





# Reporting Trends within the Real Estate Sector

Statistical Updates, Main Issues and Areas for Improvement

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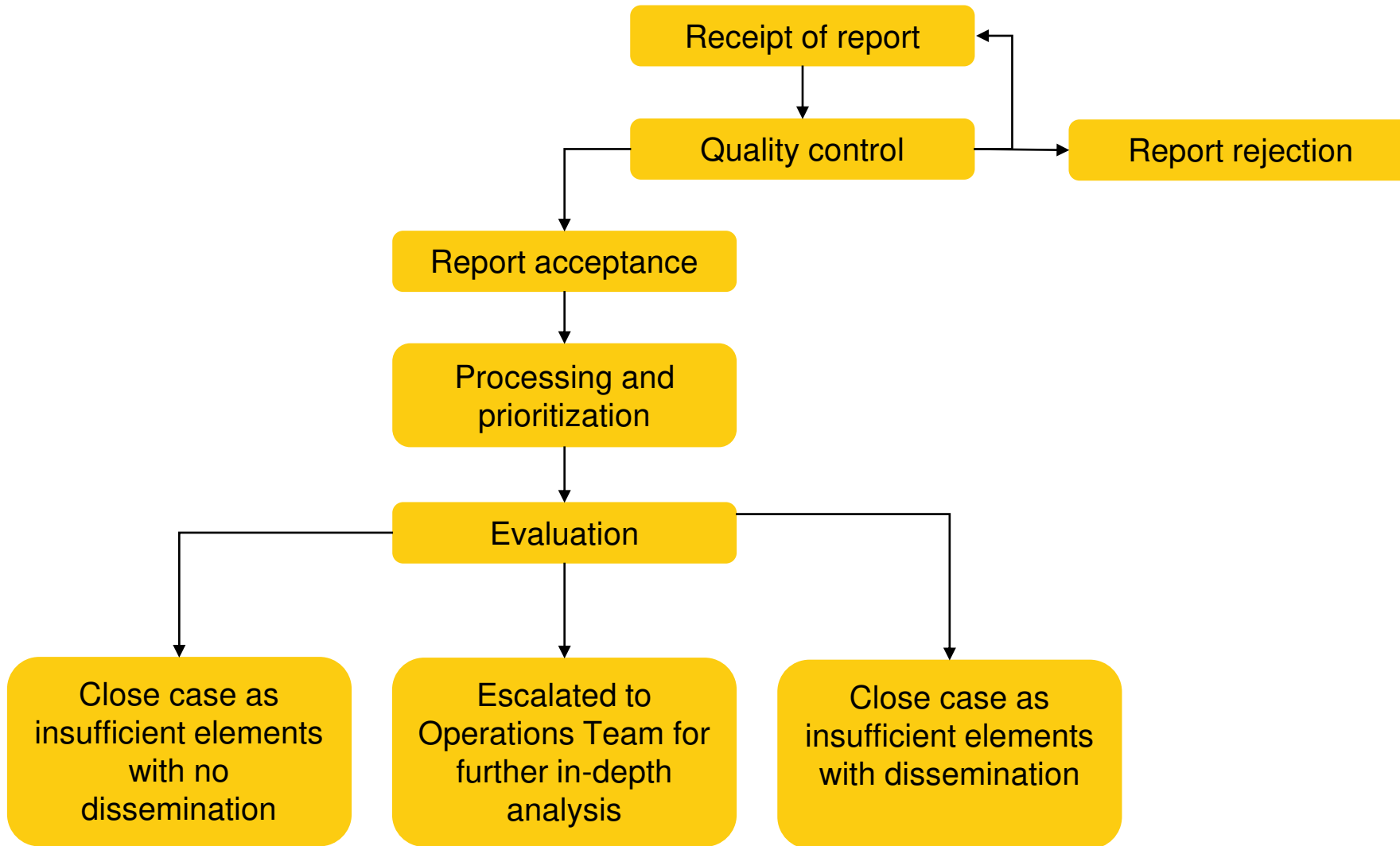
30<sup>th</sup> November 2023



