officials—such as board members or the executive director—as the beneficial owners.
This not only enhances transparency within the organization but also facilitates the prevention of illicit activities such as money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction.

In summary, identifying the beneficial owners of non-profit organizations requires a rigorous and systematic approach that considers the specific structure of each organization. This is essential for ensuring a clear understanding of financial flows and control relationships within these entities, thereby enhancing the ability of competent authorities to monitor and prevent potential violations—especially in high-risk scenarios involving money laundering, terrorist financing, or proliferation financing.

6.2.V Identification of Beneficial Owners in Life Insurance or Investment-Linked Insurance Contracts
Identifying the beneficial owners is critically important in the context of life insurance or investment-linked insurance, in accordance with applicable legal and regulatory provisions as well as FATF recommendations.

- **Information Collection at Onboarding:** Entities must collect information on the beneficial owners, whether they are specifically named or designated by category (e.g., spouse, children).
- **Identity Verification at the Time of Payout:** At the time of payment, the identity of the beneficial owners must be verified to ensure compliance and mitigate any associated risks.
- **Enhanced Due Diligence for High-Risk Beneficiaries:** Where the beneficiaries are identified as politically exposed persons (PEPs) or present other high-risk characteristics, enhanced controls must be implemented, including prior approval by senior management.

7.2.V Identification of Beneficial Owners of Publicly Listed Companies
Specific provisions apply to the collection of information on the beneficial owners of companies listed on stock exchanges. Such companies are subject to disclosure obligations and generally provide a sufficient level of transparency with respect to beneficial ownership.
In these cases, publicly available sources may be relied upon to obtain information about shareholders and beneficial owners, or customer declarations may be accepted, provided that the following elements are documented:

- The company's name,
- Information on the company as a legal person,
- The percentage of shares listed for public trading,

- If less than 100% of the shares are publicly listed, details must be provided regarding the unlisted portion in accordance with the requirements of the Beneficial Ownership Register regime,
- A web link to the company’s stock listing information,
- Information on ownership and control structure.

Compliance with these information requirements enables adherence to both national and international legislation related to anti-money laundering (AML), counter-terrorist financing (CFT), and counter-proliferation financing (CPF), while also strengthening transparency and verification of beneficial ownership in listed companies.

9.2.V Identification of the Beneficial Owner – Customer as a Natural Person

Where the customer is a natural person, real estate agents must verify their identity by collecting information such as national identification documents, residential address, and the source of funds and wealth—using reliable and independent sources.
They must also determine whether any other party exercises influence over the customer’s financial decisions, particularly through powers of attorney, mandates, guardianships, or similar legal arrangements.
Moreover, real estate agents must analyze the nature of the relationship with the customer to detect any third parties that may be involved or exert influence, especially when the customer is associated with a politically exposed person (PEP).

VI. Data Required for Each Beneficial Owner

Real estate agents must collect and verify, at a minimum, the following information for each beneficial owner:

- Full name: supported by official documentation (national ID card, passport, or residence card for foreigners),
- Nationality/nationalities: declared by the beneficial owner,
- Date and place of birth: as stated in official identification documents,
- Residential address: including both permanent address and proof of residence status,
- National ID number: as shown on the national ID card or passport,
- Issue and expiry dates: for each official document,
- Occupation and position held: indicating the individual’s role within the entity,
- Contact details: including telephone numbers and other communication channels,
- Tax residency: indicating the country of tax residence of the beneficial owner,
- Ownership data: percentage of ownership and voting rights,
- Rationale and basis for control: explanation of the means through which the beneficial owner exercises control over the legal entity,
- Intermediaries: details of all persons claiming to act as intermediaries between the beneficial owner and the legal person, along with supporting documentation evidencing such relationships.

VII. Risk-Based Approach

Law No. 05-01 of 6 February 2005, as amended, on the prevention and combating of money laundering and terrorist financing, mandates the application of a risk-based approach (RBA) when assessing customers and their beneficial owners. This approach is mandatory, irrespective of the level of risk associated with the customer.

Dealing with different types of customers (e.g., legal persons) involves different levels of risk compared to natural persons, primarily due to complex ownership structures and the potential for concealing transparency.

1.VII. Risk Assessment Based on Customer Type

Real estate agents must take into account the risks of money laundering, terrorist financing, and proliferation financing associated with different types of customers. Legal persons, due to the complexity of their ownership structures, may pose different risks than natural persons. Therefore, it is crucial to assess the risks stemming from ownership structures and related beneficial owners.

