

European Union's legislative framework on physical assets: real estate

February 2026



ABOUT THIS SERIES OF EXPLANATORY DOCUMENTS

This document forms part of a series of five thematic legislative assessments covering crypto-assets, real estate, beneficial ownership, Financial Intelligence Units (FIUs), and obliged entities. The series has been prepared by Transparency International EU at the request of BIRN Albania and provides an overview of key developments introduced under the European Union's AML (Anti-Money Laundering) package adopted in 2024. It presents the original legal provisions which are accompanied by an explainers and examples of good practices identified by Transparency International through its reports, with the aim of supporting better understanding and implementation.

This is the original English version of the comparative analysis. To promote inclusive and informed engagement, the documents have also been translated into Albanian ([Link](#)). These translations are intended to support civil society organizations, academic institutions, investigative journalists, and other stakeholders in participating effectively in consultations and reform processes related to transparency and financial integrity.

These documents are intended for informational and analytical purposes only. They do not constitute legal advice, nor do they represent an official interpretation of European Union law.

SUMMARY OF THE EU LEGAL FRAMEWORK ON PHYSICAL ASSET: REAL ESTATE

Real estate is a vector for money laundering because it allows criminals to invest large sums of illicit funds in a single transaction, hide ownership through anonymous companies, and further grow their assets. By obscuring the true source of funds and the beneficial owner, property transactions can integrate dirty money into the legal economy. Therefore, timely identification of real estate and its true owners by FIUs and competent authorities is essential for detecting laundering schemes, freezing and confiscating assets, and enforcing targeted financial sanctions.

In 2024, the European Union strengthened its anti-money laundering framework with the adoption of the latest AML Package. Risks linked to the real estate sector are now tackled by Regulation (EU) 2024/1624, referred as the “single rulebook”, and by Directive (EU) 2024/1640 (AMLD6). The [AML Regulation](#), applicable from July 2027, replaces the previously fragmented directive-based system with directly applicable, harmonised rules across all Member States. It explicitly designates real estate agents, real estate professionals acting as intermediaries, and certain legal professionals involved in property transactions as “obliged entities” subject to AML/CFT requirements. These actors must apply customer due diligence (CDD) when establishing a business relationship or conducting occasional transactions of at least EUR 10 000. In higher-risk situations, particularly where high-value assets are involved, enhanced due diligence measures are required. The Regulation also addresses the long-standing misuse of foreign companies and trusts to conceal property ownership by requiring non-EU legal entities and legal arrangements acquiring real estate in the Union to register beneficial ownership information in national registers for properties acquired after 2014.

In addition to the Regulation, the [Sixth AML Directive](#) strengthens authorities’ access to information by requiring Member States to establish, by July 2029, single digital access points providing Financial Intelligence Units (FIUs) and competent authorities with immediate, and free access to comprehensive real estate data. This includes property identification details, ownership information (covering legal entities and arrangements), company and tax identifiers, historical ownership records, transaction prices and encumbrances. This represents a significant step forward compared to earlier directives, which did not mandate the creation of such integrated systems.

Finally, the EU legal framework addressing AML/CFT risks in the real estate sector is closely aligned with the [Financial Action Task Force \(FATF\) Recommendations](#), which classify real estate agents as designated non-financial businesses and professions (DNFBPs) and require them to apply customer due diligence measures, implement robust internal controls, carry out enhanced due diligence in higher-risk situations, and report suspicious transactions.

According to several studies led [Transparency International](#), some Member States already have good practices in place, such as centralised land registers, and open transactions data. However, the Sixth AML Package aims to ensure that such standards are applied consistently across the Union. Overall, the new AML framework reinforce the EU's capacity to detect prevent and disrupt the laundering of illicit funds through the real estate sector by combining harmonised obligations on real estate agents and other professionals, enhanced beneficial ownership transparency and digitalised access to real estate information.