# The Analytical Process of a Report



# The Analytical Process



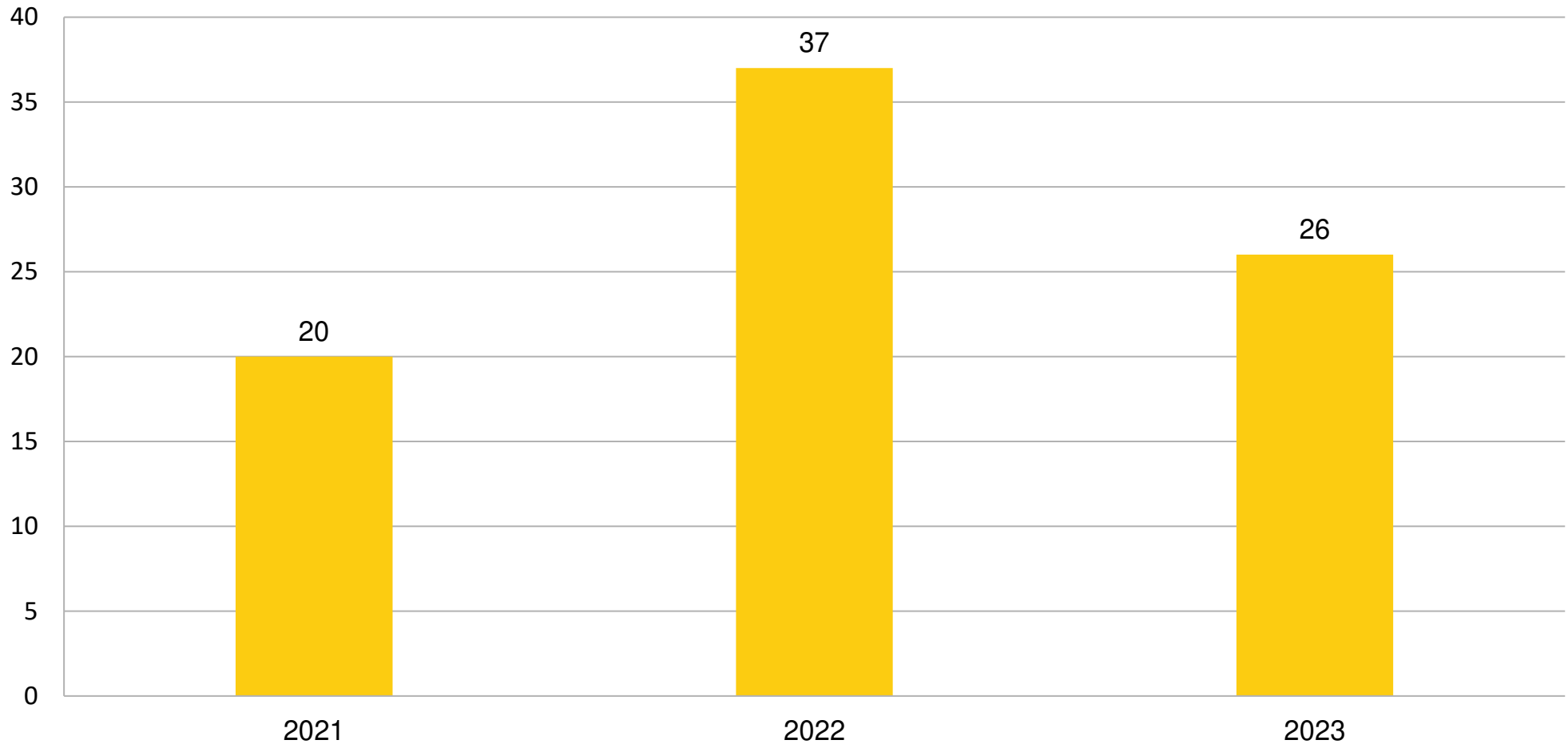


# Reports Submitted by the Real Estate Sector

Statistics, Trends & Outcomes of Reports



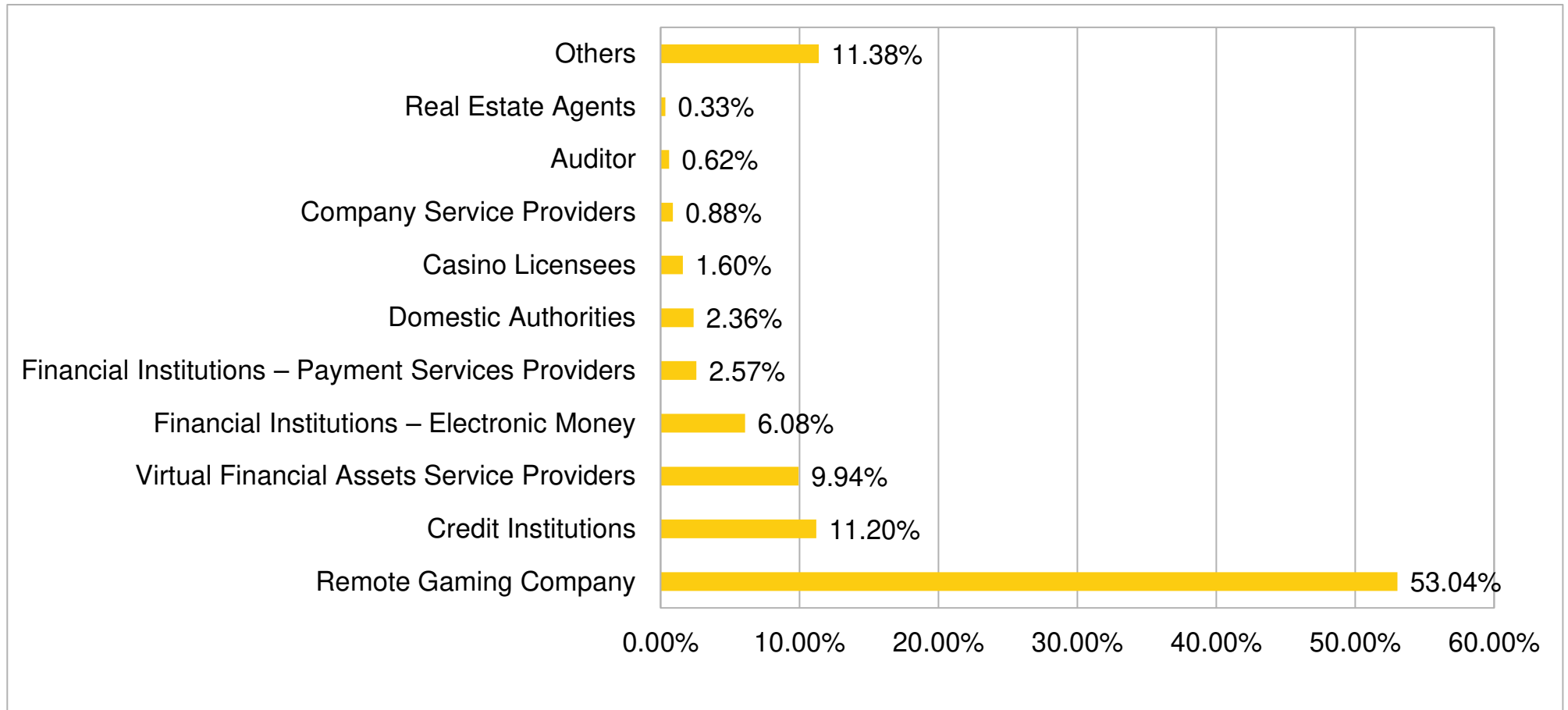
## Reports Submitted by the Real Estate Sector 2021 – 2023Q3



- Between January 2021 and September 2023, 83 reports were submitted by the Real Estate Sector (primarily Real Estate Agents).