2.VII. Risk Assessment Process
The risk assessment process must include:

- **Ownership Identification:** Ensuring that the entity has clear policies and procedures to determine ownership and control structures,
- **Risk Evaluation:** Effectively assessing the money laundering, terrorist financing, and proliferation financing risks associated with customers, taking into account the findings of risk assessments, including legal considerations.

3.VII. Customer Due Diligence Measures
The risk-based approach allows for flexibility in identifying beneficial owners using data from reliable and independent sources.
If the risk assessment identifies high-risk situations or if the beneficial owner is a politically exposed person, enhanced due diligence (EDD) measures must be applied.
Conversely, simplified due diligence (SDD) may be applied in cases of low risk.
Following customer risk assessment, real estate agents must apply appropriate customer due diligence (CDD) measures, which may include:

- **Simplified measures** for low-risk customers,
- **Enhanced measures** for high-risk customers.

Enhanced Due Diligence Measures

In situations involving high risks, real estate agents are required to apply enhanced due diligence (EDD) measures to customers and beneficial owners who are considered to pose a high risk, such as those associated with money laundering (ML), terrorist financing (TF), or the financing of proliferation (PF).
These measures include, in particular:

- Identifying high-risk factors based on national and sectoral risk assessments or through appropriate data collection procedures;
- Taking into account politically exposed persons (PEPs), non-residents, or individuals linked to high-risk jurisdictions;
- Thoroughly assessing the country of origin, residence, or business activity of the beneficial owner;
- Evaluating the products and services provided to the customer, as well as the nature and distribution channels used.

These enhanced due diligence measures may include the following actions:

- Obtaining additional information on the customer and, where applicable, on the beneficial owner(s) and/or the nature of the intended business relationship;
- Gathering supplementary information on the source of funds and source of wealth;
- Conducting enhanced ongoing monitoring of the business relationship by increasing the frequency and scope of monitoring activities;
- Obtaining senior management approval (manager, general director, etc.) prior to establishing or continuing the business relationship.

Enhanced due diligence for high-risk business relationships must be continuous, and any breach or suspicion must be documented and analyzed in real-time.

VII. Reduced Monitoring and Ongoing Transaction Review

Under certain conditions, real estate agents may reduce the frequency of monitoring if it is demonstrated that the risk level is low, provided that any new threats arising during the process or transaction are promptly identified and addressed. In other words, the level of monitoring must be commensurate with the risk posed by the customer or beneficial owner and conducted in compliance with applicable regulations.

Real estate agents are required to establish appropriate internal procedures to ensure ongoing monitoring throughout the duration of the business relationship.

Failure to collect specific information regarding the nature and purpose of the business relationship may give rise to risk, whether in the context of new or existing relationships. Therefore, it is essential to ensure rigorous verification of all information, including the names of customers and beneficial owners.

VIII. Information Verification Procedures

As part of anti-money laundering, counter-terrorist financing, and counter-proliferation financing obligations, real estate agents must verify the information of all customers and beneficial owners of legal persons using appropriate data collection procedures, whether before or during the establishment of the business relationship, or when conducting transactions involving occasional customers.

When the risks of ML/TF/PF are deemed low, real estate agents may, where appropriate, complete the verification of the customer’s or beneficial owner's identity after the business relationship has been established, provided that:

- It is done as soon as reasonably practicable and in all cases before carrying out the first transaction;
- It is necessary to avoid disrupting the normal course of business;
- The risks of ML/TF/PF are effectively managed.

Real estate agents must implement risk management procedures regarding the circumstances under which a customer may benefit from the business relationship prior to the completion of identity verification.

Conditions for deferring identity verification procedures:

- The deferral must be necessary to ensure business continuity, while also ensuring that no ML/TF/PF-related risk is introduced;
- Real estate agents must implement appropriate measures to effectively manage such risks in accordance with applicable regulations. The deferral may be permitted after establishing the business relationship, in accordance with internal procedures.

If real estate agents are unable to identify and verify the identity of the customer and the beneficial owner, they must:

- Refrain from establishing the business relationship;
- Or terminate any existing business relationship.

In such cases, they must also consider filing a suspicious transaction report with the Financial Intelligence Unit (FIU).

Exemptions from beneficial ownership obligations:

Certain legal persons are exempted from obligations related to the disclosure of beneficial owners. These include:

- Legal persons whose capital is entirely or predominantly owned by the State;
- Legal persons subject to public law.