AML REGULATION, THE “SINGLE REGULATORY FRAMEWORK”

RELEVANT LEGISLATION

Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (known as the “single rulebook”)

PROVISIONS	EXPLAINER
<p>Obligated entities Article 3</p> <p>The following entities are to be considered obliged entities for the purposes of this Regulation:</p> <ol style="list-style-type: none">1) (...)2) (...)3) the following entities or legal persons acting in the exercise of their professional activities<ol style="list-style-type: none">(a) (...)(b) notaries, lawyers and other independent legal professionals, where they participate, whether by acting on behalf of and for their client in any financial or real estate transaction, or by assisting in the planning or carrying out of transactions for their client concerning any of the following:(c) (...)(d) estate agents and other real estate professionals to the extent they act as intermediaries in real estate transactions, including in relation to the letting of immovable property for transactions for which the monthly rent amounts to at least EUR 10 000 or the equivalent in national currency, irrespective of the means of payment;	<p>Real estate operations intermediating the buying, and the selling of immovable property are subject to the requirements of the Regulation, regardless of their designation, principal business or profession.</p>

Application of customer due diligence measures

Article 19

1) **Obligated entities** shall apply customer **due diligence measures** in any of the following circumstances:

(a) when establishing a business relationship

(b) when carrying out an **occasional transaction** of a **value of at least EUR 10 000**, or the equivalent in national currency, whether that transaction is carried out in a **single** operation or through **linked transactions**,

when establishing a business relationship

2) (...)

3) (...)

4) (...)

5) (...)

6) For the purposes of this Chapter, **obliged entities shall consider as their customers** the following persons:

(a) (...)

(b) (...)

(c) in the case of **real estate agents**, both parties to the transaction;

Real estate agents and other real estate professionals are required to apply **due diligence measures** on customers carrying out occasional or linked transactions **above EUR 10 000** (or the equivalent national currency).

The introduction of a Union-wide limit to large cash payments mitigates the risks associated with the use of such payments.

There are specific situations where, for the purposes of customer due diligence, the customer is not limited to the person transacting with the obliged entity. This is the case, when for example, only one notary is involved in a real estate transaction. In such cases, obliged entities should consider both the buyer and the seller as customers and apply **customer due diligence measures on both parties**.

Timing of the verification of the customer and beneficial owner identity

Article 23

1) **Verification of the identity of the customer, the beneficial owner, and of any persons** pursuant to Article 20(1), points (h) and (i), shall take place **before** the establishment of a business relationship or the carrying out of an occasional transaction. Such obligation shall not apply to situations of lower risk under Section 3 of this Chapter, provided that the lower risk justifies postponement of such verification.

For **real estate agents**, the verification referred to in the first subparagraph shall be carried out **after an offer is accepted** by the seller or lessor, and in all cases before any funds or property are transferred.

For real estate agents, **identity verification** may be carried out **after an offer is accepted** but **must always be completed before any funds or property are transferred**, unless a lower-risk situation justifies postponement.

Scope of application

Article 34

(...)

5) Where a business relationship that is identified as having a higher risk involves the handling of assets with a value of at least EUR 5 000 000, or the equivalent in national or foreign currency, through personalised services for a customer holding total assets with a value of at least EUR 50 000 000, or the equivalent in national or foreign currency, whether in financial, investable or **real estate assets**, or a combination thereof, excluding that customer's private residence, credit institutions, financial institutions and trust or company service providers shall apply the following **enhanced due diligence measures**, in addition to any enhanced due diligence measure applied pursuant to paragraph 4:

(a) specific measures including procedures to mitigate risks associated with personalised services and products offered to that customer;

(b) obtaining additional information on that customer's source of funds;

(c) preventing and managing conflicts of interest between the customer and senior management or employees of the obliged entity that undertake tasks related to that obliged entity's compliance in relation to that customer.

By 10 July 2027, AMLA shall issue guidelines on the measures to be taken by credit institutions, financial institutions and trust or company service providers to establish whether a customer holds total assets with a value of at least EUR 50 000 000, or the equivalent in national or foreign currency, in financial, investable or **real estate assets** and how to determine that value.

