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Countering Money Laundering, Terrorism Financing and Proliferation Financing

Guidelines for Designated Non-Financial Businesses and Professions

Supplemental Guidance for Real Estate Agents & Brokers (REAB)

المستشار / سالم أحمد الطنيجي

مدير إدارة مواجهة غسل الأموال وتمويل الإرهاب

Counselor / Salem Ahmed AlTeneiji

Director of the Anti-Money Laundering & Terrorist Financing Department

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1. Introduction

Under the UAE AML/CFT/CPF framework, Real Estate Agents and Brokers (REAB) are defined as Designated Non-Financial Businesses and Professions (DNFBPs) when they conclude operations for the benefit of their customers with respect to the purchase and sale of real estate. The definition was set out in the AML/CFT/CPF Resolution and aligns with the Financial Action Task Force (FATF) recommendations which has identified the real estate sector as highly vulnerable for money laundering, terrorist financing and proliferation financing due to the significantly high values of the transactions, the cross-border movement of funds, ownership structure nature and complexity, and the frequent involvement of third parties.

As a result of this classification, Real Estate Agents and Brokers are mandated to implement the appropriate AML/CFT/CPF measures and controls that are proportionate to the risks associated with their activities. These measures extend beyond the commercial facilitation of property transactions and are intended to support the effective identification, assessment, mitigation, and reporting obligations of money laundering (ML), terrorist financing (TF), and proliferation financing (PF) risks in accordance with UAE law and regulatory expectations.

1.1. Purpose and Scope

The main purpose of this Supplementary Guidance is to provide a sector specific guidelines and directions for Designated Non-Financial Businesses and Professions (DNFBPs) engaged in real estate activities, including agents and brokers to support the effective identification, assessment, mitigation, and reporting of Money Laundering (ML), Terrorist Financing (TF), and Proliferation Financing (PF) related activities and transactions. While the Ministry of Economy and Tourism (MoET) has issued a comprehensive AML/CFT/CPF guidance for DNFBPs, this document is intended to complement that framework by addressing and focusing on specific risks characteristics, vulnerabilities, and typologies related to the real estate sector, and sets out practical measures to enhance their obligations and compliance levels. It also aims to assist the sector in better identify, assess, and mitigate ML, TF, and PF risks with a view to promote consistent, proportionate, and risk-based implementation across the sector.

The supplemental guidance builds on the principles and obligations highlighted and set out in the AML/CFT/CPF *Guidelines for Designated Non-Financial Businesses and Professions (DNFBPs)* issued by the Ministry of Economy and Tourism (MoET) and is supported by the findings of the UAE National Risk Assessment (NRA) and the Sectoral Risk Assessment (SRA). These assessments have identified the real estate sector as particularly vulnerable to misuse by money launderers and financiers of terrorism, given the nature and value of property transactions. Accordingly, this guideline provides additional, sector-specific direction to enable Real Estate Agents and Brokers (REAB) to identify, assess, and mitigate these risks in a manner that commensurate with their business activities.

The following sections will provide a more detailed and sector specific guidelines for the Real Estate Agents and Brokers. They outline the key risk factors identified through the UAE National Risk Assessment, explain the measures required to apply customer due diligence and ongoing monitoring, and highlight common typologies and red flags that can indicate potential money laundering, terrorist financing, and proliferation financing activities. The Guidance also includes illustrative case studies drawn from sectoral experience to support understanding and practical implementation. Collectively, these elements are intended to enhance awareness, strengthen compliance practices, and support the effective contribution of Real Estate Agents and Brokers to the UAE's national AML/CFT/CPF framework.

This Supplemental Guidance is not intended to limit, replace or otherwise affect the applicability of additional circulars, notifications, memoranda, communications, or other forms of guidance or feedback (whether direct or indirect) that may be published periodically by any relevant authority in relation to regulated entities within the respective jurisdictions, or to any specific regulated entity.

Real Estate Agents and Brokers must refer to and comply with the comprehensive guidelines on AML/CFT/CPF issued by MoET. This Supplemental Guidance does not duplicate provisions in the comprehensive guidelines, rather it provides sector-specific expectations, risk factors and practical considerations relevant to the unique characteristics of the DPMS sector. The general requirements therein are to be applied together with the additional sector-specific guidance outlined here, using a risk-based approach proportionate to the business activity.

It should be noted that, while this document provides high-level guidance on TFS and CPF obligations, all operational, procedural and implementation requirements remain governed by the applicable Executive Office for Control and Non-Proliferation (EOCN) guidelines.

Real Estate Agents and Brokers should refer to the full TFS guidelines issued by the Executive Office for Control and Non-Proliferation (EOCN), which detail their obligations under *Cabinet Decision No. (74) of 2020*, including requirements for screening, freezing, and reporting in relation to designated persons or entities.

Additionally, entities within the REAB sector should also refer to the *Guidance on Counter Proliferation Financing Institutions (FIs), Designated Non-financial Businesses and Professions (DNFBPs) and Virtual Assets Services Providers (VASPs)* and the *Guidance on Proliferation Financing Institutional Risk Assessment* issued by EOCN to gain understanding of obligations pertinent to CPF measures and to incorporate PF risk in their Business Risk Assessment (BRA).

Real Estate Agents and Brokers in the UAE are required to be licensed. The Land Departments or municipality of each emirate and CFZ are responsible for granting licenses in the Mainland and CFZs; the Financial Services Regulatory Authority (FSRA) and Dubai Financial Services Authority (DFSA) license real estate agents in the FFZs.

Real Estate Agents and Brokers operating in the UAE fall within the scope of Designated Non-Financial Businesses and Professions when they conclude or facilitate transactions on behalf of their customers relating to the purchase or sale of real estate. In this capacity, they are subject to the AML/CFT/CPF obligations applicable to DNFBPs under the UAE legal and regulatory framework. The application of AML/CFT/CPF requirements must be commensurate with the nature, scale, and complexity of the services provided, and Real Estate Agents and Brokers are expected to assess their exposure to risk across the full range of activities they undertake in connection with real estate transactions.

Activities typically undertaken by Real Estate Agents and Brokers include the marketing of properties, the negotiation of sale and purchase terms, and the facilitation of property transactions between buyers and sellers. Depending on their business model and the nature of the engagement, they may also be involved in coordinating payment arrangements, handling or overseeing deposits in accordance with contractual arrangements, and acting as intermediaries between customers, developers, and financing institutions.

1.2. Applicability

Unless otherwise noted, this Supplemental Guidance apply to all Real Estate Agents and Brokers, and the members of their boards of directors, management and employees, established and/or operating in the territory of the UAE and respective Free Zones, whether they establish or maintain a Business Relationship with a Customer, or engage in any of the financial activities and/or transactions or the trade and/or business activities outlined in Articles (2) and (3) of *Cabinet Decision No. (134) of 2025 Concerning the Executive Regulations of Federal Decree-Law No. (10) of 2025 Concerning Combating Money Laundering, Terrorist Financing, and the Financing of the Proliferation of Weapons*.

1.3. Legal Status

This Supplementary Guidance serves as a practical tool to assist regulated entities in effectively implementing the relevant crime-combatting measures and are intended to be read in conjunction with the relevant laws, cabinet decisions, regulations and regulatory rulings which are currently in force in the UAE. However, it does not constitute additional legislation or regulation, and is not intended to set legal, regulatory, or judicial precedent. Regulated entities are reminded that the Supplemental Guidance does not replace or supersede any legal or regulatory requirements or statutory obligations. In the event of a discrepancy between this Guidance and the legal or regulatory frameworks currently in force, the latter will prevail. Specifically, nothing in this Supplemental Guidance should be interpreted as providing any explicit or implicit guarantee or assurance that the Supervisory or other Competent Authorities would defer, waive, or refrain from exercising their enforcement, judicial, or punitive powers in the event of a breach of the prevailing laws, regulations, or regulatory rulings.

This Supplemental Guidance, and any lists and/or examples provided in it, are not exhaustive and do not set limitations on the measures to be taken by regulated entities to meet statutory obligations under the legal and regulatory framework currently in force. As such, this Guidance should not be construed as legal advice or legal interpretation. Regulated entities should perform their own assessments of the manner in which they should meet statutory obligations and should seek legal or other professional advice if they are unsure of the application of the legal or regulatory frameworks to circumstances

2. AML/CFT Obligations for Real Estate Agents and Brokers

2.1. Overview

Real Estate Agents and Brokers, as defined under Article (3) of the AML-CFT Decision, are considered Designated Non-Financial Businesses and Professions (DNFBPs) when they conduct operations on behalf of customers related to the purchase or sale of real estate. These entities are subject to the UAE AML-CFT-CPF Law and AML-CFT-CPF Cabinet Resolution and are required to implement a comprehensive risk-based AML/CFT/CPF framework under the supervision of the Ministry of Economy and Tourism.

The purpose of these obligations is to prevent the real estate sector from being exploited for money laundering (ML) or terrorist financing (TF) or proliferation financing (PF), and to ensure full transparency in transactions and Beneficial Ownership. Key obligations include:

- *Risk Assessment*
  - Conduct regular entity wide risk assessments for ML/TF/PF related risks specific to real estate transactions.
  - Consider factors such as customer type, source of funds, transactions nature, and geographical locations involved while assessing the risks.
  - Use the results of the risks assessments to build an entity wide policies and procedures.
- *Policies, Procedures, and Internal Controls*
  - Establish and document internal policies and procedures to mitigate any identified ML/TF/PF risks.
  - Procedures must address customer onboarding, identification verification, ongoing monitoring, suspicious transactions reporting, staff training, record keeping, and appointment of the independent Compliance Officer.
  - Policies should be regularly reviewed and updated to reflect any emerging risks, regulatory requirements, and international standards.
- *Customer Due Diligence (CDD) and Ongoing Monitoring*
  - Verify the identity of all customers, beneficial owners, and connected counterparties before establishing a business relationship.
  - Conduct Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), and Simplified Due Diligence (SDD) based on the customer or transaction risk rating.
  - Enhanced Due Diligence must be applied for higher risk clients and transactions such as large cash payments, cross border transactions, or Politically Exposed Persons (PEPs).
  - Conduct ongoing monitoring for all customer relationships and transactions and update customer information regularly.
- *Suspicious Transaction and Activity Reporting*
  - Implement the necessary mechanisms to identify and detect any unusual or suspicious transaction.
  - Report immediately any identified suspicious transaction or activity to the relevant authorities (FIU). All relevant documents and information must be provided while avoiding tipping off or arousing the customer's suspicion.
- *Governance and Oversight*
  - Establish a clear governance framework which includes defining the roles and responsibilities of senior management and staff.
  - The appointment of a dedicated, competent, and independent Compliance Office responsible for ensuring the implementation and adherence to the AML/CFT/CPF obligations.
- *Record Keeping*
  - Maintain comprehensive records of all transactions, CDD measures, risk assessments, and internal compliance activities.
  - Ensure records are accessible for regulatory review and maintained for the period required by law.
- *Targeted Financial Sanctions Compliance*
  - Implement procedures to prevent any transaction to pass through with sanctioned individuals or entities.
  - Regularly screen customers and transactions against, at a minimum, the UAE terrorist lists and the UNSC consolidated sanctions list.
- *Training and Awareness*

- Entities must ensure that relevant staff receive regular and targeted AML/CFT/CPF training commensurate with their roles and responsibilities.
- Training programmes should address sector-specific risks, emerging typologies, internal procedures, and reporting obligations, and should be updated as necessary.

