

## CHECKLIST · COMPLIANCE1

# Red Flags Checklist — Real Estate Transactions

Train your front-of-house team to recognise the most common suspicious-activity indicators in property deals.

## Customer behaviour

- Reluctance to provide ID or beneficial-ownership information
- Use of nominees or third parties with no clear connection
- Unexplained urgency to settle
- Customer appears coached or accompanied by a controlling third party
- Multiple changes of named purchaser before settlement

## Funds & payments

- Funds from unrelated third parties
- Multiple smaller payments structured below reporting thresholds
- Cash deposits with no clear source
- Source of funds from a high-risk jurisdiction
- Last-minute changes to the source of funds

## Transaction structure

- Price significantly above or below market value
- Purchase by a newly-formed entity with no trading history
- Layered corporate or trust ownership without commercial rationale
- Quick on-sale at materially different price
- Use of loans from related parties or offshore lenders

## Property-specific

- Off-the-plan purchases used to layer funds
- Property bought without inspection or negotiation
- Use of property as collateral for unrelated business loans

## What to do

1. Document what you observed (objective facts, not opinions).
2. Escalate to the Compliance Officer the same day.
3. Do not "tip off" the customer that a report may be filed.
4. Continue to act professionally and lawfully.

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