In higher-risk cases involving very high-value assets, obliged entities must apply **enhanced due diligence**, including stronger risk-mitigation measures, additional checks on the source of funds, and safeguards against conflicts of interest. These requirements apply when the customer holds assets of at least **EUR 50 million** (excluding their main residence), including real estate.

By July 2027, the newly established **Anti-Money Laundering Authority** will issue guidelines on the measures to be taken to determine this value.

Foreign legal entities and foreign legal arrangement

Article 67

1) **Legal entities created outside the Union** and trustees of express trusts or persons holding an equivalent position in a similar legal arrangement that are administered outside the Union or that reside or are established outside the Union shall **submit beneficial ownership information** pursuant to Article 62 to the central register of the Member State where they:

(a) enter into a business relationship with an obliged entity;

(b) acquire real estate in the Union, whether directly or through intermediaries;

2) (...)

3) (...)

4) (...)

5) In the cases covered by paragraph 1, legal entities created outside the Union and trustees of express trusts or persons holding an equivalent position in a similar legal arrangement that are administered outside the Union or that reside or are established outside the Union shall report any change to the beneficial ownership information submitted to the central register pursuant to paragraph 1 without undue delay, and in any case, within 28 calendar days thereof.

The first subparagraph shall apply:

(a) for the cases referred to in paragraph 1, point (a), for the entire duration of the business relationship with the obliged entity;

(b) for the cases referred to in paragraph 1, point (b), for as long as the legal entity or legal arrangement owns the **real estate**;

(c) for the cases referred to in paragraph 1, point (c), for the period between the initial submission of the information to the central register and the completion of the purchase;

Foreign legal entities and trusts must register their beneficial owners in the national register **when they acquire real estate in the European Union** and must keep that information up to date for as long as they own the property. **Existing foreign owners of EU real estate** must also submit beneficial ownership information **by July 2027**, unless the property **was acquired before 1 January 2014**.

Good practice example: Germany and Latvia

Until now, it has been relatively easy for individuals to conceal their control over valuable assets in the EU, by using foreign legal entities, such as foreign companies or trusts, to buy real estate. Investigations by [Transparency International France](#) and [the Anti-Corruption Data Collective](#) in 2023 revealed widespread anonymous ownership of real estate through subsidiaries of foreign companies, with only a small fraction of properties traceable to real persons. The study found that 71% of corporate-owned real estate in **France** is held anonymously. However, the proportion of properties owned by foreign entities may be even higher to obscure the ownership of the assets. This issue has now been tackled by the new AML Regulation which requires that foreign legal entities and arrangements registered or administered outside the EU must submit beneficial ownership information to the central register of the Member State where the real estate was acquired, if that occurred after 2014.

The [STEP EU Project](#), led by Transparency International, [found](#) that **Germany** and **Latvia** already require this disclosure, while other Member States must implement these measures by July 2027.

(d) for the cases referred to in paragraph 1, point (d), for the entire duration of the contract.

6) (...)

7) Where, on **10 July 2027**, **legal entities created outside the Union or legal arrangements administered outside the Union** or whose trustee or person holding an equivalent position in a similar legal arrangement resides or is established outside the Union own, whether directly or through intermediaries, **real estate**, the beneficial ownership information of those legal entities and legal arrangements shall be submitted to the central register and accompanied by a justification for that submission by **10 January 2028**.

However, the first subparagraph shall not apply to **legal entities or legal arrangements** that **have acquired real estate in the Union prior to 1 January 2014**.