IX. Examples of Ownership and Control Structures

1. Beneficial Ownership through Different Classes of Shares

Companies may issue various classes of shares for specific purposes, such as limiting voting rights for some shareholders or protecting the interests of founders. Such structures may allow a small group to retain control over the company while reducing the voting power of other shareholders. It is essential to monitor these arrangements to identify beneficial owners holding shares with enhanced voting rights or ordinary shares, thereby identifying those exercising control over the entity.

2. Family-Owned Companies

The complexity of ownership and control structures in family businesses may complicate the identification of beneficial owners. It is necessary to consider familial ties, such as kinship, marriage, or other relationships when identifying beneficial owners. Family members may hold shares through complex structures or family agreements that aggregate ownership and control percentages.

3. Usufruct and Pledge

Usufruct and pledged shares may affect the identification of beneficial owners. In cases of usufruct, the beneficial owner may be the person entitled to both voting rights and dividends. In cases of pledges, rights may be transferred to the pledgee.

4. Parallel Structures and Hidden Beneficial Owners

It is essential to have a comprehensive view of the ownership structure, even when a legal person holds less than 20% of shares directly or indirectly. Real estate agents must trace all branches of ownership structures to identify beneficial owners who may be concealed behind multiple layers of intermediaries.

5. Misuse of Legal Persons

Criminal actors may misuse complex structures such as shell companies, pseudonyms, or financial instruments to obscure their connection to beneficial owners. This includes the creation of multinational structures to hide assets and conceal beneficial ownership, often through jurisdictions with weak or nonexistent AML/CFT frameworks.

X. Training and Awareness

Real estate agents must implement targeted training programs for their staff concerning the identification and verification of beneficial owners. These programs should include specific requirements, such as how to handle complex legal structures.

Training must also cover high-risk scenarios and be appropriate, comprehensive, and understandable across all levels of the organization. This will enable staff and management to gain a clear understanding of their obligations regarding beneficial ownership and ensure compliance with applicable regulatory requirements.

XI. Targeted Financial Sanctions

Real estate agents must strictly and consistently implement legal and regulatory provisions relating to targeted financial sanctions, including the consolidated sanctions list and the national sanctions list. They must ensure thorough screening not only of their direct customers but also of beneficial owners and any other relevant connected parties.

XII. Indicators of Suspicion Related to Concealing Beneficial Ownership

A. Failure to Disclose Information

- The legal person avoids providing required information, citing fraud concerns or legal obstacles, which may hinder the identification of relevant parties and beneficial owners.

Enhanced Due Diligence Measures

In situations involving high risks, real estate agents are required to apply enhanced due diligence (EDD) measures to customers and beneficial owners who are considered to pose a high risk, such as those associated with money laundering (ML), terrorist financing (TF), or the financing of proliferation (PF). These measures include, in particular:

- Identifying high-risk factors based on national and sectoral risk assessments or through appropriate data collection procedures;
- Taking into account politically exposed persons (PEPs), non-residents, or individuals linked to high-risk jurisdictions;
- Thoroughly assessing the country of origin, residence, or business activity of the beneficial owner;
- Evaluating the products and services provided to the customer, as well as the nature and distribution channels used.

These enhanced due diligence measures may include the following actions:

- Obtaining additional information on the customer and, where applicable, on the beneficial owner(s) and/or the nature of the intended business relationship;
- Gathering supplementary information on the source of funds and source of wealth;
- Conducting enhanced ongoing monitoring of the business relationship by increasing the frequency and scope of monitoring activities;
- Obtaining senior management approval (manager, general director, etc.) prior to establishing or continuing the business relationship.

Enhanced due diligence for high-risk business relationships must be continuous, and any breach or suspicion must be documented and analyzed in real-time.

VII. Reduced Monitoring and Ongoing Transaction Review

Under certain conditions, real estate agents may reduce the frequency of monitoring if it is demonstrated that the risk level is low, provided that any new threats arising during the process or transaction are promptly identified and addressed. In other words, the level of monitoring must be commensurate with the risk posed by the customer or beneficial owner and conducted in compliance with applicable regulations.

Real estate agents are required to establish appropriate internal procedures to ensure ongoing monitoring throughout the duration of the business relationship.

Failure to collect specific information regarding the nature and purpose of the business relationship may give rise to risk, whether in the context of new or existing relationships. Therefore, it is essential to ensure rigorous verification of all information, including the names of customers and beneficial owners.