2.2. Key Sector Considerations

The application of AML/CFT/CPF compliance measures in the real estate sector requires entities to go beyond their generic compliance and tailor their controls to the nature of the sector and the property transactions. While the core requirements set out in Section 2.1 apply to all DNFBPs, the nature of real estate transactions—particularly their high value, potential complexity, and frequent involvement of third parties—necessitates enhanced focus on certain sector-critical areas to safeguard market integrity and ensure compliance with the UAE's AML/CFT/CPF framework.

Ownership Transparency

Real Estate Agents and Brokers are required to take responsible measures to identify and verify the identity of the natural persons who ultimately own or control the property or the entity involved in a transaction. This includes understanding and documenting ownership and control structures where legal persons, arrangements, or other vehicles are used. Particular attention should be paid to complex or multi layered structures, foreign entities, or arrangements involving nominees or intermediaries. Ensuring transparency of beneficial ownership is a key control to prevent the misuse of real estate transactions to conceal the ownership or control and to support the ability of competent authorities to trace assets and investigate potential financial crime.

Source of Funds and Source of Wealth Verification

In every property transaction, Real Estate Agents and Brokers must take appropriate steps to verify that the funds used in the transaction are legitimate and are consistent with the known customer's profile and financial capacity. This requires obtaining sufficient information and, where appropriate, supporting documentation to understand both the immediate source of funds for the transaction and the broader source of the customer's wealth. Enhanced scrutiny should be applied in higher-risk scenarios, including high-value transactions, complex ownership arrangements, or where cross-border elements are present. Effective verification reduces the risk of illicit proceeds being introduced into the real estate and financial systems.

Risk-Based Monitoring of Transactions and Relationships

AML/CFT/CPF compliance in the real estate sector is not limited to initial checks at the time of onboarding but should extend beyond that. Real Estate Agents and Brokers are expected to apply ongoing, risk-based monitoring throughout the transaction lifecycle and, where applicable, across the business relationship. This includes remaining alert to unusual changes in transaction patterns, ownership arrangements, payment methods, or customer behaviour, and updating customer information when material changes occur. Continuous risk-based monitoring ensures that potential misuse of the real estate sector is detected promptly and is addressed appropriately.

Compliance Integration

To be effective, AML/CFT/CPF obligations must be integrated into the daily operations of real estate entities rather than being treated as a regulatory requirement. This includes establishing clear governance arrangements, the appointment of a qualified Compliance Office (CO), while ensuring clear lines of accountability to senior management, and providing regular role specific staff training on their obligations and sector risks. Integrating compliance considerations into business practices supports early risk identification, consistent application of controls, and accountability at all levels of the organisation.

Cooperation with Competent Authorities

Real Estate Agents and Brokers play a vital role in supporting the national efforts to combat money laundering, terrorist financing, and proliferation financing. This includes maintaining clear, accessible, and accurate records that enable competent authorities to reconstruct transactions and trace ownership and funds when required. It also entails timely and accurate reporting of any suspicious transactions or activities to the UAE Financial Intelligence Unit (FIU) in accordance with the applicable legal and regulatory requirements. Effective cooperation enhances the overall effectiveness of the UAE's AML/CFT/CPF framework.

Real Estate Agents and Brokers who fail to implement adequate AML/CFT/CPF measures expose their firms and the wider sector to serious risks and may face supervisory actions, including financial penalties and other enforcement measures. By complying with the requirements set out under UAE law and the guidance issued by the Ministry of Economy and Tourism, Real Estate Agents and Brokers contribute to the protection of the real estate market, uphold the UAE's international obligations, and reinforce confidence in the transparency and integrity of the sector.

3. Sector & Risk Context

Real Estate Agents and Brokers play a critical role in the early identification of money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks associated with the real estate sector. The inherent characteristics of real estate transactions, which often involves high value transaction, cross border participants, and complex ownership structure, expose the sector to heightened risk of misuse where appropriate controls are not effectively implemented. Effective risk identification therefore requires clear understanding of how illicit actors may seek to exploit real estate transactions to conceal the origin, ownership, or movement of criminal proceeds.

Effective risk identification begins with a structured assessment of sector specific risk factors at both the entity and transactional levels. At the entity level, this includes consideration of the nature of the business model, customer profiles, delivery channels, and the extent of exposure to higher-risk customer segments or jurisdictions. At the transactional level, relevant factors include the type and value of the property, the purpose and structure of the transaction, payment methods used, ownership arrangements, and the involvement of third parties. Understanding how these factors interact enables Real Estate Agents and Brokers to recognise circumstances in which apparently legitimate transactions may present elevated ML/TF/PF risk and to take appropriate preventive or mitigating measures.

Moreover, risk understanding must also be aligned with national and international findings. In particular, Real Estate Agents and Brokers must take into consideration the findings of the UAE's National Risk Assessment (NRA), Sectoral Risk Assessment (SRA), and any guidance or communications issued by the Ministry of Economy and Tourism or other competent authorities. These sources highlight recurring vulnerabilities within the sector, including the use of complex or opaque ownership structures, reliance on cash or third-party payments, and cross-border flows that lack a clear economic or lawful rationale. Integrating these risks indicators into the entity internal policies, procedures, and customer risk assessment methodologies will allow for a more targeted and effective risk mitigation measures.

A robust understanding of ML/TF/PF risks forms the foundation of an effective AML/CFT/CPF framework in the real estate sector. It enables Real Estate Agents and Brokers to apply proportionate due diligence measures, focus monitoring efforts on higher-risk areas, and ensure timely escalation and reporting where concerns arise. Through effective risk identification, the sector contributes directly to the protection of the integrity, transparency, and international reputation of the UAE real estate market.

3.1. Role of Real Estate Agents and Brokers

Real Estate Agents and Brokers occupy a critical gatekeeper position within the real estate market and play an essential role in safeguarding the sector from misuse for money laundering, terrorist financing, and proliferation financing (ML/TF/PF). Their position gives them direct visibility over the flow of the funds, identities of the parties involved in the transactions, the structure of the ownership arrangements, the purpose and structure of the transactions, and, in many cases, the methods by which property transactions are financed or settled.

Depending on the nature of the engagement, Real Estate Agents and Brokers may act on behalf of buyers, sellers, or both, and may be involved in marketing properties, facilitating negotiations, coordinating contractual documentation, and liaising with developers, financial institutions, notaries, or other third-party professionals. They may also act in a fiduciary, trustee, or secretarial capacity with regard to the transmission, delivery, and / or recording of various financial instruments, securities, bonds, title deeds, or other documents and information related to real estate transactions. The scope and nature of these roles directly influence the level of exposure to ML/TF/PF risks and the corresponding AML/CFT/CPF obligations that apply.

Given this intermediary role, Real Estate Agents and Brokers must be vigilant and exercise professional judgement in identifying red flags that might indicate a potential misuse of the real estate sector for ML, TF, or PF purposes. This includes assessing whether transactions are consistent with the customer's known profile, the stated purpose of the transaction, and the broader economic

context. Understanding the capacity brokers and agents operates within, whether as an intermediary, facilitator, or an adviser, is essential in determining the appropriate level of customer due diligence, monitoring, and internal controls required in order to prevent the misuse of the real estate sector and help preserve the integrity, transparency, and reputation of the sector.

3.2. Alignment with National and Sectoral Risk Findings

The identification, assessment, and mitigation of money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks in the real estate sector must be directly affiliated with the outcomes of the UAE's National Risk Assessment (NRA) and Sectoral Risk Assessment (SRA) for Designated Non-Financial Businesses and Professions (DNFBPs). These assessments provide an evident based understanding of the key threats and vulnerabilities across the sector and outlines the areas where enhanced controls are required.

The NRA identifies the real estate sector as a continued area of concern due to its exposure to high-value transactions, cross border investments and purchases, and complex ownership structures that may obscure the identity of Beneficial Owners. The sector inherent risk has been identified as High, primarily driven by the attractiveness of real estate as a vehicle for integrating illicit proceeds into the market. The NRA further highlights the use of intermediaries, such as agents and brokers, and third-party payments as recurring typologies linked to the concealment of funds or the masking of beneficial ownership.

The findings from the Sectoral Risk Assessment (SRA) further reinforce these observations, noting that Real Estate Agents and Brokers often operate within transaction structures involving multiple parties, intermediaries, and jurisdictions. Such arrangements may limit visibility over the ultimate source of funds or Beneficial Owner. Additionally, the SRA has identified certain control weaknesses and vulnerabilities that must be enhanced in order to reduce the ML, TF, and PF risks and increase the visibility over the sector including inconsistent application of customer due diligence (CDD), limited scrutiny over politically exposed persons (PEPs), and gaps in ongoing monitoring for non-face to face or foreign clients.

In light of the NRA and SRA findings, Real Estate Agents and Brokers are expected to align their internal risk assessment frameworks to ensure consistency with the UAE's overall AML/CFT/CPF strategy. This alignment should include, at a minimum:

- Incorporating the NRA and the SRA relevant findings into an institutional level risk assessment and client risk rating methodologies.
- Applying heightened scrutiny to transactions involving foreign legal persons, offshore structures, or cross border funding arrangements.
- Identifying and responding to transactional or behavioural red flags such as rapid resales, cash intensive purchases, or inconsistencies between a client's profile and the property's value or purpose and ensuring such indicators are escalated and reported in accordance with internal policies and applicable reporting obligations.

By embedding these national and sectoral findings into their AML/CFT/CPF risk management frameworks, Real Estate Agents and Brokers can ensure their controls remain proportionate, risk-based, responsive, and consistent with the UAE's broader AML/CFT/CPF strategy. This approach also supports the Ministry of Economy and Tourism (MoET) overarching objective of ensuring that DNFBPs contribute effectively to national efforts to protect the integrity of the UAE's financial and non-financial sectors and maintain its standing as a transparent, secure, and trusted global hub for investment.

3.3. Nature and Type of Customers

The customer base in the UAE real estate sector is diverse and includes individuals, corporations, investment entities, and foreign clients purchasing through intermediaries or legal structures. Each customer category presents a distinct risk profile that must be assessed in accordance with a risk-based approach.

Transactions involving foreign entities, legal persons, or offshore structures may increase ML/TF/PF risk, particularly where ownership chains are complex or where the identification of the ultimate Beneficial Owner is obscured. Similarly, relationships involving politically exposed persons (PEPs), customer connected to high-risk jurisdictions, or clients operating through nominees or third parties may require enhanced scrutiny. Agents and brokers must decide on the level of due diligence they will apply on the customer and the transaction based on the level of risks associated.

While assessing the customer risks, Real Estate Agents and Brokers must consider the purpose of the transactions, whether for personal use, investment, resale, or as part of a broader commercial or business activity. Additionally, the frequency of transactions, urgency of execution, and funding patterns (such as lump-sum payments or multiple transfers from third parties or cash intensive transactions) may indicate elevated risk.