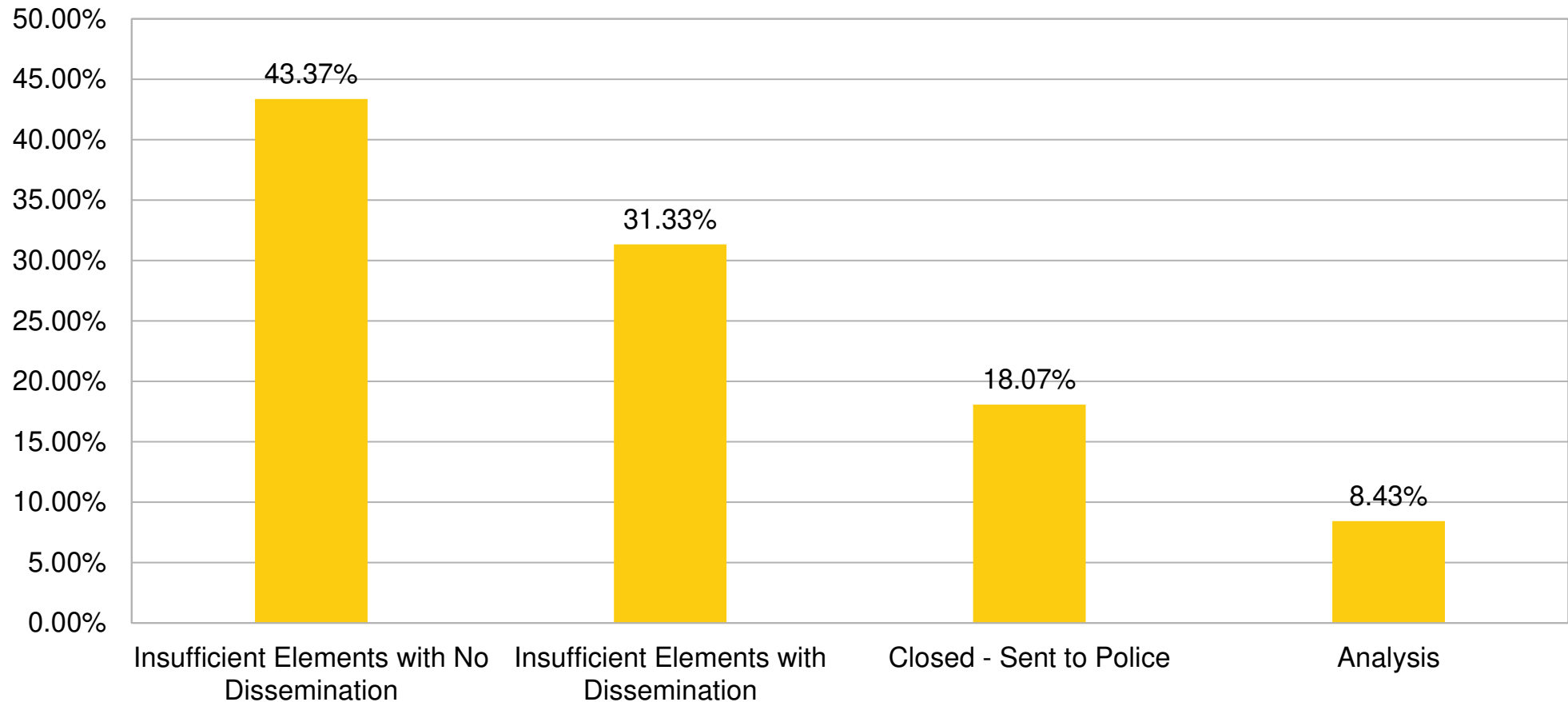
## Reports Submitted by All Sectors 2021 – 2023Q3



- Most reports were submitted by Remote Gaming Companies, followed by Credit Institutions and Virtual Assets Service Providers (or VASPs).
- Reports submitted by Real Estate Agents & Brokers make up 0.33% of all submissions from 2021 to 2023 Q3.



## Outcome of Reports Submitted by the Real Estate Sector 2021 – 2023Q3

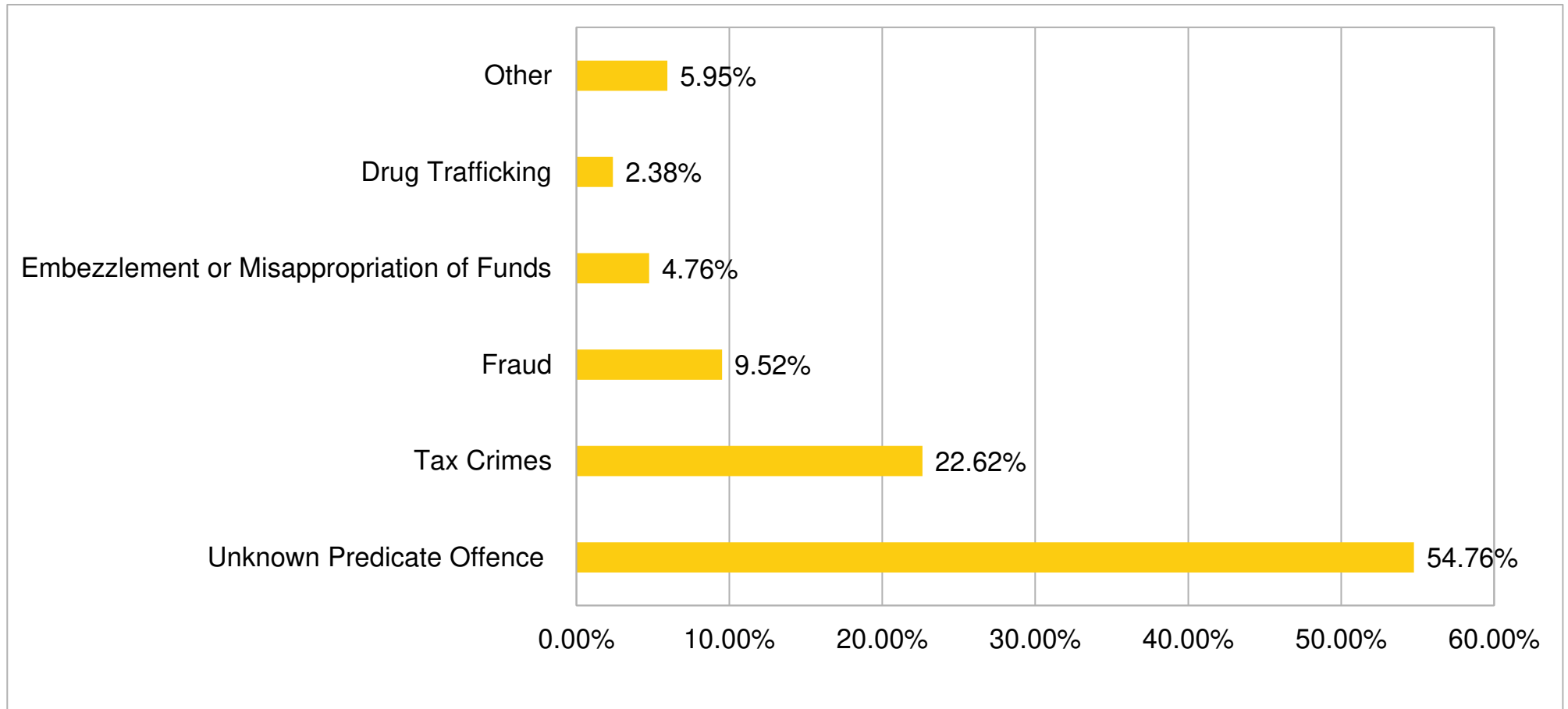


- 43.37% of the reports did not result in a dissemination.
- 31.33% of the reports resulted in a dissemination to local or foreign counterparties.
- 18.07% of the reports resulted in a dissemination to the Malta Police Force.
- 8.43% are still undergoing analysis.