VIII. Information Verification Procedures

As part of anti-money laundering, counter-terrorist financing, and counter-proliferation financing obligations, real estate agents must verify the information of all customers and beneficial owners of legal persons using appropriate data collection procedures, whether before or during the establishment of the business relationship, or when conducting transactions involving occasional customers.

When the risks of ML/TF/PF are deemed low, real estate agents may, where appropriate, complete the verification of the customer’s or beneficial owner's identity after the business relationship has been established, provided that:

- It is done as soon as reasonably practicable and in all cases before carrying out the first transaction;
- It is necessary to avoid disrupting the normal course of business;

- The risks of ML/TF/PF are effectively managed.

Real estate agents must implement risk management procedures regarding the circumstances under which a customer may benefit from the business relationship prior to the completion of identity verification.

Conditions for deferring identity verification procedures:

- The deferral must be necessary to ensure business continuity, while also ensuring that no ML/TF/PF-related risk is introduced;
- Real estate agents must implement appropriate measures to effectively manage such risks in accordance with applicable regulations. The deferral may be permitted after establishing the business relationship, in accordance with internal procedures.

If real estate agents are unable to identify and verify the identity of the customer and the beneficial owner, they must:

- Refrain from establishing the business relationship;
- Or terminate any existing business relationship.

In such cases, they must also consider filing a suspicious transaction report with the Financial Intelligence Unit (FIU).

Exemptions from beneficial ownership obligations:

Certain legal persons are exempted from obligations related to the disclosure of beneficial owners. These include:

- Legal persons whose capital is entirely or predominantly owned by the State;
- Legal persons subject to public law.

IX. Examples of Ownership and Control Structures

1. Beneficial Ownership through Different Classes of Shares

Companies may issue various classes of shares for specific purposes, such as limiting voting rights for some shareholders or protecting the interests of founders. Such structures may allow a small group to retain control over the company while reducing the voting power of other shareholders. It is essential to monitor these arrangements to identify beneficial owners holding shares with enhanced voting rights or ordinary shares, thereby identifying those exercising control over the entity.

2. Family-Owned Companies

The complexity of ownership and control structures in family businesses may complicate the identification of beneficial owners. It is necessary to consider familial ties, such as kinship, marriage, or other relationships when identifying beneficial owners. Family members may hold shares through complex structures or family agreements that aggregate ownership and control percentages.

3. Usufruct and Pledge

Usufruct and pledged shares may affect the identification of beneficial owners. In cases of usufruct, the beneficial owner may be the person entitled to both voting rights and dividends. In cases of pledges, rights may be transferred to the pledgee.

4. Parallel Structures and Hidden Beneficial Owners

It is essential to have a comprehensive view of the ownership structure, even when a legal person holds less than 20% of shares directly or indirectly. Real estate agents must trace all branches of ownership structures to identify beneficial owners who may be concealed behind multiple layers of intermediaries.

5. Misuse of Legal Persons

Criminal actors may misuse complex structures such as shell companies, pseudonyms, or financial instruments to obscure their connection to beneficial owners. This includes the creation of multinational structures to hide assets and conceal beneficial ownership, often through jurisdictions with weak or nonexistent AML/CFT frameworks.

X. Training and Awareness

Real estate agents must implement targeted training programs for their staff concerning the identification and verification of beneficial owners. These programs should include specific requirements, such as how to handle complex legal structures.

Training must also cover high-risk scenarios and be appropriate, comprehensive, and understandable across all levels of the organization. This will enable staff and management to gain a clear understanding of their obligations regarding beneficial ownership and ensure compliance with applicable regulatory requirements.

XI. Targeted Financial Sanctions

Real estate agents must strictly and consistently implement legal and regulatory provisions relating to targeted financial sanctions, including the consolidated sanctions list and the national sanctions list. They must ensure thorough screening not only of their direct customers but also of beneficial owners and any other relevant connected parties.

XII. Indicators of Suspicion Related to Concealing Beneficial Ownership

A. Failure to Disclose Information

- The legal person avoids providing required information, citing fraud concerns or legal obstacles, which may hinder the identification of relevant parties and beneficial owners.

XII. Indicators of Suspicion Related to Refusal or Lack of Clarity

B. Refusal to Provide Explanations
• Inability or refusal to explain key details regarding the company, such as:
o The business activity and history of the company,
o The identity of the beneficial owner,
o The source of funds,
o The rationale behind the company’s operations,
o The company’s business partners,
o The nature of business relationships with third parties, particularly in foreign countries.

C. Limited Knowledge
• The individual demonstrates a limited understanding of the business despite showing clear interest in the legal entity.