These factors should be assessed collectively as part of a structured customer risk assessment process. The use of a documented risk-rating methodology, supported by the entity-wide risk assessment, enables Real Estate Agents and Brokers to apply customer due diligence measures proportionately and to allocate compliance resources in a manner commensurate with the level of ML/TF/PF risk associated with each customer and transaction.

3.4. Nature and Type of Transactions

The real estate sector encompasses a broad range of transactions that may carry different levels of money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks. Certain transaction characteristics inherently elevate risk and therefore require heightened scrutiny. These include, but are not limited to, transactions that are unusually high in value, involving cash or with limited financing transparency, or are structured through complex ownership or control chains. Similarly, cross border property transactions, particularly those routed through intermediaries, and transactions involving shell companies, nominee arrangements, or other opaque legal structures are especially vulnerable to misuse.

Real Estate Agents and Brokers must also assess the financing arrangements of each transaction to establish the legitimacy and plausibility of the source of funds. Transactional red flags may include rapid sales, short term property flips, purchases inconsistent with a client's known financial capacity and profile, or transactions that lack a clear economic or commercial rationale.

Therefore, a risk-based approach should be applied, not only during onboarding stage or while establishing the business relationship, but throughout the transaction lifecycle and the relationship with the client. This includes ongoing scrutiny of transactions to identify unusual or suspicious activity and the timely escalation of such activity for further internal review and, where required, reporting to the relevant authorities in accordance with UAE AML/CFT legal and regulatory requirements.

4. Due Diligence and Ongoing Monitoring

Customer Due Diligence (CDD) is a fundamental component of the AML/CFT/CPF framework in any entity, whether it was in the form of your normal Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), or Simplified Due Diligence (SDD), it constitutes the cornerstone of an effective risk-based compliance programme for Real Estate Agents and Brokers. In a sector where the transactions often involve high value assets, cross border elements, and the frequent use of complex ownership structures, the application of the appropriate level of due diligence measures is essential. Effective CDD ensures that business relationships and transactions are legitimate, transparent, and consistent with the entity's understanding of the customer and the associated risk profile.

The purpose of CDD extends beyond the verification of a customer's identity. It includes understanding the intended nature and purpose of the transactions, identifying the ultimate Beneficial Owner, and ensuring that the source of the funds involved in the transaction are from legitimate sources. CDD measures also require assessing whether transactions are consistent with the customer's known profile, financial capacity, and business activities.

When implemented effectively, CDD and ongoing monitoring enables Real Estate Agents and Brokers to identify, assess, and mitigate potential money laundering, terrorist financing, and proliferation financing risks in a timely manner. This proactive approach supports early detection of unusual or suspicious activity and forms the basis for applying enhanced controls or reporting obligations where required, in accordance with UAE law and regulatory expectations.

4.1. Purpose and Application of CDD Measures

Customer Due Diligence (CDD) lies at the core of an effective AML/CFT/CPF compliance programme. For Real Estate Agents and Brokers, CDD measures represents the primary mechanism through which the integrity of transactions is safeguarded, and the risks of money laundering, terrorist financing, and proliferation financing are mitigated. CDD serves not only to identify and verify customers, but also to establish a clear understanding of the nature, purpose, value, and legitimacy of the transaction being undertaken.

While the UAE AML-CFT-CPF Law and the AML-CFT-CPF Cabinet Resolution impose consistent obligations across all DNFBPs, the real estate sector presents unique challenges. Real estate transactions are often one-off, high in value, and involve limited ongoing interaction between the intermediary and the client. In such cases, the ability to conduct continuous monitoring may be constrained. Therefore, particular focus must be placed on the adequacy, accuracy, and completeness of CDD measures applied at the outset of each transaction. An incomplete or superficial approach at this stage may enable illicit funds to enter the financial system through the real estate market, thereby undermining both the entity's compliance framework and the integrity of the UAE's real estate market.

Real Estate Agents and Brokers are required to ensure that all customers, whether individuals, corporates, or representatives acting on behalf of others, are subjected to appropriate due diligence before any transaction is executed or a business relationship is established. This includes confirming the customer's identity (UBO) through reliable and independent sources, understanding the nature and purpose of the transaction, and taking reasonable measures to verify the legitimacy of the funds involved in the transaction. Where higher risks are identified, such as involvement of foreign clients, politically exposed persons (PEPs), or the use of complex ownership structures, Enhanced Due Diligence (EDD) must be applied to obtain additional information and supporting evidence.

Given the sector's exposure to misuse through nominee arrangements, third-party intermediaries, and legal structures designed to conceal ownership, Real Estate Agents and Brokers must pay special attention to identifying and verifying the ultimate Beneficial Owner (UBO). This process should extend beyond collecting ownership documentation and include an understanding of the ownership and control structure, as well as the source of wealth and source of funds of the customer, where relevant and proportionate to the risk.

As part of the CDD process, Real Estate Agents and Brokers are also required to perform sanctions screening of customers, Beneficial Owners, and relevant parties before establishing a business relationship or executing any transaction. Screening should extend to ongoing relationships to ensure that no customer, transaction, or property is linked to individuals, entities, or jurisdictions subject to financial sanctions or other restrictive measures. Additionally, background checks and open-source reviews should be conducted to identify any adverse media, criminal associations, or links to politically exposed persons (PEPs).

Given the transactional nature of the sector, Real Estate Agents and Brokers should apply risk-based due diligence and ongoing monitoring measures that is proportionate to the level of ML/TF/PF risk identified. This may include periodic checks of property or land registries to identify changes in ownership or successive transactions over short timeframes, as well as reviews of unusual payment methods or patterns. When evaluating risk, agents and brokers must take into consideration, at a minimum, the following factors:

- The compatibility of the customer's financial profile with the value, nature, and location of the property or transaction.
- The use of complex, opaque, or offshore structures that may conceal ownership or funding sources.
- The involvement of PEPs, high-risk foreign customers, or jurisdictions subject to increased AML/CFT/CPF scrutiny.

Where a customer or transaction presents higher ML/TF/PF risk, for example, transactions involving PEPs, complex structures, or significant cash payments, Enhanced Due Diligence (EDD) must be applied. This includes obtaining additional verification of identity, Beneficial Ownership, and source of funds and wealth, as well as heightened scrutiny of all linked parties. Conversely, in a lower-risk situations, where the exposure to ML/TF/PF is demonstrably minimal, Simplified Due Diligence (SDD) measures may be applied. In all cases, the rationale for applying EDD or SDD must be clearly documented and consistent with the institution's AML/CFT/CPF risk assessment and internal policies.

4.2. Establishing a Business Relationship

In the real estate sector, a business relationship is considered established once an agent or a broker agrees to provide services or facilitate a transaction for a client, whether as a one-off basis or as an ongoing interaction. This may occur when a brokerage contract is signed, instructions are received to act on behalf of a client, or when the agent begins arranging the purchase, sale, lease, or transfer of property. Regardless of whether the engagement is transactional or ongoing, the establishment of a business relationship triggers the obligation to perform Customer Due Diligence (CDD) proportional to the level of risks identified.

CDD measures, including identifying and verifying the customer, the Beneficial Owner, source of funds/wealth and, where relevant, controlling persons, must be completed before or at the time of establishing the business relationship and prior to executing any transactions. Real Estate Agents and Brokers must assess the customer's risk profile, the ownership and control structure, the nature and purpose of the transactions, and any potential sanctions related concerns. This assessment will allow the agents or brokers to determine the overall level of ML/TF/PF risks and to apply Simplified Due Diligence (SDD), standard CDD, or Enhanced Due Diligence (EDD), as appropriate.

A business relationship is considered established in the real estate sector when one or more of the following occur:

- The agent or the broker engages, or agrees to engage, in a property related activity or service for a client in a single transaction basis or a continues manner.
- Instructions are received to carry out a real estate transaction or related service on behalf of a customer.
- Signing a contact, power of attorney, engagement letter, listing agreement, or any other similar document to provide a service.
- The agent or broker receives fees, commissions, or any other form of remuneration indicating the existence of a service relationship.
- Interactions with clients to establish a professional and regulatory obligation to perform or facilitate a real estate related service.

Once the business relationship is established, the Real Estate Agents and Brokers must apply due diligence measures that appropriate with the level of ML, TF, and PF risks identified and associated with the customer and the transaction. This includes, but not limited to:

- Identifying and verifying the customer, Beneficial Owner, and any relevant controlling person.
- Understanding the nature and the purpose of the relationship and the transaction.
- Determining the appropriate level of due diligence (SDD, CDD, or EDD) based on the associated risks identified.

CDD must also be initiated or updated whenever a suspicious activity is identified by the client, where concerns that the transactions involve illicitly obtained funds, or when there are doubts about the accuracy, adequacy, or completeness of previously obtained customer identification information.

By undertaking CDD measures at the earliest stages of establishing a business relationship, Real Estate Agents and Brokers can ensure that they have adequate understanding of their client's identity, financial background, and the intended future activities. This early assessment protects the agents and brokers from facilitating illicit activities and enables them to implement proportionate controls throughout the lifecycle of the business relationship and reduces the risk of the real estate sector being misused for illicit purposes.

Through consistent application of these requirements and maintaining clear documentation of all due diligence measures taken, Real Estate Agents and Brokers demonstrate compliance with UAE AML-CFT-CPF Law and the AML-CFT-CPF Cabinet Resolution and contribute to safeguarding the integrity and reputation of the UAE's real estate sector against money laundering, terrorist financing, proliferation financing, and other financial or non-financial crimes.

4.3. Beneficial Ownership and Source of Funds Verifications

Real Estate Agents and Brokers must take reasonable and proportionate measures to establish a clear understanding of the individuals who ultimately own, control, or benefit from the property transaction, as well as the legitimacy and source of the funds used to complete it. These obligation forms an essential part of the UAE's risk-based AML/CFT/CPF framework and reflects both national legislative requirements and international standards aimed at preventing the misuse of the real estate sector to conceal the identity of criminals or the proceeds of illicit activities.

The process of verifying the Beneficial Ownership requires agents and brokers to look beyond the immediate customer and identify if any natural persons who ultimately hold ownership interests, exercise effective control, or direct decision making behind the transaction. This includes circumstances where the customer acts through corporate entities, partnerships, trusts, foundations, or any other third-party arrangements. Real Estate Agents and Brokers must obtain sufficient information on the ownership and control structure and verify this information through reliable and independent sources. Where ownership is layered, spread across jurisdictions, or involves nominee arrangements, enhanced scrutiny is required to ensure transparency and to understand the commercial rationale and legitimacy of the structure.

As part of this process, Real Estate Agents and Brokers should be attentive to the involvement of any intermediaries in the transaction such as legal representative, family members, or business partners. While their presence may be legitimate, it may also indicate an attempt to distance the Beneficial Owner from the transaction. In such instances, agents and brokers must assess and understand the purpose of having a third-party or an intermediary involved in the transaction and identify if the relationship presents any indicators of UBO concealment or inconsistent with the customer stated purpose or risk profile.