## Predicate Offences Reported by the Real Estate Sector 2021 – 2023Q3

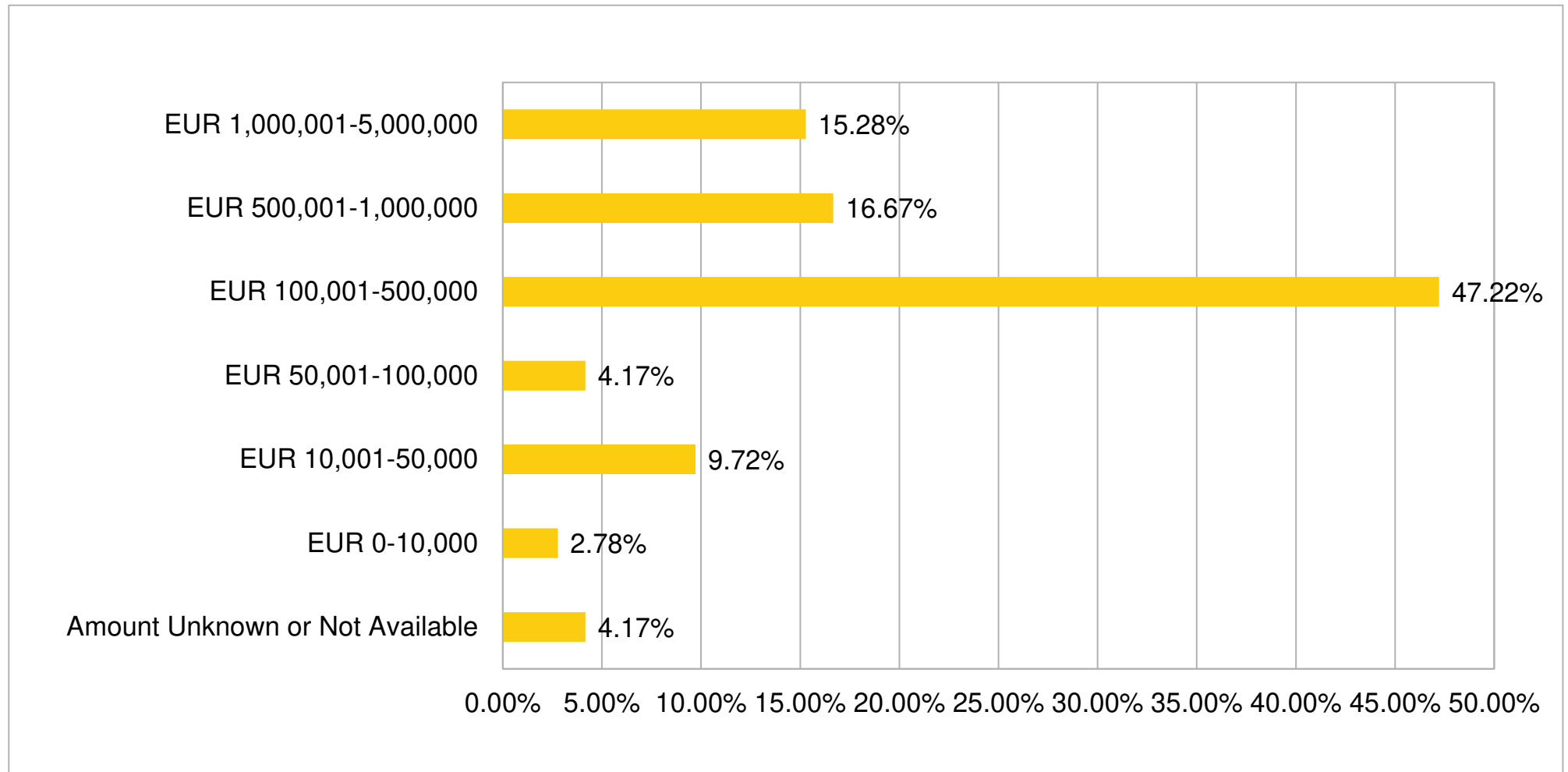


- A predicate offence could not be established for the majority of the reports (54.76%).
- Tax crimes was the most popular predicate offence reported (22.62%).
- Other popular predicate offences include:
  - Fraud (9.52%).
  - Embezzlement or Misappropriation of Funds (4.76%).
  - Drug Trafficking (2.38%).