XIII. Indicators of Suspicion Related to the Natural Person Representative

A. Lack of Transparency
• The natural person represents a legal entity without providing sufficient transparency regarding their

identity and role in the transaction.
• The person shows limited understanding of anti-money laundering, counter-terrorist financing, and counter-proliferation financing requirements.

B. Reluctance to Disclose Information
• The individual hesitates to provide relevant information regarding the legal entity or the transaction.
• There is a risk that such information is being concealed, which may suggest an attempt to obscure or mislead.

C. Apparent Front
• The activities of the natural person or legal entity appear to serve merely as a front, indicating an intention to conceal illegal or non-compliant activities.

D. Lack of Knowledge of Key Details
• The responsible person is not sufficiently informed about the details of the legal entity or ongoing transactions.
• This may indicate manipulation or a lack of control over the operations of the legal entity.

XIV. Indicators of Suspicion Related to Forged Documents and Other Behaviors

A. Submission of Forged Files or Documents
• Submission of forged documents to support transactions or business activities.
• Use of fabricated files to conceal relevant information related to the identity of parties involved.

B. Use of Non-Transparent Intermediaries
• Involvement of intermediaries whose role or qualifications are unclear.
• Use of intermediaries to conduct transactions without transparency, leaving little or no audit trail.

C. Representation of Companies before Foreign Institutions
• Involvement of individuals who lack any real activity or expertise in the relevant sector.

D. Appointment of Unrelated Signatories
• Appointment of authorized signatories to use the company's accounts without a clear connection to the company, potentially concealing the true identity of the beneficial owners.

E. Inconsistent Financial Activities
• Conducting transactions that do not align with the customer's profile or known transaction history.
• Performing transactions that appear disproportionate to the normal scale of business operations.

F. Inconsistent Income Declarations
• Declaration of income inconsistent with assets, transactions, or the apparent lifestyle of the parties concerned.
• Discrepancy between declared income and observed standard of living.

G. Use of Traditional or Unusual Methods
• Imposing excessively complex or restrictive transactional methods, especially when associated with disproportionate professional costs.
• Requiring conditions that appear unreasonable in relation to the nature of the business activity.

H. Family Mandates
• Delegating authority to family members without sound economic justification.
• Creating intra-family control structures that may obscure true interests.

I. Links with Politically Exposed Persons (PEPs)
• The involvement of politically exposed persons (PEPs) or individuals with family ties to PEPs may increase the risk of corruption.

Note: These indicators are provided as examples and do not represent an exhaustive list. Each case must be assessed in its specific context.

XV. Actions to be taken in Case of Suspicion

(Section to be completed in accordance with applicable procedures or regulations, if desired.)

XVI. Record-Keeping

Proper record-keeping is essential for real estate agents, as it enables them to demonstrate compliance with legislative and regulatory requirements related to anti-money laundering (AML), counter-terrorist financing (CTF), and counter-proliferation financing (CPF). Records to be retained include information on the identification and verification of customers and beneficial owners, as well as documents related to business relationships, transactions, and real estate contracts.

These records must allow for the reconstruction of individual operations and transactions and provide the necessary evidence in the event of legal proceedings related to criminal activity.

For customers that are legal persons, regardless of the complexity of their structure, it is necessary to retain documentation relating to beneficial ownership, operations, and transactions, ensuring that the information is sufficient, accurate, and regularly updated to allow for easy verification and review. This includes:

- **Identification methods:** Documentation of the methods and criteria used to identify the ultimate beneficial owners (UBOs);
- **Collected information:** Recording ownership and control data on identified beneficial owners of legal persons;
- **Reasonable measures:** Including the information collected as part of identity verification procedures;
- **Reliable sources:** Storing documents and electronic data from independent and reliable sources;
- **Customer declarations:** Retaining signed declarations or certifications by the customer;
- **Regular updates:** Demonstrating that information is reviewed regularly based on relevant changes.

Real estate agents must document the traceability of ownership structures and identification of beneficial owners to ensure that clear and comprehensible decisions can be made even several years later.

Records must be retained for a minimum of five (5) years after the end of the business relationship or the completion of an occasional transaction.

Real estate agents must also have internal procedures defining the conditions for retaining information and documents related to the beneficial owners of their customers.

XVII. Sanctions for Non-Compliance

Non-compliance with legislative and regulatory provisions related to due diligence measures regarding beneficial owners is subject to the sanctions provided for under applicable laws and regulations.

Issued in Algiers on [..................................]
Corresponding to [..]
Signature: ________________________________