In parallel with establishing Beneficial Ownership, Real Estate Agents and Brokers are required to verify the source of funds and, where applicable, the source of wealth associated with the transaction. This includes determining how the client obtained the funds being used for the transaction, and whether the information provided is credible, consistent, and supported by appropriate documentation. Acceptable evidence may include, but not limited to, bank statements, loan of financing agreements, proof of savings, income records, documents relating to prior property sales, or based on the customer profile. In cases involving corporate structures or foreign ownership, additional documentation may be necessary to establish the genuine origin of the funds and ensure that they correspond with the ownership information and stated purpose of the transaction.

Source of Wealth verification may be required when assessing higher-risk clients or transactions, such as dealings with foreign politically exposed persons, customers from high-risk jurisdictions, or complex legal arrangements. This requires agents and brokers to form a reasonable understanding of how the customer's overall wealth was accumulated, ensuring that the transaction aligns with their known financial capacity and background. Any inconsistencies that may be noted, whether in the value of the property, the complexity of the ownership structure, or the volume of funds involved in the transaction, should prompt further inquiry and if necessary enhanced due diligence (EDD) in order to be able to accurately establish the source of wealth and the legitimacy of the funds being used in the transaction.

Collectively, the process of verifying the Beneficial Ownership, source of funds, and source of wealth enables Real Estate Agents and Brokers to form a holistic understanding of their customers and the transactions they facilitate. Such measures must be completed in risk-based manner, with more extensive and detailed verification when risk indicators are high, and a more simplified verification only when the risk indicators are assessed as low. Clear documentation of all steps taken, the rationale for decisions, and the evidence relied upon is essential to demonstrate compliance and to support the broader national priority of safeguarding the UAE real estate sector from exploitation by illicit actors.

4.4. Ongoing Monitoring and Records Keeping

Ongoing monitoring is a core component of the UAE's risk-based AML/CFT/CPF framework and an essential mechanism for detecting and mitigating money laundering, terrorist financing, and proliferation financing risks that might be associated with the transactions. While Real Estate Agents and Brokers might not maintain continuous or long-term relationships with customers to the same extent as other DNFBPs, they are nevertheless required to apply proportionate and effective monitoring measures to ensure that the information collected during the due diligence process remains accurate, relevant, and consistent with the customer profile and in line with the conducted transactions.

In the real estate sector, ongoing monitoring involves the continuous review of transactions and related activities to ensure that they remain aligned with the customer's profile, the stated purpose of the transaction, and the risk assessment established at onboarding. This includes assessing whether the behaviour of the customer, the flow of funds, and the structure and timing of payments are consistent with what would reasonably be expected. The level and intensity of monitoring must be commensurate with the level of ML/TF/PF risk identified and should be enhanced where customers or transactions are classified as higher risk.

Practical ongoing monitoring measures may include, but are not limited to, the following:

- Reviewing payment methods and funding arrangements to identify changes from the original transaction structure, including the introduction of third-party payments or alternative funding sources.
- Monitoring for material changes in transaction value, payment timelines, or property characteristics that are inconsistent with the customer's stated profile or financial capacity.
- Conducting periodic checks of ownership or land registry records to identify rapid resales, transfers, or changes in ownership over short periods.

- Reassessing customer risk where new information emerges, such as changes in Beneficial Ownership, involvement of politically exposed persons (PEPs), or links to higher-risk jurisdictions.
- Reviewing available open-source information or adverse media where risk indicators justify additional scrutiny.

The purpose of ongoing monitoring is not only detecting anomalies, but it also enables Real Estate Agents and Brokers to identify when their client information needs to be updated, when the risk rating of their clients has changed, or if the application of due diligence, whether normal, enhanced, or simplified remains appropriate. Any inconsistencies between a customer's stated profile and their actual behaviour, such as the introduction of unexplained third parties, altered payment arrangements, or sudden increases in transaction value should be assessed. Where suspicion arises, agents and brokers are required to escalate concerns internally and submit a Suspicious Transaction or Activity Report (STR/SAR) to the Financial Intelligence Unit (FIU), in accordance with legal requirements and without tipping off the customer.

Complementing the ongoing monitoring obligation is the requirement to maintain comprehensive and accurate records. Proper record keeping enables Real Estate Agents and Brokers to demonstrate the rationale for decisions taken, maintain a clear audit trail of customer relationships and transactions, and support supervisory authorities in monitoring compliance and investigating ML/TF/PF risks. Records maintained should include customer identification documents, Beneficial Ownership information, source of funds and source of wealth evidence, correspondence, transaction details, and any internal assessments or escalations undertaken by the entity. These records must be retained and accessible upon request by the Ministry of Economy and Tourism or other competent authorities. Records should be maintained in a manner that allows transactions to be reconstructed and risk assessments to be clearly understood.

Effective monitoring and robust records keeping together ensure that risk assessments remain current, that unusual activity is identified in a timely manner, and that the real estate sector contributes meaningfully to the UAE's wider efforts to protect the financial and real estate markets from illicit misuse. By maintaining vigilance throughout the engagement and preserving accurate documentation, Real Estate Agents and Brokers can strengthen their compliance posture and reinforce the overall integrity of the sector.

4.5. Common Sectoral Challenges and Best Practices

The real estate sector operates in an environment where high value transactions, cross border financial flows, and a diverse customer base all intersect together. These characteristics increase the sector's exposure to money laundering, terrorist financing, and proliferation financing risks, while also creating practical challenges for Real Estate Agents and Brokers in implementing effective and proportionate AML/CFT/CPF controls. At the same time, they present opportunities for firms to strengthen internal governance, enhance risk awareness, and embed compliance more effectively within day-to-day operations. Understanding the most common obstacles and challenges faced across the sector by the agents and brokers, and the best practices that have proven effective in addressing them, supports a consistent risk-based approach aligned with UAE regulatory expectations and international standards.

4.5.1 Common Sectoral Challenges

The real estate sector often experiences fragmented flows of information due to the transactions involving multiple parties such as buyers, sellers, developers, agents and brokers, and legal representatives. With each of the counterparties holding different elements of customer or transactional information, this creates difficulties in ensuring that all data is collected, verified, consolidated, and properly maintained across the entity. This fragmentation can result in gaps during customer onboarding or limitations in effective transaction monitoring.

Limited access to financial information also presents a significant challenge. Real Estate Agents and Brokers typically do not have direct visibility over banking data or payment trails and must rely on documentation provided by customers to assess source of funds and, where applicable, source of wealth. This reliance may constrain the ability to independently verify the legitimacy of funds or identify inconsistencies without additional corroborating evidence.

Another challenge that entities struggle with is the understanding and the unfamiliarity of complex ownership structures, particularly when dealing with foreign corporate vehicles, trusts, foundations, or multi layered arrangements. Tracing Beneficial Ownership across several jurisdictions, especially were some might have limited transparency, requires technical understanding and careful analysis.

Without sufficient expertise or procedures, this complexity may result in incomplete identification of the ultimate Beneficial Owner or insufficient understanding of the rationale behind the structure.

Inconsistency while applying the risk-based measures remains another sector-wide challenge. This is mainly attributable to the variation in the entities size, staffing capacity, and their understanding of the AML/CFT/CPF compliance program causing uneven implementation of controls. While some entities apply enhanced due diligence rigorously, others may inadequately document risk assessments, fail to escalate higher-risk cases, or apply controls inconsistently across customer relationships and transactions. These inconsistencies weaken the effectiveness of the firm's overall AML/CFT/CPF framework.

The sector is further affected by operational pressure and commercial incentives. The emphasis on transaction completion and time-sensitive deals may unintentionally lead to compliance steps being deferred or applied superficially. In such circumstances, incomplete due diligence, delayed verification, or insufficient scrutiny of higher-risk transactions may occur, particularly where customers or counterparties seek expedited execution.

Another frequently observed issue is records keeping gaps. These gaps are mainly resulting from fragmented documents handling, the dependency of manual processes, and the reliance on informal communications channels. Without a structured system for maintaining and retrieving records when needed, entities may be unable to demonstrate their levels of compliance during inspections from supervisory authorities or retrace the rational for decisions made during onboarding or due diligence.

Finally, the sector continues to face issues with uneven understanding of regulatory requirements, particularly among smaller or newly established entities. The misinterpretation of legal and regulatory obligations and circulars issued by the Ministry of Economy and Tourism (MoET) or any other supervisory authority, can lead to uncertainty when it comes to the timing and depth of conducting due diligence, Beneficial Ownership verification, or the identification and reporting of suspicious activity. This contributes to inconsistent compliance practices and increases exposure to regulatory risk within the real estate sector.

4.5.2 Sectoral Best Practices

To mitigate these challenges and risks, many entities have adopted a structured and consistent onboarding framework that ensure customer information, verification steps, and supporting documents are collected, verified, and stored across the organization. Such practice will assist the entities in adopting a risk-based workflow by clearly linking customer risk assessments to the level of due diligence applied, enabling proportional treatment of lower-risk cases while ensuring enhanced scrutiny for higher-risk customers or transactions.

Another good practice that entities can apply is maintaining a strong compliance culture that often invest in regular and targeted staff training that goes beyond basic awareness. This includes practical case studies, emerging typologies, and scenario-based exercises that help front line employees identify risk indicators and understand the rationale behind the controls. This approach reinforces accountability and supports informed decision-making at the operational level.

The adoption of technology-enabled solutions also represents a good and important practice, particularly systems designed to support screening, document management, and record retention enhance accuracy, improve audit readiness, and reduce reliance on manual processes. Even smaller entities can benefit from scalable digital tools that support consistent application of compliance measures.

In managing and dealing with complex ownership structures, firms must implement detailed procedures for verifying Beneficial Ownership, including the use of public registries, declarations, corporate documentation, and where necessary, independent research. Such structured approaches improve transparency and help ensure that ownership and control arrangements are fully understood, even where multiple jurisdictions are involved.

Another good practice observed across the sector is the establishment of clear internal escalation channels. Entities that define thresholds for when an activity or a transaction must be referred to the Compliance Officer or senior management ensure that higher-risk transactions receive an appropriate level of scrutiny. This supports consistent decision making and fosters accountability throughout the organization.

Finally, firms that demonstrate strong compliance maturity often engage in periodic internal reviews and file testing to assess whether policies are being applied in practice. These reviews help identify

gaps, reinforce expectations, and support continuous improvement in line with evolving regulatory requirements and sectoral expectations.

5. Typologies

The real estate sector may be exploited for money laundering, terrorist financing, and proliferation financing through a range of methods designed to obscure Beneficial Ownership, disguise the source of funds, and integrate illicit proceeds into the financial institutions. The sector's exposure arises from the high value of transactions, cross-border participation, use of intermediaries, and reliance on third parties for financing, escrow management, and legal structuring. The typologies outlined below reflect patterns identified in national and sectoral risk assessments, international and local analyses and reports, and supervisory authorities' observations.

One commonly observed typology involves the concealment of Beneficial Ownership through layered legal structures or nominee arrangements. Criminal actors may use foreign companies, trusts, and foundations to distance themselves from certain transactions. Ownership may be split among multiple related or unrelated parties or frequently altered during the transaction lifecycle to undermine identification efforts. In some cases, intermediaries such as legal representatives or professional advisors are appointed as the visible counterparties, while the true controlling individual remains obscured.