## Amounts Reported by the Real Estate Sector 2021 – 2023Q3

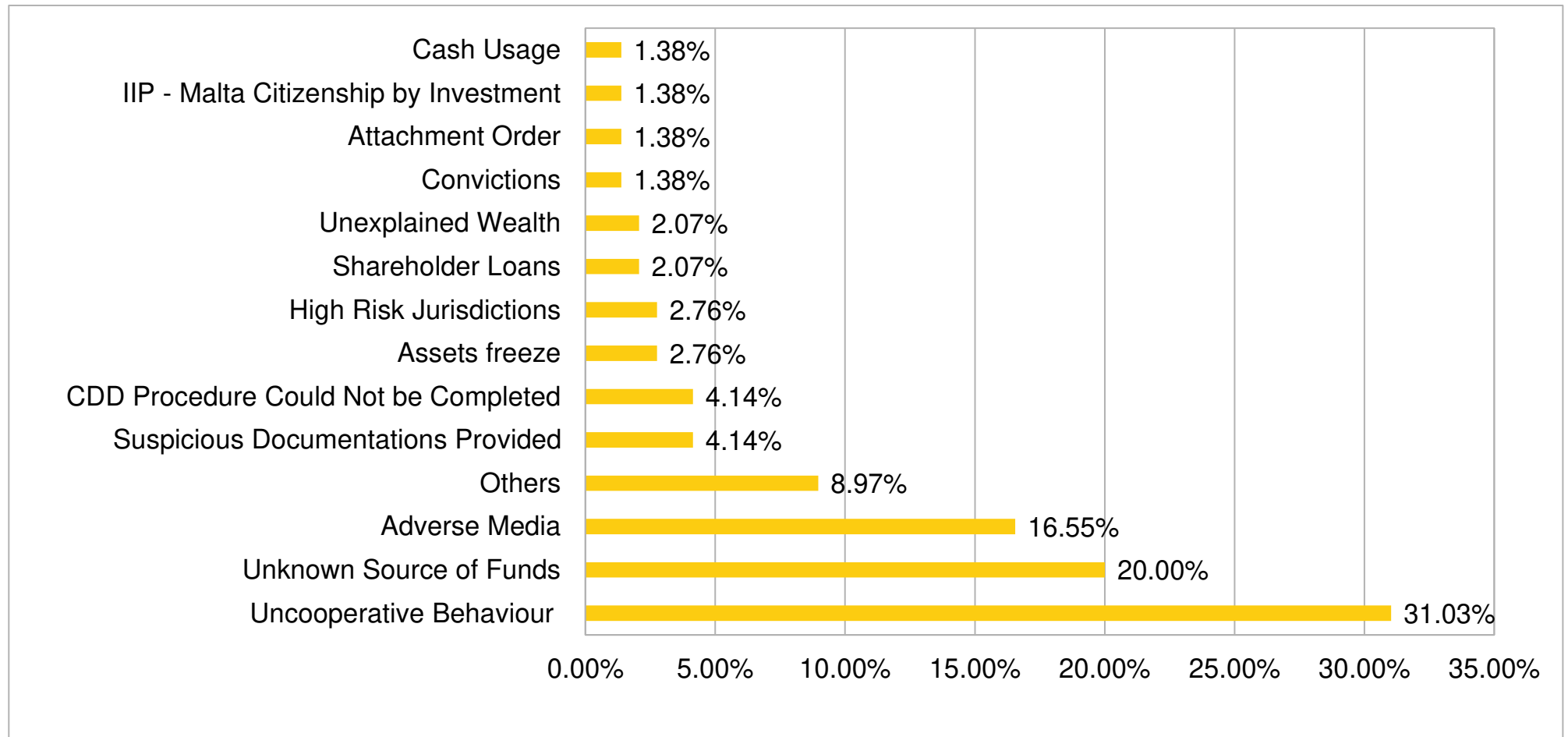
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- 47.22% of the reports consisted of property transactions ranging between EUR 100,001 and EUR 500,000.



## Reasons for Suspicion Reported by the Real Estate Sector 2021 – 2023Q3

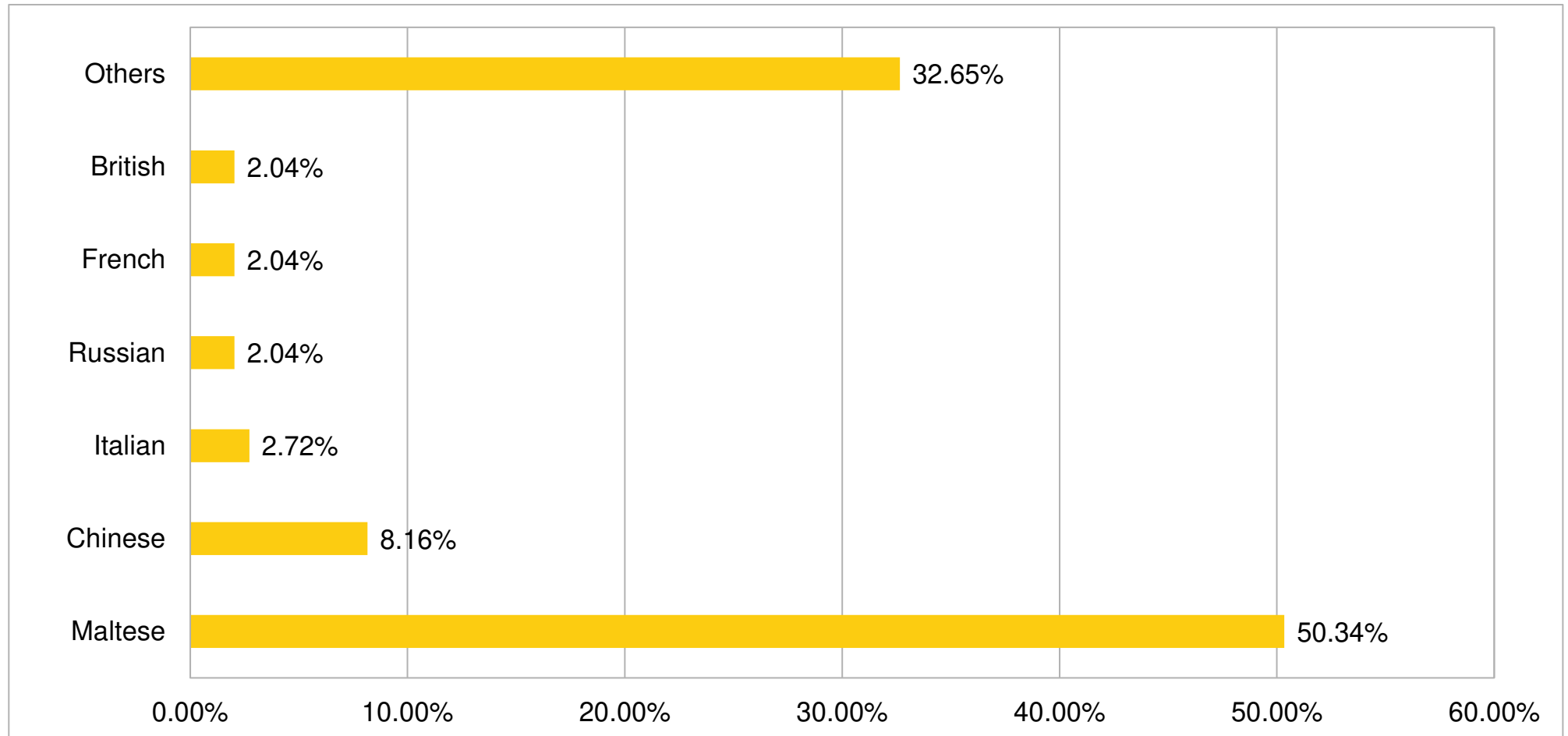


- The most popular reason for suspicious reported was uncooperative behavior (31.03%) followed by unknown source of funds (20.00%) and adverse media (16.55%).