AML DIRECTIVE

LEGISLATIVE TEXT

Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (known as the AMLD6)

PROVISIONS	EXPLAINER
Subject Matter Article 1	AMLD5 vs AMLD6
<p>This Directive lays down rules concerning:</p> <p>(...)</p> <p>(d) the set-up of and access to beneficial ownership and bank account registers and access to real estate information;</p>	<p>The AMLD6, goes further than the AMLD5, in requiring Member States to set up registers for access to real estate information. The previous Directive required Member States to provide access to FIUs and competent authorities</p> <p>for any natural or legal persons owning real estate, including through registers or electronic data retrieval systems where such registers or systems are available, without requiring such registers to be established by law.</p>

Single access point to real estate information

Article 18

1) Member States shall ensure that **competent authorities** have **immediate and direct access free of charge to information** which allows for the **identification** in a timely manner **of any real estate property** and of the **natural persons** or **legal entities** or **legal arrangements owning that property**, as well as to information allowing for the identification and analysis of transactions involving real estate. That access shall be provided via a **single access point to be established in each Member State** which **allows competent authorities to access, via electronic means, information in digital format, which shall be, where possible machine-readable.**

Access to the single access points (...) shall **also be granted to AMLA** (...).

2) Member States shall ensure that at least the following **information is made available through the single access** point referred to in paragraph 1:

(a) information on the property (...)

(b) information on ownership (...)

(ii) **where the owner is a legal entity**, the name and legal form of the legal entity, as well as the company unique identification number and the tax identification number;

(iii) **where the owner is a legal arrangement**, the name of the legal arrangement and the tax identification number

(...)

(d) history of property ownership, price and related encumbrances

(...)

5) **By 10 October 2029**, Member States shall notify to the Commission:

(a) the **characteristics of the single access point** referred to in paragraph 1 **established at national level**, including the website at which it can be accessed;

(b) the **list of competent authorities** granted access to the single access point referred to in paragraph 1;

(c) any data made available to competent authorities in addition to those listed in paragraph 2.

AMLD6 introduces a new obligation for Member States to **establish single access points for information on real estate registers by 10 July 2029.**

Such information should be provided free of charge to FIUs and other competent authorities through a single access point, by digital means and where possible in machine-readable format. The information should include historical information, including the history of real estate ownership, the prices at which the real estate has been acquired in the past and related encumbrances over a defined period in the past in order to enable FIUs and other competent authorities in that Member State to analyse and identify any suspicious activities pertaining to real estate, including land, property transactions which could be indicative of money laundering or other types of criminality.

Access to information

Article 21

/

1) (...) **Member States shall ensure that FIUs have at least:**

(...)

(b) **immediate and direct access** to the following administrative information:

(...)

(iii) information from BARIS as referred to in Article 16, **as well as from national real estate registers or electronic data retrieval systems and land and cadastral registers;**

GOOD PRACTICE EXAMPLES

1. Among the countries assessed under the [STEP EU project](#), **Ireland, Latvia, Lithuania, Portugal, Slovenia and Spain** have **centralised land and real estate registers**, providing streamlined, single-access points for property ownership data.
2. **Spain** stands out as a model of good practice, requiring the use of **European Unique Identifiers** in its beneficial ownership, company, and real estate registers, helping to align national systems more closely with EU-wide frameworks.
3. **France** also stands out as one of the few jurisdictions that publishes **open datasets on real estate transactions**, including the purchase date and price of each property, over the last five years. The **dataset is public, openly licensed and machine-readable**.
4. In [all the countries assessed](#), **FIUs and LEAs generally have direct access to land and real estate data**, with the exception of Germany where land and real estate data is not directly accessible for some states.
5. In the [Opacity in Real Estate Ownership \(OREO\) index](#), released by Transparency International and the Anti-Corruption Data Collective, it was found that Germany, Singapore, South Africa and Spain ensure that real estate transactions are subject to **scrutiny by professionals** who are covered by AML regulations, while in Argentina, England & Wales, France, Italy, Hong Kong, Norway and the UAE, **real estate developers are not subject to AML obligations**, even though they are allowed to directly sell properties.
 - a. France, Hong Kong and the UAE explicitly require the first payment for real estate transactions to be processed through a financial institution for high-risk clients while, in Germany, AML legislation requires that real estate payments are made by other means than cash, crypto assets, gold, platinum or precious stones, regardless of the risk level.
 - b. Argentina, Germany, Panama and South Africa **record data on the notaries or lawyers involved** but overlook the real estate agent or broker. In contrast, Italy requests each party involved in the real estate transaction to disclose whether they used a mediator and request relevant details.
 - c. Lastly, England & Wales and Italy require professionals to spell out and track the measures they took to collect and **verify beneficial ownership information** before relying on senior officers or directors as substitutes if the true beneficial owner remains undisclosed.

