



Safeguarding Jamaica's Real Estate Sector

Strengthening AML Compliance in Property Transactions

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Why real estate is vulnerable

- High-value assets and large one-off payments
- Ownership can be layered through companies or nominees
- Cross-border buyers, complex funding and rapid resales
- Property can store value and legitimise unexplained wealth
- Gatekeepers may see warning signs before funds move

Jamaica's Compliance Framework

- POCA and applicable money-laundering prevention regulations
- Real Estate Dealers designated under the relevant Order
- REB is the competent authority for the regulated real estate sector
- Terrorism financing obligations also apply under relevant law
- Follow current REB/FID guidance, reporting channels and deadlines

The Risk-Based Approach: Know Where To Look

Assess risk across:

- Customer and beneficial owner
- Geography and cross-border connections
- Product/property and transaction structure
- Delivery channel and intermediaries
- Funding method, source of funds and source of wealth

Higher risk → enhanced checks and closer monitoring

Customer Due Diligence: Minimum Discipline

Before proceeding, establish and verify:

- Identity of the customer and authority to act
- Beneficial owner(s) and control of legal entities
- Purpose and intended nature of the relationship/transaction
- Risk rating, including PEP and relevant sanctions screening
- Source of funds; source of wealth where risk requires
- Ongoing review when facts or circumstances change

Red Flags in Property Transactions

Pause and assess when you see:

- Buyer's profile does not fit price or stated purpose
- Third party pays without a clear, documented reason
- Opaque ownership, nominee arrangements or unexplained changes
- Unusual urgency, secrecy or resistance to routine checks
- Overpayment, refunds to another party, or complex payment routes
- Price materially inconsistent with market evidence without explanation

Developer-Specific Pressure Points

- Off-plan/prepayment and staged payments
- Purchaser substitutions and assignment of contracts
- Deposits, refunds and third-party transfers
- Corporate buyers, joint ventures and nominee structures
- Sales agents, introducers and referral arrangements
- Project accounts, reconciliations and audit trails

A Practical Transaction Control Pathway

1. Identify customer and verify authority
2. Map beneficial ownership and control
3. Understand purpose, price and funding plan
4. Screen and assess risk; apply enhanced checks if needed
5. Verify funds and resolve inconsistencies
6. Approve, monitor, record and escalate
7. Report suspicion through the required channel

Reporting, Records and Confidentiality

- Maintain complete, retrievable customer and transaction records
- Keep risk assessments, verification evidence and approvals
- Escalate suspicion promptly to the designated compliance lead
- Submit required reports through the prescribed FID channel
- Do not tip off the customer
- Protect personal data; limit access and use secure retention practices

Scenario: The Last-Minute Purchaser Change

A purchaser has paid a deposit through Company A. Two days before completion, the buyer asks to substitute Company B, whose owners are unclear. A relative offers to pay the balance from an overseas account, and the buyer requests that any refund go to a different account.

What must be checked before the transaction progresses?

Building a Compliance Culture

Leadership must provide:

- A written AML programme and clear accountability
- Risk assessment and periodic review
- Staff training, including sales and customer-facing teams
- Independent testing, file reviews and corrective action
- Third-party/agent oversight and clear escalation routes
- Management information: exceptions, overdue reviews, repeat gaps

Five Commitments to Safeguard the Sector

1. Know the customer—and the person behind the company
2. Ask how the transaction is funded and whether it makes sense
3. Treat red flags as a reason to investigate, document and escalate
4. Keep reliable records and report through the proper channels
5. Make compliance part of the transaction, not a box at closing

A trusted property market is a competitive advantage.