Another typology relates to the use of real estate to legitimise unexplained source or illicit funds through complex funding arrangements. Transactions may be structured to involve third-party payments, funding from accounts not held in the buyer's name, or settlement through instruments that reduce transparency. These arrangements are sometimes presented as private financing, family funding, or investment pooling, without credible documentation or economic justification. Such structures may be used to integrate criminal proceeds or to bypass controls applied by regulated DNFBPs and financial institutions.

The rapid acquisition and disposal or resale of properties, particularly in short succession or among connected parties, represents a further typology used to layer funds and create the appearance of legitimate market activity. Properties may be purchased, resold, or reassigned at inflated or deflated values without a clear commercial rationale, enabling the movement of value while disguising its origin. Off-plan purchases followed by early resale or repeated contract cancellations with redirected refunds have also been observed as mechanisms to move funds across accounts or jurisdictions.

Misuse of the sector may also occur through manipulation of contractual arrangements and valuation processes. This includes artificial pricing, pressure on valuers or agents to support financing objectives, or the use of unlicensed or unfamiliar valuation providers. Contracts may be amended, cancelled, or backdated to alter transaction timing, evade controls, or avoid sanctions-related restrictions. In some cases, escrow arrangements are exploited through funding by unrelated third parties or through refund requests to accounts unconnected to the original purchaser.

A further typology involves the exploitation of cross-border and geographical risk factors. Transactions may involve clients, funds, or ownership structures linked to jurisdictions with limited transparency, weak regulatory oversight, or exposure to ML/TF/PF risks. Funds may originate from, or be routed through, jurisdictions with no apparent economic link to the client or the property, increasing the difficulty of verifying legitimacy and tracing source of funding.

Emerging typologies increasingly reflect the use of non-traditional payment methods and digital assets. Some transactions involve virtual assets, blockchain-based settlement mechanisms, or alternative payment platforms that fall outside the traditional financial channels. Where these methods are used without sufficient transparency or supporting evidence, they may be intended to obscure transaction trails, disguise ownership of funds, or avoid scrutiny by regulated entities.

Across these typologies, a consistent feature is the misalignment between the client's profile, the transaction structure, and the stated economic purpose. Transactions that do not align with a customer's known financial capacity, professional background, or stated objectives may indicate attempts to misuse the real estate sector as a vehicle for value storage, concealment, or movement of illicit assets and funds.

Understanding these typologies enables Real Estate Agents and Brokers to place individual risk indicators into context, apply informed professional judgment, and strengthen the effectiveness of their risk-based controls. When combined with robust customer due diligence, escalation mechanisms, and reporting obligations, typology awareness supports the sector's role in

safeguarding the integrity of the UAE real estate market and contributing to national AML/CFT/CPF objectives.

6. Red Flag Indicators for Real Estate Agents & Brokers

The following list of red-flag indicators for potentially suspicious activity / transactions is not exhaustive. It is important to note that the presence of one or more of these indicators does not automatically imply that a transaction involves money laundering (ML), terrorist financing (TF) or proliferation financing (PF). Rather, it serves as an indication that enhanced due diligence, or further investigation may be warranted. The appointed Compliance Officer of the Real Estate Agent or Broker should carefully assess the circumstances to determine whether the activity / transaction is indeed suspicious.

6.1. Customer Behaviour

Concealing or Disguising Identity:

- The identity of the person benefiting from the transaction (the Beneficial Owner) is obscured or disguised, or there is reluctance to disclose the true ownership.
- There is insistence on using intermediaries (professional or informal) in all interactions without a legitimate or reasonable business explanation.
- Client refuses or is reluctant to provide required documentation, data, or information typically needed to facilitate a real estate transaction or requests that the Beneficial Ownership verification be deferred until late in the transaction process.
- There is use of legal persons, foreign companies, or other complex structures to protect a person's identity or obscure their involvement in the transaction.
- Attempts to bypass sanctions screening by using layered corporate structures or frequent ownership changes.

Suspicious Behaviour or Lack of Transparency:

- Client refuses to cooperate or provide information necessary to understand the source of their funds or facilitate the transaction.
- Client actively avoids in person meetings, face to face discussions, or other direct interaction without a legitimate reason or clear explanation.
- There is a sudden shift in the client's behaviour or the introduction of unknown third parties during the transaction process, especially if it involves the involvement of lawyers, notaries, or financial institutions when such involvement is not typical for the transaction.
- Repeated changes in the declared Beneficial Owner during the transaction lifecycle without a credible explanation.
- Client or other parties involved in the transaction show little interest in the characteristics of the property or seem unconcerned with negotiating a better price or completing the transaction quickly, without a valid reason.
- The client is insisting on completing and paying for a high-value property in cash and has no clear source of funds.
- Instructions routed entirely through legal representatives without valid confidentiality or legal privilege justification.
- Splitting the ownership across multiple family members or entities in order to avoid screening thresholds or sanctions controls.

Unusual Clients and High-Risk or Criminal Associations:

- A foreign national with no established ties to the UAE, no business or personal interests, no clear legitimate purpose, and no economic purpose for engaging in a real estate transaction.
- Transaction seems inconsistent with the client's socio economic, educational, or professional background.
- The client demonstrates little or no understanding of the purpose of the transaction.
- Client or Beneficial Owner has political connections or is a Politically Exposed Person (PEP) or is linked to someone holding a prominent political or public position.
- Transactions involve individuals who are under trial, have been sentenced for crimes, or are publicly linked to criminal activities (including but not limited to corruption).
- A foreign or a domestic company is used for purchasing real estate, particularly if the company structure appears unusual or overly complex.
- Transactions involve intermediaries or complex structures (such as shell companies or trusts) with no clear purpose, designed to obscure the real parties involved.

- Client or known associates is listed on any targeted financial sanctions list or subject to embargoes or similar measures issued by international organizations (e.g., UAE Terrorist List, United Nations).
- Transactions involve clients known to be linked to criminal activities or are under investigation or trial for crimes.
- Beneficial Owner residing in a jurisdiction different from the source of funds or country of incorporation, with no clear economic rationale.
- Clients or Beneficial Owners linked to sectors associated with dual-use goods, sanctioned trade, or sensitive technologies.
- Transactions involving entities with opaque ownership structures linked to jurisdictions subject to UN PF-related sanctions.
- Use of properties as collateral in arrangements involving sanctioned or high-risk counterparties.

Unusual Timing or Patterns in Transactions:

- The client requests the recording of the sale of a building plot which is shortly followed by the declaration of a finished new building at the same location within an unusually short period, which may indicate an attempt to avoid regulations or hide the true nature of the transaction.
- Purchase of multiple off-plan properties followed by early resale or assignment shortly after booking.
- The parties show a strong interest in completing the transaction quickly without good cause, or there are signs of urgency that don't align with the typical pace of real estate transactions.
- A customer approaches the same real estate agent on subsequent days to buy multiple properties with no clear source of funds.
- Successive selling and buying of properties among a group of individuals in a short period, involving the purchase of a property at a lower or higher market price.
- Client withdraws from the transaction immediately after enhanced due diligence is requested.
- Client threatens legal action or reputational harm to discourage reporting or questioning.
- Client attempts to influence staff to bypass internal escalation or reporting processes.

6.2. Transaction Behaviour

Concealing the Source of Funds:

- Client is unwilling or unable to explain the source of their funds for a property transaction.
- Funds cannot be clearly verified, or the explanation of their origin is suspicious.
- Transaction involves a significant amount of cash or virtual assets without a clear explanation or a valid source.
- Transaction involves cash equivalents like bank drafts, cashier's cheques, barer negotiable instruments, or third-party cheques without clear identification of the true payer, especially for large sums relative to the total transaction.
- Part or all the settlement is made in cash or foreign currency, and there is no valid business reason, or the buyer refuses to disclose the source of funds for unusually large transactions.

Emerging Risks:

- Use of cryptocurrency for transactions: If the client wishes to use cryptocurrency (Bitcoin, Ethereum, etc.) to complete the transaction, particularly if they are unwilling to explain the origin of the digital assets or the amount is substantial compared to the value of the property.
- Use of blockchain technology in property transactions: Property-related transactions conducted through blockchain or distributed ledger technology where the source of funds, transaction trail, or counterparties are unclear, insufficiently verified, or bypass traditional financial institutions and recognised intermediaries such as wallet-to-wallet transfers.
- Untraceable digital assets: Transactions where the source of the digital currency or assets is not substantiated by supporting documents or has no clear link to a legitimate source.
- Use of virtual agents or platforms: Transactions involving virtual agents or online platforms that lack proper regulatory oversight, especially if the parties are based in different jurisdictions with unclear legal frameworks.
- Unfamiliar or non-traditional payment methods: When clients insist on using alternative payment methods, such as digital wallets, peer-to-peer payment systems (e.g., Venmo, PayPal), or offshore bank transfers that are harder to trace.

Suspicious Use of Mortgage or Investment Schemes:

- Transaction appears to involve fraudulent mortgage schemes or unusual investment schemes.
- Transaction is financed by third parties, such as individuals or non-financial institutions, without a legitimate explanation or commercial justification.
- Valuation reports issued by unfamiliar or unlicensed valuers.
- Significant discrepancies between independent valuations and transaction prices without explanation.
- Pressure on valuers or agents to adjust valuations to meet financing or transfer objectives.
- Use of family offices or private investment vehicles with unclear governance or funding sources.

Unusual Transaction Frequency or Structure:

- Payments are intentionally divided into smaller amounts with short intervals between them, possibly to avoid detection or scrutiny.
- Multiple properties being bought, sold, re-sold, or exchanged simultaneously or consecutively in a short period, with unexplained or illogical changes in property value.
- Acquisition of property primarily for value storage, with no intention to occupy, lease, develop, or resell within a reasonable timeframe, particularly were linked to high-risk clients or jurisdictions.

Suspicious Relationships and Behaviours:

- Transaction involves parties like nominee shareholders or directors who have no apparent connection or questionable relationship, or the transaction generates doubts that cannot be adequately explained by the client.
- Transaction involves family members where the transaction appears to be for the reason of concealing the Beneficial Ownership or source of funds and no financial rational behind it.
- Client exerts unusual pressure or requests the transaction be completed very quickly, possibly to avoid scrutiny.
- Parties involved in the transaction are not acting on their own behalf, possibly trying to conceal the identity of the real buyer or seller.
- Two parties (buyers and sellers) are requesting to transfer the ownership of a property with a significant lower or higher price than the market price.
- Customer declaring that the escrow account will be funded by a third-party that is not linked to the buyer.
- Payments made to developers from accounts not held in the buyer’s name.

Irregularities in Contracts or Agreements:

- A contract is cancelled in a manner that disregards clauses that penalize the buyer with loss of the deposit, or if the cancellation is handled in a separate document while leaving the parties in possession of the original contract.
- Repeated cancellations of off plan purchases with refund requests to different accounts or jurisdictions.
- Transactions where the name on the contract or any other details change unexpectedly or without a logical explanation, particularly if it involves a significant transfer of assets.
- Requests to backdate contracts or alter transaction dates to predate sanctions designations.