RECOMMENDATIONS OF THE FINANCIAL ACTION TASK FORCE (FATF)

LEGISLATIVE TEXT

Recommendations of the Financial Action Task Force (FATF)

PROVISIONS	EXPLAINER
<p>Designed non-financial business and professions Recommendation 22</p> <p>The customer due diligence and record-keeping requirements set out in Recommendations 10, 11, 12, 15, and 17, apply to designated non-financial businesses and professions (DNFBPs) in the following situations:</p> <p>(a) (...)</p> <p>(b) Real estate agents – when they are involved in transactions for their client concerning the buying and selling of real estate.</p> <p>(c) (...)</p> <p>(d) Lawyers, notaries, other independent legal professionals and accountants – when they prepare for or carry out transactions for their client concerning the following activities:</p> <ul style="list-style-type: none"> • buying and selling of real estate; • (...) 	<p>Real estate agents should comply with the requirements of Recommendation 10 (customer due diligence) with respect to both the purchasers and vendors of the property.</p>

Application of the FATF Recommendations in the context of the real estate sector

Recommendations 18 to 21

As concerns the implementation of internal controls and foreign branches and subsidiaries, the **adoption of enhanced due diligence measures** as regards higher-risk countries and, the reporting of suspicious transactions, the FATF requires **real estate professionals involved in the buying and selling of real estate** to adopt these measures in the same manner as required of other obliged entities. This requirement is aimed at mitigating the gaps arising from an incomplete implementation of due diligence requirements and the inability of obliged entities to adequately apply the RBA to AML/CFT efforts, as well as to communicate effectively with competent authorities and supervisors.

Recommendation 23

(...) Recommendations 18 to 21 apply to all DNFBP's, including **real estate agents**. Countries should consider the qualifiers presented in R.23 without prejudice to the application of Recommendations 18 to 21 on all DNFBPs, including real estate agents, who should report suspicious transactions, when involved in the buying and selling of real estate.

This Guidance was designed to be read alongside the FATF Recommendations and provides real estate professionals involved in real estate transactions, with the requisite tools and examples to support the implementation of FATF standards enabling the implementation of a risk-based approach to anti-money laundering and countering the financing of terrorism (AML/CFT).

ENDNOTES

- Transparency International, Strengthened Enforcement Capacities of Public Authorities (Step EU project), 25 May 2025, available at: <https://transparency.eu/project/step-eu/>
- Transparency International, STEP EU Project, “From real estate to yachts: what do we know about assets across the EU”, 12 May 2025, available at: <https://www.transparency.org/en/news/what-do-we-know-about-assets-across-the-eu> See also annex (land and real estate), available at: https://files.transparencycdn.org/images/ANNEX_What-do-we-know-about-assets-across-the-EU_2025.pdf
- Transparency International, *Opacity in real estate ownership Index: assessing data transparency and anti-money laundering rules in global markets* (OREO Index), 26 March 2025: available at: <https://www.transparency.org/en/publications/opacity-in-real-estate-ownership-index-2025>
- Transparency International, “Behind a wall: investigating company and real estate ownership in France”, 5 July 2023, available at: <https://www.transparency.org/en/publications/behind-a-wall-company-real-estate-ownership-in-france>
- Transparency International France, “Immobilier et blanchiment d’argent : des données disponibles mais une législation lbcft à renforcer », 5 May 2025, available at: <https://transparency-france.org/2025/05/05/immobilier-et-blanchiment-dargent-des-donnees-disponibles-mais-une-legislation-lbcft-a-renforcer/>



Transparency International EU

31 Rue du Commerce, 1000 Brussels

<http://www.transparency.eu/>

+32 (0) 4 97 49 90 81

brussels@transparency.org

Transparency Register ID: 501222919
71