## Nationalities Reported by the Real Estate Sector 2021 – 2023Q3

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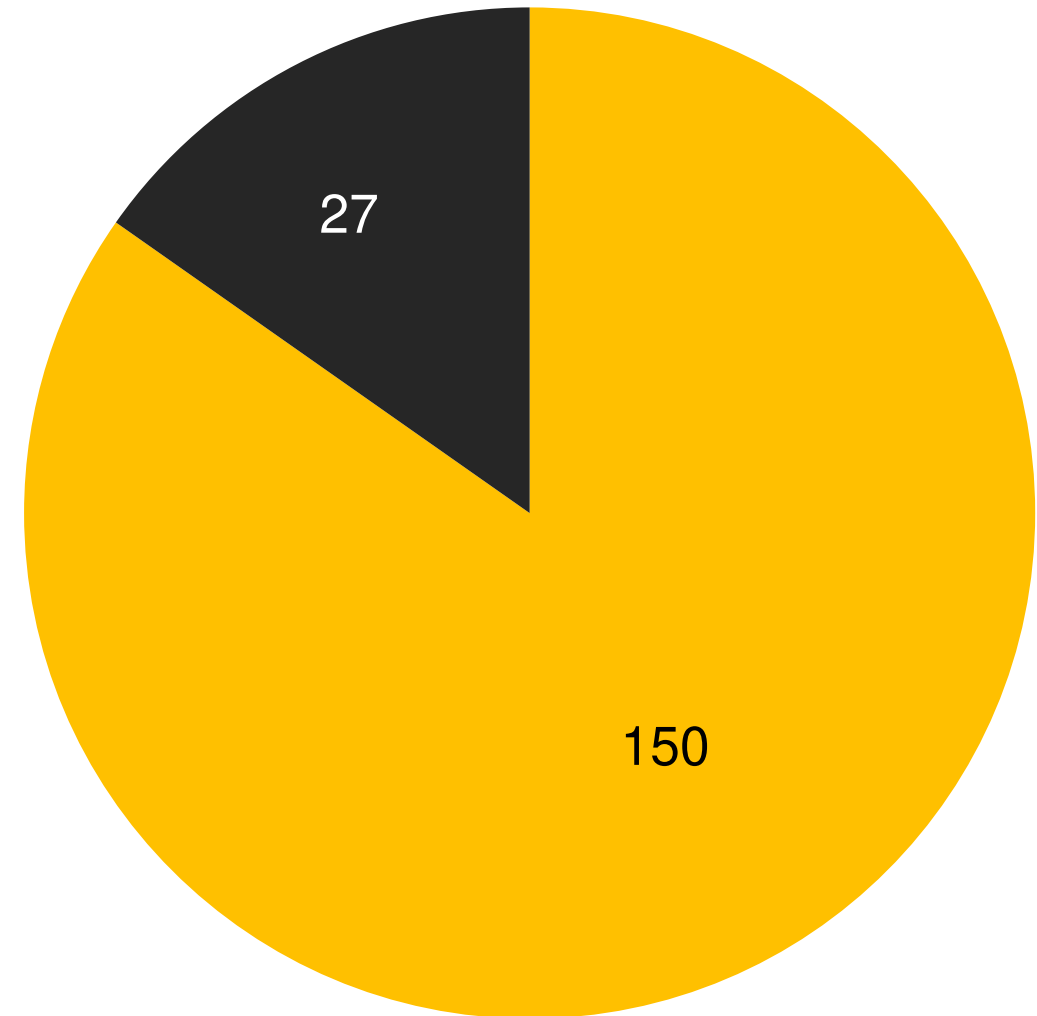


- Approximately half of the reports submitted (50.34%) involved a Maltese national.
- Chinese nationals were the most popular foreign national reported (8.16%).



## Submission of Reports by the Real Estate Sector 2021 – 2023Q3

- There are 177 active real estate agents and brokers registered on CASPAR.
- Only 27 submitted at least one report with the FIAU (15.25%).
- The remaining 150 never submitted a report with the FIAU (84.75%).