Transactions That Do Not Make Economic Sense:

- Transaction value is significantly higher or lower than the market value or the real value of the property.
- Transaction results in an obvious loss for one party or seems out of line with market expectations or without a reasonable rationale (distress sale).
- Properties are sold, purchased, or exchanged multiple times within a short period, with no clear financial or business rationale.

Other Transaction Pattern Red Flags:

- Transaction involves structuring to avoid detection, such as breaking large sums into smaller ones, or unusual cash payments and settlements.
- Transaction that in a way hides the identity of the buyer or the motives behind the deal.

6.3. Geographical Risks

- Transaction involves funds that are received from a foreign country when there is no apparent connection between the country and the client, and/or which are received from a low-tax offshore jurisdiction or one that is considered to pose a high ML/FT/PF risk.
- Transaction involves property development in an area considered to be high-risk for economic, environmental, or other reasons.
- Use of third parties, overseas accounts, or persons or entities in countries identified as high-risk jurisdictions to send or receive funds on behalf of the buyer or seller.
- Client requests the proceeds of a sale or rental be sent to a high-risk jurisdiction or a third party apparently unconnected to the transaction.

The presence of one or more red flag indicators should not, in isolation, be treated as conclusive evidence of money laundering, terrorist financing, or proliferation financing. Rather, such indicators are intended to prompt heightened professional judgment, further inquiry, and the application of appropriate risk-based due diligence measures in line with the entity's internal policies and procedures. Where red flags persist or cannot be reasonably explained, Real Estate Agents and Brokers are expected to escalate the matter internally and, where warranted, submit a suspicious transaction / activity report to the competent authorities (FIU) in accordance with UAE legal requirements. Effective identification and management of red flags form a critical link between risk awareness and regulatory action, ensuring that potential misuse of the real estate sector is identified at an early stage and reported.

7. Reporting Obligations for Real Estate Agents & Brokers

Real Estate Agents and Brokers are subject to specific reporting obligations under the UAE's AML/CFT/CPF framework, which constitute a critical component of the national system for the detection, analysis, and mitigation of money laundering, terrorist financing, and proliferation financing risks. These obligations apply irrespective of whether a transaction is completed, attempted, or discontinued and must be implemented in a timely, accurate, and confidential manner.

In line with the risk-based approach, reporting obligations in the real estate sector extend beyond the identification of suspicious activity and include mandatory threshold-based reporting requirements designed to enhance transparency in higher value property transactions. Accordingly, Real Estate Agents and Brokers must ensure that their internal controls, systems, and staff awareness adequately support both suspicions based and threshold-based reporting obligations.

In addition to the obligation to submit Suspicious Transaction Reports (STRs) or Suspicious Activity Reports (SARs) where reasonable grounds for suspicion arise, Real Estate Agents and Brokers are required to submit Real Estate Activity Reports (REARs) for transactions that meet the applicable monetary thresholds, regardless of whether suspicion is present. Real Estate Activity Reports serve a distinct supervisory and intelligence purpose and are intended to provide visibility over significant real estate transactions that may otherwise appear legitimate but warrant monitoring due to their value, structure, or payment characteristics.

7.1 Real Estate Activity Report (REAR)

Real Estate Activity Reports are defined as a sector specific report for Real Estate Agents and Brokers to declare relevant transactions and activities. All real estate brokers and agents is required to file a REAR for:

- Purchase or Sale of freehold property / real estate where the method of payment includes cash and the amount is AED 55,000 or more; be it in a single payment or multiple payments.
- Purchase or Sale of Freehold property / real estate where the method of payment is a virtual asset for a portion or the entire property value.
- Purchase or Sale of Freehold property / real estate where the funds used to carry out the transaction were converted from or to a virtual asset for a portion or the entire property value.

The obligation to submit REARs is not risk-dependent and must be fulfilled even when Customer Due Diligence measures have been satisfactorily completed and no red flags have been identified. Failure to submit REARs within the predefined parameters and timelines may undermine the effectiveness of the entity compliance framework and the UAE's AML/CFT/CPF framework and expose Real Estate Agents and Brokers to regulatory action. Real Estate Activity Reports also support supervisory and financial intelligence objectives by enhancing visibility over high-value real estate transactions and facilitating sectoral risk analysis, including the identification of emerging trends and typologies.

Real Estate Agents and Brokers should ensure that REAR reporting is fully integrated into their operational workflows, including transaction processing, payment acceptance, and deal completion stages. This includes maintaining accurate records of transaction values, payment methods, parties involved, and relevant timelines to support accurate and timely reporting.

When Real Estate Agents and Brokers are presented with a transaction that exceeds the REAR threshold and have reasonable grounds for suspicion, they must ensure that both, the threshold-based reporting and suspicions-based reporting obligations, are met in accordance with their respective requirements.

Effective reporting relies on well-defined internal escalation mechanisms, clear allocation of responsibilities between business functions and the Compliance Officer, and ongoing staff training tailored to the specific risks of the real estate sector. Senior management remains responsible for ensuring that reporting obligations, whether it was based on a suspicious activity / transaction or threshold-based reporting, are understood, resourced, and embedded within the entity's overall AML/CFT/CPF compliance framework.

DNFBPs are required to refer to the "Guidelines for Designated Non-Financial Businesses and Professions", for comprehensive details and further guidance on reporting obligations. Real Estate Agents and Brokers also remain subject to all post-reporting obligations, confidentiality requirements, record-keeping duties, and supervisory engagement expectations set out in the Ministry's AML/CFT Guidance applicable to DNFBPs.

8. Case Studies

The following case studies are provided for illustrative and educational purposes to support Real Estate Agents and Brokers in understanding how money laundering, terrorist financing, and proliferation financing risks may arise in the context of real estate transactions. The scenarios are intentionally varied in complexity and are designed to reflect common and emerging practices within the UAE real estate sector. They do not represent an exhaustive list of risk scenarios, nor do they imply that the presence of one or more indicators automatically constitutes suspicious activity. Real Estate Agents and Brokers are expected to apply a risk-based approach, exercise professional judgement, and assess each situation based on the specific facts and circumstances, in line with their obligations under the UAE's AML/CFT/CPF framework.

Case Study 1: Layered Offshore Ownership

Synopsis:

A real estate agent is engaged to facilitate the purchase of a high-value freehold residential property in the UAE by a holding company incorporated in the UAE. The client explains that the transaction is part of a broader regional asset-holding strategy linked to family wealth planning. The company is owned by two foreign entities incorporated in separate jurisdictions, both presented as long-standing investment vehicles. The transaction progresses smoothly, documentation is generally complete, and payments are routed through a UAE bank. During later stages, minor changes are made to shareholding percentages, attributed to internal restructuring within the holding company, and the client requests urgency due to "market timing considerations."

Key Red Flags:

The use of multiple offshore entities with no clear purpose, changes made to the ownership structure close towards the completion of the deal, and reliance on restructuring explanations increase the risk of Beneficial Ownership concealment. Also, the lack of a clear link between the holding structure and the specific property raises concerns regarding transparency and potential misuse of corporate layering to obscure control.

Supervisory Expectations:

The real estate agent should apply Enhanced Due Diligence focused on Beneficial Ownership verification in order to verify the Ultimate Beneficial Owner, assess the legitimacy of the corporate structure, and obtain corroborating documentation supporting the restructuring rationale. The Compliance Officer should reassess the risk profile and consider whether the pattern warrants escalation or suspicious reporting in case no clarity was obtained from the client, while ensuring REAR obligations are met if thresholds apply.

Case Study 2: High-Value Transaction with Indirect PEP Exposure

Synopsis:

A client seeks to purchase multiple off-plan properties through a locally registered company for future leasing. The client is well-known in business circles and demonstrates familiarity with the UAE real estate market. Payments are made through regulated financial institutions, and no immediate adverse media or red flags were identified. During an informal discussion, the broker becomes aware that one of the silent shareholders is a close relative of a senior public official in a foreign jurisdiction known for its weak AML/CFT/CPF compliance framework, though the client downplays the relevance, stating the individual is not involved in management or decision-making process.

Key Red Flags:

Indirect exposure to a Politically Exposed Person, combined with multiple high-value acquisitions and transactions and limited transparency around shareholder influence, increases ML/TF/PF risks. Also, the attempt to minimise the relevance of the relationship may indicate reputational or sanctions-related concerns.

Supervisory Expectations:

The real estate agent should treat the relationship as higher risk, apply Enhanced Due Diligence measures, assess source of wealth and source of funds at a deeper level, and identify the level of involvement of the PEP within the entity along with his source of funds and verify if any adverse media reports were published against the PEP / any sanctions related findings. Senior management approval should be obtained before proceeding with the onboarding of the client, and ongoing monitoring throughout the transaction lifecycle.

Case Study 3: Virtual Asset Conversion Prior to Property Purchase

Synopsis:

A foreign client with an active residency in the UAE intends to acquire a luxury villa. The funds are transferred from a UAE exchange house following conversion from virtual assets into fiat currency. The client explains that the assets were accumulated over several years through early investment in digital assets. While initial documentation is provided, transaction history is fragmented and rely heavily on screenshots and third-party summaries. The client is cooperative but unable to fully reconstruct the transaction trail due to the age of the holdings.

Key Red Flags:

Use of virtual assets, partial audit trails, and reliance on non-verifiable documentation increase exposure to ML, TF, and PF risks. The difficulty in independently validating the origin of funds heightens uncertainty.

Supervisory Expectations:

The real estate agent should conduct enhanced scrutiny and enhanced due diligence on the source of the client funds, request independent verification where possible, and assess whether the explanations are reasonable and consistent with the client known profile. REAR obligations must be fulfilled if applicable, and the Compliance Officer should evaluate whether the residual risk from the transaction and the provided explanation requires suspicious reporting to the FIU.

Case Study 4: Repeated Property Flipping within Connected Parties

Synopsis:

A real estate agent notices that a property in the secondary market is bought and sold multiple times within a short period between parties who appear to be unrelated. Prices fluctuate without clear market justification and do not match the market price of the property. Each transaction is completed without having any issues, and the parties claims the purpose is related to investment optimisation strategies. Over time, similarities in contact details and advisors become apparent.

Key Red Flags:

Rapid resale, inconsistent pricing, and indirect connections between parties may indicate layering or value manipulation to disguise illicit source of funds or create artificial transaction history.

Supervisory Expectations:

The real estate agent should reassess transactional patterns holistically, enhance monitoring, clarity on the relationship between the involved parties, and seek clarification on the economic rationale of the transactions. Where explanations are insufficient, escalation and potential STR submission should be considered.

Case Study 5: Third-Party Funding through Family Structures

Synopsis:

A UAE resident purchases a mid-range residential property, declaring personal savings as the source of funds. Later, escrow payments are made by a family-owned company based abroad. The client explains that family funds are commonly pooled and used interchangeably. Documentation is provided, but governance arrangements of the family entity remain informal.

Key Red Flags:

Third-party funding, informal family arrangements, no visibility on the origin of the funds used to finance the property purchase or the family business operations, and lack of clear linkage between buyer and payer increase the risk of source of funds obfuscation.

Supervisory Expectations:

The real estate agent should verify the relationship between the buyer and the funding entity, obtain source of funds evidence, the purpose of the conducting the transactions in this specific way, and ensure accurate recording of third-party involvement. Risk reassessment and escalation should follow if inconsistencies persist.

