



Money Laundering / Terrorism Financing (real estate sector)

Introduction

Natural or legal persons operating in the real estate sector are required to fulfill ancillary obligations, in order to prevent / suppress the occurrence of Money Laundering operation (ML) / Terrorism Financing (TF).

The obligations in question, as provided for in the ML / TF Act, are contained in Regulation 276/2019, approved by the Instituto dos Mercados Públicos, do Imobiliário e da Construção, I.P. (IMPIC), which has been in force since **25 June**.

Recipients

The regulation applies to entities that carry out the following activities:

- (i) Real Estate
- (ii) Purchase, sale, purchase for resale or barter of real estate
- (iii) Rental of real estate
- (iv) Real estate promotion.

Obligations to fulfill

Identification and due diligence

The “real estate entities” are required to collect identifying elements from each of the real estate transaction participants, and their representatives, when:

- (i) Conduct real estate transactions or establish business relationships
- (ii) Make occasional transactions of €15,000.00 or more

In parallel, the beneficial owners (UBO) of the intervening subjects should be identified.

Document Conservation

The identification documents of the customers and the transactions carried out must be kept for a period of seven (7) years.

Appointment of Responsible

The entities concerned should designate a senior or equivalent member of their management, referred to as the “**Regulatory Compliance Officer**”, to ensure compliance with the relevant regulatory framework.

In the case of a **Limited Company** or **Sole Proprietorship**, the obligation only covers entities whose number of employees is superior to five.

Training Duty

Obligated entities must ensure that their managers and employees have an adequate knowledge of the obligations arising from the Law and the regulations that implement it through the attendance of training courses.

Duty of Communication

Recipients must provide IMPIC with the following information:

- (i) The date of commencement of business
- (ii) The elements relating to each transaction.
- (iii) Details of lease agreements, the value of which is equal or above € 2.500.

Online Transmission

The communications to the IMPIC are made by electronic data transmission, through forms / models integrated in the diploma.

Other Duties

The real estate agents are required, as well, to fulfill the other duties provided for in the law, as is the case with banks, such as, among others:

- (i) Do not perform any suspicious ML / TF transactions.
- (ii) Report these operations to law enforcement authorities.

Concluding Remarks

The relevance of the theme and the consequences of non-compliance with the duties provided for by law, under the terms of the regulations, advise a careful analysis of its content.

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