CASPAR - Compliance and Supervision Platform  
for Assessing Risk

■ Never Submitted a Report ■ Submitted At Least One Report

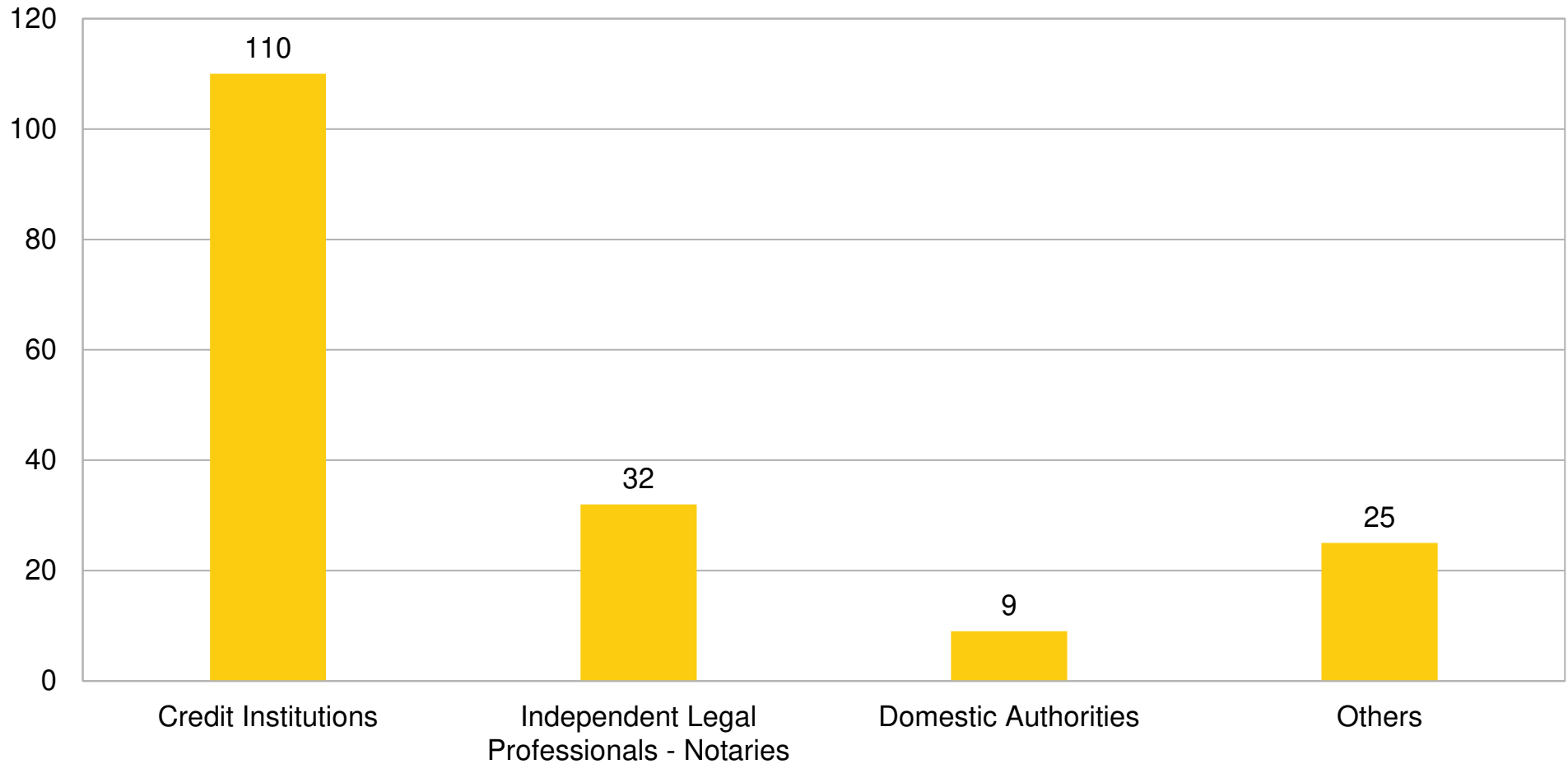


# Suspicious Property Transactions Reported

Reports Submitted by Other Sectors



## Reports Involving Domestic Property Transactions Submitted by Other Sectors 2021 – 2023Q3

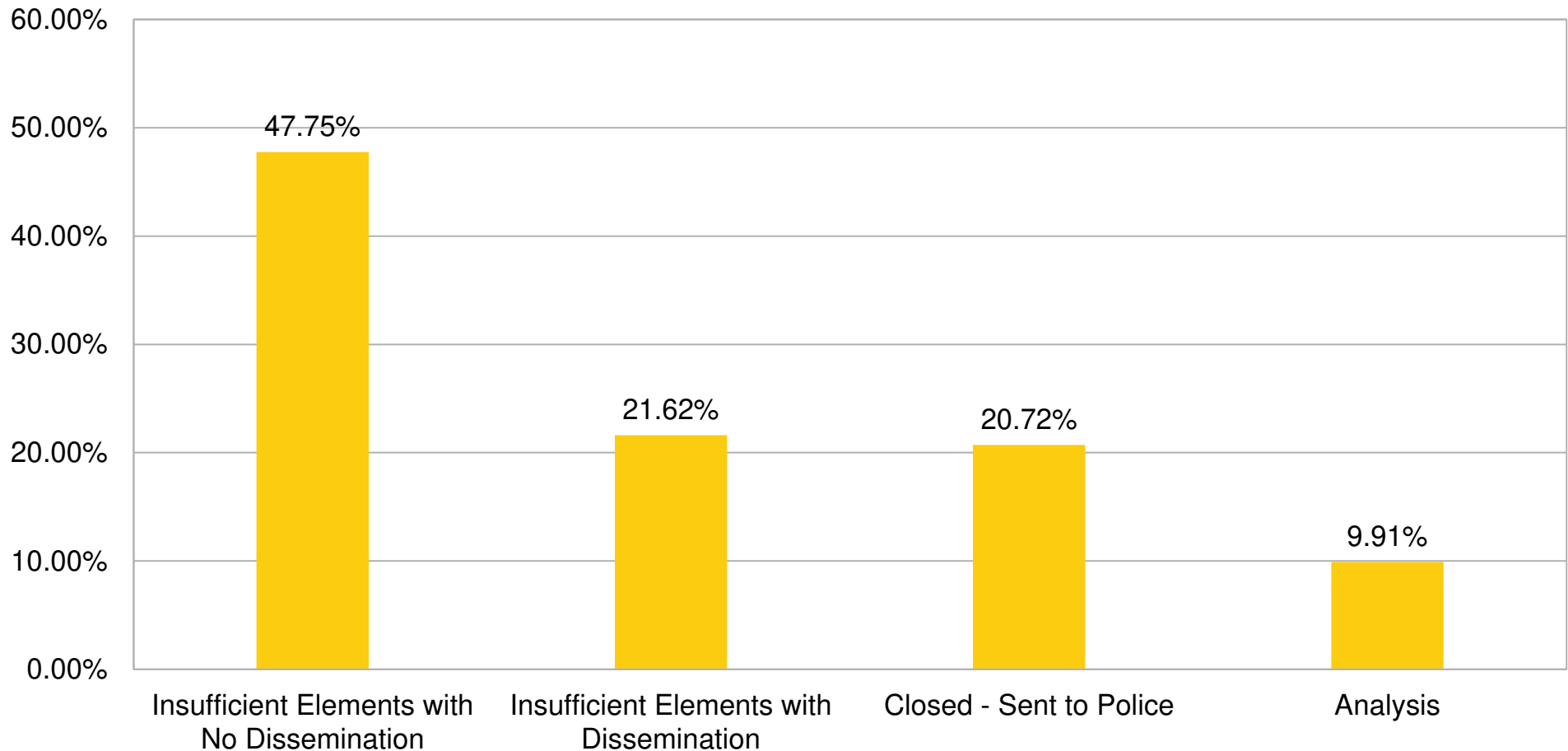


- 110 reports involving domestic property transactions were submitted by credit institutions, followed by notaries who submitted 32 reports.