Case Study 6: Sanctions Exposure through Jurisdictional Links

Synopsis:

A Real Estate Agent is instructed to act in the sale of a luxury residential property in the UAE owned by a non-resident individual who acquired the asset several years earlier as a long-term investment. The seller appoints a local representative through a power of attorney, explaining that they are currently residing abroad for personal reasons. All documentation appears valid, and the agent proceeds with marketing the property.

A buyer is identified relatively quickly, represented by a UAE-based company with foreign shareholders. Negotiations progress smoothly, and the agreed purchase price is significantly above recent comparable sales in the area and the market value of the property. During settlement discussions, the buyer proposes splitting the payment into multiple instalments, including an initial payment from a UAE account and subsequent payments from overseas accounts linked to affiliated entities. The explanation provided is that the funds are being mobilised across jurisdictions to meet contractual timelines.

As the transaction nears completion, the seller's representative requests that proceeds be transferred to different accounts over several tranches, citing estate planning and personal asset management considerations. The agent is advised that this approach is temporary and administrative in nature, and that full consolidation will occur after the sale.

Key Red Flags:

The structuring of payments on both the buyer and seller sides, the involvement of multiple jurisdictions, and deviations from standard settlement practices increase exposure to layering and potential proceeds of crime. The elevated price, while not inherently suspicious, amplifies risk when combined with complex payment flows.

Supervisory Expectations:

The real estate agent should apply enhanced scrutiny to payment arrangements that deviate from standard practice, seek clear justification and supporting documentation for multi-jurisdictional fund flows, and reassess risk as transaction dynamics evolve. Escalation to the Compliance Officer is warranted to determine whether the pattern of activity establishes reasonable grounds for suspicion and to ensure compliance with reporting, confidentiality, and record-keeping obligations.

Case Study 7: Successive Transactions Involving the Same Property and Related Parties

Synopsis:

A Real Estate Broker is involved in the resale of a residential villa in a freehold community in the UAE. The seller had acquired the property less than 12 months earlier and claims the reason for reselling is liquidity reasons. The buyer is a newly established UAE company represented by a local service provider, with plans to refurbish and lease the property.

Within a short period following completion, the broker is contacted again to assist with a second resale of the same property, this time at a noticeably higher value. The new buyer is an offshore entity introduced by the same service provider. Payments are made promptly, with limited negotiation, and the justification for the price increase is attributed to "market movement and future development plans in the area."

The broker notes that no significant renovations or market changes appear to have occurred between the transactions and that the same individuals appear informally involved across both deals, despite different legal entities being used.

Key Red Flags:

Rapid successive transactions, price escalation without clear justification, repeated involvement of the same intermediaries, and shifting ownership through related entities suggest potential layering or value manipulation. The absence of economic rationale heightens suspicion.

Supervisory Expectations:

The real estate agent should assess the economic purpose of successive transactions, verify relationships between parties, and apply enhanced monitoring. The Compliance Officer should evaluate whether the transaction pattern constitutes reasonable grounds for suspicion and ensures that appropriate reporting, record retention, and supervisory engagement obligations are fulfilled.

Case Study 8: Sequential Transactions Involving Legal Representatives

Synopsis:

A high-net-worth individual engages a Real Estate Broker to acquire a luxury waterfront property in the UAE through a legal representative holding a broad power of attorney. The transaction proceeds smoothly, with the representative handling negotiations, documentation, and payments. The client remains largely absent, citing extended travel and reliance on professional advisors. Shortly before completion, the buyer requests substitution of the purchasing entity with a newly incorporated offshore company, explaining that tax and estate planning advice necessitated the change. The consideration remains unchanged, but the funding source shifts from a UAE bank account to a foreign account held in the name of the new entity. Shortly after completion, the broker is contacted again to assist with leasing and later learns that the property is being pledged as security for a private lending arrangement involving overseas counterparties.

Key Red Flags:

Late substitution of purchasing entities, changes in funding sources, limited direct client engagement, and subsequent use of the property as collateral introduce layering and asset-misuse risks. The reliance on legal representatives and offshore structures reduces transparency around control and purpose.

Supervisory Expectations:

The real estate agent should reconduct customer due diligence following any material change to the transaction structure, including re-verification of Beneficial Ownership and source of funds. The Compliance Officer should evaluate whether the cumulative changes indicate an attempt to obscure ownership or value movement and consider escalation, ongoing monitoring, and reporting as appropriate.

Case Study 9: Gradual Change in Buyer Profile During Off-Plan Purchase

Synopsis:

A Real Estate Broker facilitates the sale of several off-plan residential units in a large master development in the UAE. The initial buyer is a UAE-based trading company that presents itself as acquiring the units for executive housing and long-term investment. Onboarding documents, trade licence, and authorised signatory information are provided without issue, and payments are made through a UAE bank account in the company's name.

Over the course of construction, the broker remains involved in contract variations and handover coordination. During this period, the buyer requests multiple amendments to the SPA, including changes to unit allocation and the introduction of additional shareholders "for capital efficiency purposes." The broker is informed that the company is restructuring to accommodate foreign investors who will eventually benefit from rental income.

Closer to completion, payment instalments begin arriving from a different UAE account held by a related entity, followed by other payments originating from outside the UAE. When queried, the client explains that funds are being pooled across group entities to meet developer timelines and that full ownership details will be "regularised post-handover."

Key Red Flags:

The gradual change in ownership composition, mixed funding sources, and reliance on future regularisation of ownership information increase the risk of Beneficial Ownership concealment and layering. The absence of a clear, consistent explanation across the transaction lifecycle elevates ML risk, despite each individual step appearing commercially reasonable.

Supervisory Expectations:

The real estate agent should reassess customer risk when ownership and funding arrangements change materially, obtain updated Beneficial Ownership information, and apply enhanced due diligence where transparency is reduced. The Compliance Officer should determine whether the cumulative changes give reasonable grounds for suspicion and ensure appropriate reporting and record-keeping obligations are met.

Case Study 10: Informal Third-Party Funding

Synopsis:

A foreign national seeks assistance from a Real Estate Agent to purchase a high-value residential property in the UAE, citing relocation and long-term residence plans. The client appears knowledgeable about the market and provides valid identification, visa documentation, and proof of employment with a regional consultancy firm.

During negotiations, the agent becomes aware that part of the purchase price will be covered by a "family arrangement," whereby relatives based outside the UAE will contribute funds directly to the seller. These arrangements are described as temporary and interest-free, intended to accelerate the purchase and secure residency benefits.

As the transaction progresses, multiple third-party transfers are made from different jurisdictions, each accompanied by brief explanations referencing family support or personal loans. The client maintains that formal loan documentation is unnecessary due to trust-based relationships. The purchase ultimately completes without incident, and the client immediately applies for long-term residency.

Key Red Flags:

The use of multiple third-party funders, lack of formal documentation, and linkage between property acquisition and residency incentives increase exposure to ML and misuse of legitimate programmes. The informal nature of explanations limits the DNFBP's ability to assess source of funds reliability.

Supervisory Expectations:

The real estate agent should have obtained more detailed explanations and supporting evidence for third-party funding to establish their source of wealth, assessed whether the funding arrangements align with the client's profile, and applied enhanced scrutiny where explanations remain informal or incomplete. Escalation to the Compliance Officer should be considered to determine whether suspicion thresholds are met and whether reporting obligations apply.

The above case studies are intended to demonstrate how money laundering, terrorist financing, and proliferation financing (ML/TF/PF) risks may present in diverse and evolving ways within the real estate transactions, often without immediately apparent indicators. They illustrate the importance of applying a risk-based approach, exercising sound professional judgement, and assessing each transaction holistically, rather than relying solely on isolated red flags or predefined scenarios. Real Estate Agents and Brokers should use these examples to strengthen their ability to identify, assess, and respond to risk in practice, recognising that similar fact patterns may require different responses depending on the specific circumstances.

9. Conclusion and Sector-Wide Risk Consideration

The real estate sector continues to be assessed as presenting a high inherent risk of money laundering, reflecting its exposure to high-value luxury properties potentially allowing for high-value funds to be laundered through the purchase of such properties, cash-intensiveness and continued exposure to non-resident clients and foreign investors continue to heighten the sector's vulnerability to ML/TF/PF risks. Also, it is important to note that whilst majority of the clients within this sector are natural persons, the presence of corporate clients exposes the sector to complex ownership structures and third-party intermediaries which complicates Ultimate Beneficial Ownership (UBO) verification. These risk characteristics are consistently identified in the UAE National Risk Assessment (NRA) and in sectoral risk assessments (SRA) conducted by the supervisory authorities and the Ministry of Economy and Tourism (MoET).

While the UAE's AML/CFT/CPF legal, regulatory, and supervisory framework has significantly strengthened risk mitigation measures across the real estate sector, residual risks remain. Addressing these risks requires sustained vigilance, sound professional judgement, and a strong culture of compliance across all Real Estate Agents and Brokers, irrespective of their size, structure, or business model. Effective implementation of AML/CFT/CPF obligations is therefore a shared responsibility that extends beyond formal compliance and contributes directly to safeguarding the integrity, transparency, and reputation of the UAE real estate market.

Real Estate Agents and Brokers are expected to apply a proactive, risk-based approach that prioritises early risk identification, timely escalation of concerns, and the consistent application of appropriate customer due diligence, monitoring, and reporting measures. Compliance frameworks should remain dynamic and responsive, taking into account emerging risks, evolving typologies, and supervisory feedback and guidance issued by competent authorities.

This Guidance should be read in conjunction with the Guidelines for Designated Non-Financial Businesses and Professions and any other relevant guidance, circulars, and supervisory communications issued by the Ministry of Economy and Tourism. Regulated entities are encouraged to regularly consult official Ministry resources when required to ensure continued alignment with applicable legal, regulatory, and supervisory expectations.

Through the effective implementation of these measures, Real Estate Agents and Brokers play a critical role in supporting the UAE's national and international commitments to combat money laundering, terrorist financing, and proliferation financing, and in preserving the integrity and resilience of the real estate sector.

10. Glossary of Terms

Term	Definition

Beneficial Owner	The natural person who owns or exercises ultimate effective control over the customer, or the natural person on whose behalf the transactions are conducted; including any person who exercises ultimate effective control over a legal person or legal arrangement, whether directly or through a chain of ownership, control, or other indirect means, and who is identified, whether one or more, in accordance with the Executive Regulations of AML/CFT/CPF Law.
Business Relationship	Any ongoing commercial or financial relationship established between Financial Institutions, Designated Non-Financial Businesses and Professions, and their customers in relation to activities or services provided by them.
Committee	National Committee for Combating Money Laundering and the Financing of Terrorism and Illegal Organisations.
Compliance Officer (CO)	The designated individual responsible for AML/CFT/CPF compliance and reporting.
Concerned Authorities	The governmental entities concerned with the implementation of any provision of this Decree by Law within the State.
Crime	The crime of Money Laundering and the predicate offences related thereto, or the financing of terrorism, or the proliferation financing.
Customer	Any natural or legal person, or legal arrangement, who establishes or seeks to establish a business relationship with Financial Institutions, any of the Designated Non-Financial Businesses and Professions, or Virtual Asset Service Providers.
Customer Due Diligence (CDD)	The process of identifying and verifying the information of a Customer or Beneficial Owner, whether a natural or legal person or a legal arrangement, as well as identifying the nature of their business, the purpose of the business relationship, and the ownership structure and control thereover, including ongoing monitoring procedures.
Designated Non-Financial Businesses and Professions (DNFBPs)	Any person engaged in one or more of the commercial or professional activities or businesses, as specified in the Executive Regulations of AML/CFT/CPF Law.
Egmont Group	The Egmont Group is an intergovernmental body of 159 Financial Intelligence Units (FIUs), which provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and the financing of terrorism (ML/TF).
Enhanced Due Diligence (EDD)	A heightened level of due diligence applied to higher-risk customers, transactions, jurisdictions, or structures. It involves obtaining additional information, deeper verification, and increased monitoring.
Escrow Account	A regulated account held by a neutral party to hold funds until contractual conditions are met.
Executive Office	The Executive Office for Control and Non-Proliferation, concerned with the implementation of targeted financial sanctions within the State.
Executive Regulations	Cabinet Resolution No. (134) of 2025 Regarding the Executive Regulations of Federal Decree by Law No. (10) of 2025 Regarding Anti-Money Laundering, and Combating the Financing of Terrorism and Proliferation Financing
FATF	The Financial Action Task Force is an inter-governmental body that sets international standards and promotes effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.
Financial Group	A group of financial institutions that consists of holding companies or other legal persons exercising the control over the rest of the group and coordinating functions for the application of supervision on the group, branch, and subsidiary level, in accordance with the international core principles for financial supervision, and AML/CFT policies and procedures.

Financial Institution	Any person engaged in one or more financial activities or operations determined by the Executive Regulations of the AML/CFT/CPF Law, on behalf of or for the benefit of a customer.
Financial Intelligence Unit (FIU)	The national authority responsible for receiving, analysing, and disseminating suspicious transaction/activity reports.
Financing of Terrorism	Any of the acts defined in Clause (1) of Article (3) of the AML/CFT/CPF Law.
FIU	Financial Intelligence Unit
Freezing	The taking of an action without prior notice or involvement of the owner, Customer, or the affected Party.
FSRBs	FATF-Style Regional Bodies are regional intergovernmental organisations which promote and assess the implementation of internationally accepted AML/CFT policies and regulations.
Funds	Assets or properties, however acquired, of any type or form, tangible or intangible, movable or immovable, electronic, digital, or cryptographic, including national and foreign currencies, legal documents, and instruments of whatever form, including electronic or digital forms, evidencing the ownership of such assets or properties, or shares or rights therein; as well as economic resources deemed as assets of any kind, including oil and other natural resources and all rights pertaining thereto, whatever their value or means of acquisition; together with bank credits, cheques, payment orders, shares, securities, bonds, bills of exchange, letters of credit, and any proceeds, profits, or other income derived or resulting therefrom, which may be used to obtain any financing, goods, or services.
High Risk Customer	A customer who represents a risk either in person, activity, Business Relationship, nature or geographical area, such as a customer from a high-risk country or non-resident in a country that does not hold an identity card, or a costumer having a complex structure, performing complex operations or having unclear economic objective, or who conducts cash-intensive operations, or operations with an unknown third party, or operations without directly confronting any other high risk operations identified by Financial Institutions, or Designated Non-Financial Businesses and Professions, or the Supervisory Authority.
High-Risk Jurisdiction	A country or region identified as having elevated ML/TF/PF risks due to weak AML controls or FATF listing.
Illegal Organisations	Organisations whose establishment is criminalised, or which exercise a criminalised activity.
Intermediary Account	Corresponding account used directly by a third party to conduct a transaction on its own behalf.
Law Enforcement Authorities	The federal and local authorities entrusted, pursuant to the provisions of AML/CFT/CPF Law and their applicable legislation, with combating, investigating, detecting, and gathering evidence in respect of the offenses, including Money Laundering, Predicate Offences, the Financing of Terrorism, and the Proliferation Financing.
Legal Arrangement	Trusts or other similar arrangements.
Legal Person	Any entity established through law or registration, such as companies or partnerships.
Means	Any means used or intended to be used for the commitment of an offence or felony.
MENAFATF	MENAFATF is a FATF-Style Regional Body (FSRB), for the purpose of fostering co-operation and co-ordination between the countries of the MENA region in establishing an effective system of compliance with international AML/CFT standards. The UAE is one of the founding members of MENAFATF.
Money Laundering	Any of the acts defined in Clause (1) of Article (2) of the AML/CFT/CPF Law, including its commission through digital systems, Virtual Assets, or cryptographic technologies.

Nominee / Nominee Arrangement	An arrangement where a person/entity acts on behalf of another, potentially masking beneficial ownership.
Non-Profit Organisations (NPOs)	Any organized group of a continuing nature for a definite or indefinite duration, consisting of natural or legal persons or a legal arrangement, not aimed at profit, which collects, receives, or disburses funds for charitable, religious, cultural, educational, social, solidarity, or other purposes that fall within the scope of benevolent acts.
Off-Plan Property	A property sold before construction completion, often with phased payments.
Ongoing Monitoring	Continuous scrutiny of customer transactions and behaviour to ensure consistency with the customer's known profile and risk rating.
Politically Exposed Persons (PEPs)	Individuals entrusted with prominent public functions, including their direct family members and close associates; subject to EDD.
Predicate Offense	Any act constituting a felony or misdemeanour, including the financing of terrorism, the proliferation financing, and evasion of direct and indirect taxes, in accordance with the applicable legislation of the State, whether committed within or outside the State, provided that such an act is punishable in both countries.
Proceeds	Funds derived, directly or indirectly, from the commission of any felony or misdemeanour, including profits, privileges, economic interests, and other benefits derived therefrom, and any equivalent Funds that have been converted, in whole or in part, into other Funds.
Proliferation	The illicit and unauthorized trade, as regulated under the applicable legislation in the State, in materials, systems, equipment, components, programs, or technology contributing to the production or development of Weapons of Mass Destruction, related technology, or their delivery means, including any act stipulated in Clause (3) of Article (3) of this Decree by Law.
Property Flipping	Rapid buying and reselling of property to manipulate prices or layer illicit funds.
RBA	A Risk-Based Approach is a method for allocating resources to the management and mitigation of ML/TF/PF risk in accordance with the nature and degree of the risk.
Real Estate Activity Report (REAR)	A UAE-specific mandatory threshold-based report for qualifying property transactions.
Registrar	The competent authority responsible for supervising the economic or trade register of the various types of establishments registered in the UAE, as regulated by the legislation in force in the UAE.
Risk-Based Approach (RBA)	A methodology requiring entities to identify, assess, and mitigate ML/TF/PF risks proportionately.
Sale and Purchase Agreement (SPA)	A legally binding contract outlining terms and obligations for property sale.
Sanctions Committee	The UN Security Council Committee established as per resolution numbers 1988 (2011), 1267 (1999), 1989 (2011), 2253 (2015), 1718 (2006) and all other related resolutions.
Sanctions List	A list wherein individuals and terrorist organisations, which are subject to the Sanctions imposed as per the Security Council Sanctions Committee are listed, along with their personal data and the reasons for Listing.
Screening (Sanctions / Adverse Media / PEP)	The process of checking parties against sanctions, PEP lists, and negative news.
Settlor	A natural or legal person who transfers the management of their own Funds to a Trustee pursuant to a Trust Instrument.

Shell Bank	Bank that has no physical presence in the country in which it is incorporated and licensed and is unaffiliated with a regulated financial group that is subject to effective consolidated supervision.
Simplified Due Diligence (SDD)	A reduced level of due diligence permitted when a customer, product, or transaction is assessed as low ML/TF/PF risk.
Source of Funds (SOF)	The specific origin of the funds used in a particular transaction.
Source of Wealth (SOW)	The origin of the customer's overall financial standing and accumulated wealth.
State	United Arab Emirates
Supervisory Authority	The federal and local authorities entrusted under the legislation with the supervision of the financial institutions, designated non-financial businesses and professions, virtual asset service providers, and non-profit organizations (NPOs); or the competent authorities responsible for granting approval to engage in an activity or profession, where no specific supervisory authority is designated by the legislation.
Suspicious Activity Report (SAR)	A report submitted to the FIU when activity indicates possible ML, TF, or PF.
Suspicious Transactions	Transactions involving funds for which there are reasonable grounds to suspect that they constitute Proceeds of any felony or misdemeanour, or are related to Money Laundering, Financing of Terrorism, or Proliferation Financing, whether such transactions were executed or merely attempted.
Targeted Financial Sanctions (TFS)	The freezing of funds and the prohibition of making them available, directly or indirectly, for the benefit of any natural or legal person or organization designated by resolutions issued by the Cabinet regarding Terrorist Lists, or by the United Nations Security Council under Chapter VII of the Charter of the United Nations concerning the prevention and suppression of terrorism and its financing, as well as the prevention, suppression, and halting of proliferation and its financing.
Terrorist	Any person who commits, attempts to commit, participates in, organises, or incites terrorist acts, or participates with a group acting with common intent to commit a terrorist act.
Terrorist Organization	A group of two or more persons, whether within or outside the State, that has committed a terrorist act, directly or indirectly, or has threatened to commit it, aims, plans, or seeks to commit it, or promotes or participates in its commission, whether directly or indirectly, regardless of its name, form, place of establishment, location, activity, or the nationality or residence of its members; including any organization recognized as a Terrorist Organization under any other law.
Third-Party Payments	Payments made by persons/entities not named as buyer or seller, requiring verification.
Transaction	Any disposal or utilization involving Funds or Proceeds, including, inter alia, deposit, withdrawal, transfer, sale, purchase, lending, exchange, mortgage, or donation.
Trust	A legal relationship whereby the Settlor places Funds under the control of a Trustee for the benefit of a Beneficiary or for a specific purpose, and such Funds are deemed separate from the Trustee's own property, while the title thereto remains in the name of the Settlor or another person on behalf of the Settlor.
Trustee	A natural or legal person vested with the rights and powers granted thereto by the Settlor or by the Trust, authorized thereby to manage, utilize, and dispose of the Settlor's Funds in accordance with the conditions imposed by either of them.

Virtual Asset Service Providers (VASPs)	Any natural or legal person who, as a commercial activity, conducts one or more of the virtual asset activities specified in the Executive Regulations of this Decree by Law or conducts transactions related thereto, on behalf of or for the benefit of another natural or legal person.
Virtual Assets	Digital representation of value that may be digitally traded or transferred and may be used for payment or investment purposes, excluding digital representations of fiat currencies, securities, or other Funds.
Weapons of Mass Destruction	Weapons capable of inflicting harm on a large number of persons and posing a threat to human life and the natural environment through their catastrophic effects, such as nuclear, biological, chemical, or radiological weapons.
Wire Transfer	Financial transaction conducted by a Financial Institution or through an intermediary institution on behalf of a transferor whose funds are received by a beneficiary in another financial institution, whether or not the transferor and the beneficiary are the same person.
Without Prior Notice	The taking of an action without prior notice or involvement of the owner, Customer, or the affected Party.