## Outcome of Reports Submitted by Credit Institutions 2021 – 2023Q3

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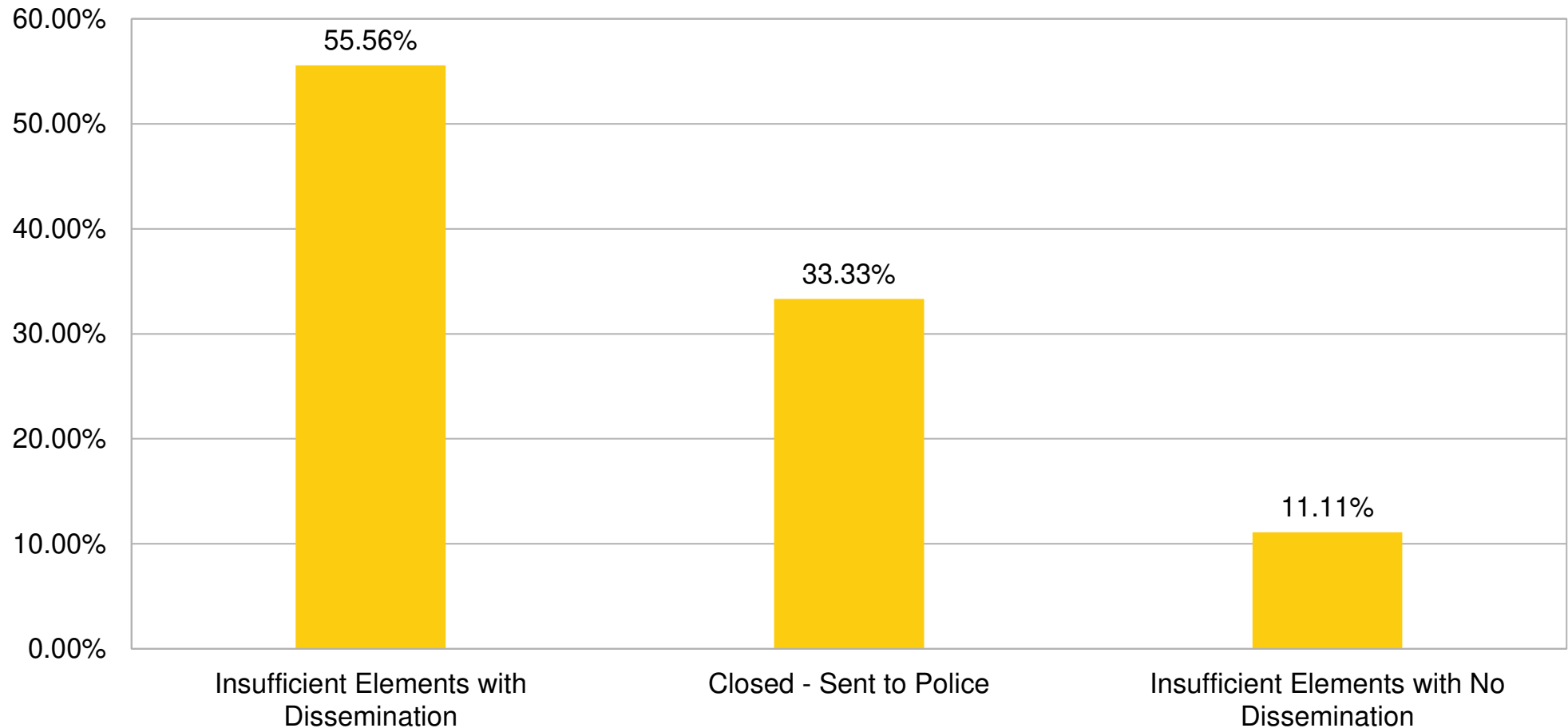
- 47.75% of the reports did not result in a dissemination.
- 21.62% of the reports resulted in a dissemination to local or foreign counterparties.
- 20.72% of the reports resulted in a dissemination to the Malta Police Force.
- 9.91% are still undergoing analysis.





## Outcome of Reports Submitted by Notaries 2021 – 2023Q3

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- 55.56% of the reports resulted in a dissemination to local or foreign counterparties.
- 33.33% of the reports resulted in a dissemination to the Malta Police Force.
- 11.11% of the reports did not result in a dissemination.



# Case Studies

Real Life Examples



### Summary

A real estate agent submitted a report to the FIAU on their client, a Maltese national named Mr. Abela, who entered into a Promise of Sale (POS) to purchase a property valued approximately at EUR 1M without a loan. However, the POS fell through after not paying a 10% deposit. Despite the POS no longer being valid, Mr. Abela still pressured the real estate agent to purchase the property. Furthermore, Mr. Abela did not provide documents regarding his Source of Funds or Wealth (SOF/SOW) and identification documents. In addition to this, Mr. Abela was subject to adverse media linking him to fraud.

The real estate agent suspects that Mr. Abela is using funds derived from potential illicit activities to purchase the property.



### Red Flags

The following red flags have been identified:

- Property purchase without a loan.
- No SOF/SOW documents provided.
- Urgency to purchase the property.
- Uncooperative behavior.
- Mr. Abela is subject to adverse media.
- No identification documents provided.
- Client profile not in line with purchase.
- No SOF/SOW documents provided.

### Outcome

A report was disseminated to the Malta Police Force.



### Summary

A real estate agent filed a report on its client, a foreign national residing in Malta named Mr. Jackson. Mr. Jackson entered into a Promise of Sale (POS) to purchase a property valued at around EUR 600K in Malta. When queried on how the property purchase is to be financed, Mr. Jackson stated that he will be lending cryptocurrencies to a foreign third-party company and in return he will receive fiat currency which will be used to purchase the said property.

Despite the unconventional structure of financing a property purchase, Mr. Jackson provided an explanation which was in line with his profile. Furthermore, Mr. Jackson provided documents that substantiate his explanation.

However, the real estate agent was informed that their client had several bank accounts. Furthermore, the source of the funds originated from a jurisdiction which is considered high-risk.

During the analysis conducted by the FIAU, it was noted that Mr. Jackson was already subject to other reports submitted by Maltese credit and financial institutions due to suspicious transactions.



### Red Flags

The following red flags have been identified:

- Mr. Jackson has ties with a high-risk jurisdiction.
- Use of cryptocurrencies to purchase property.
- Property purchase without a loan.
- SOF/SOW could not be established.
- Mr. Jackson was the subject of other reports submitted to the FIAU.
- Property purchase without a loan.
- Company involved was based in a high-risk jurisdiction.
- Complex financing structure.

### Outcome

A report was disseminated to foreign authorities.



# Thank you.

Any Questions?

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