

8 May 2026

The European Association for Investors in Non-Listed Real Estate Vehicles (INREV¹) welcomes the opportunity to respond to the AMLA Consultation Paper on draft Regulatory Technical Standards under Article 28(1) of Regulation (EU) 2024/1624.

INREV supports the overarching objective of the EU anti-money laundering framework to enhance harmonisation, consistency and effectiveness in the application of customer due diligence requirements across the EU. The draft RTS represent an important step in operationalising Regulation (EU) 2024/1624 and in supporting a coherent, risk-based approach to AML/CFT obligations across financial and non-financial sectors. We recognise that the draft RTS provide a well-developed framework, appropriately building on the work of the European Banking Authority, and support the continued harmonisation of customer due diligence requirements across Member States.

From the perspective of the real estate investment industry, the emphasis placed on proportionality, a risk-based approach and flexibility is particularly important and welcomed.

Real estate investment structures are often characterised by multi-layered legal entities across jurisdictions, reflecting legitimate requirements related to financing, risk isolation, taxation and investor structuring. While such arrangements may be classified as complex under the incoming AML framework, this classification should not in itself be interpreted as indicating elevated money laundering or terrorist financing risk. These structures typically involve institutional capital, regulated intermediaries and transparent, bank-mediated cash flows, which limit the scope for illicit activity. The underlying real estate assets are illiquid, tangible, immovable and subject to extensive legal and regulatory oversight. Supervisory expectations should therefore clearly distinguish between structural complexity and actual risk exposure.

We would like to highlight some horizontal considerations and targeted comments on specific provisions, drawing on implementation experience in the real estate investment sector.

Proportionality and risk-based application

The RTS correctly emphasise that due diligence measures should be applied on a risk-sensitive basis. However, in practice, the application of AML/CFT requirements can result in disproportionate compliance burdens relative to the underlying risk profile of the activity, creating significant operational challenges for the non-listed real estate investment industry.

¹ INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. We provide guidance, research and information related to the development and harmonisation of professional standards, reporting guidelines and corporate governance within the non-listed property funds industry across Europe.

INREV currently has over 500 members. Our member base includes institutional investors from around the globe including pension funds, insurance companies and sovereign wealth funds that provide critical income security for more than 172 million people, as well as investment banks, investment managers, fund-of-funds managers and advisors representing all facets of investing in non-listed real estate vehicles in Europe. Our investment manager members manage more than 500 non-listed real estate investment funds, as well as joint ventures, club deals and separate accounts for institutional investors.

In particular, the framework should ensure that compliance resources are not disproportionately directed towards repeatedly collecting and verifying documentation that has already been obtained by other regulated parties involved in real estate transactions, such as notaries, lawyers, lenders and banking institutions. Excessive duplication of documentation and verification processes risks diverting compliance functions away from activities that may provide greater value from an AML/CFT perspective, including the identification and assessment of potentially suspicious activities, behaviours or transaction patterns.

Real estate investment structures, particularly those involving institutional capital and regulated investors, typically present no or low money laundering and terrorist financing risk. Nevertheless, they are often subject to extensive and resource-intensive due diligence requirements that are disproportionate to that risk profile.

In this context, it is important that the final RTS ensure that proportionality is not only reflected at a conceptual level but also embedded in supervisory expectations and day-to-day application. This should include sufficient flexibility to allow for simplified and streamlined approaches in demonstrably low-risk scenarios, ensuring that compliance efforts remain aligned with actual risk rather than driven by formalistic distinctions between different due diligence categories.

Avoidance of duplicative compliance requirements

A further practical constraint arises from the duplication of AML/CFT controls across different actors involved in the same transaction chain. In real estate investment, financial flows are typically channelled through regulated banking institutions that are already subject to comprehensive AML/CFT obligations. At the same time, investment managers are required to carry out due diligence on the same counterparties, often covering substantially the same information.

In practice, this leads to parallel verification processes being applied to identical parties, resulting in a repetition of checks and a material use of resources without a meaningful improvement in risk mitigation. This points to a structural inefficiency in the framework and contributes to the overall heavy compliance burden faced by the sector.

Against this background, it would be beneficial for the final RTS to provide clearer operational guidance on the use of reliance mechanisms and the extent to which existing due diligence can be leveraged. Ensuring that the framework is applied in a manner that limits unnecessary duplication would support a more efficient allocation of compliance efforts, while preserving the integrity and effectiveness of AML/CFT controls.

Practical implementation in complex ownership structures

The RTS introduce detailed requirements regarding the identification of beneficial owners and the understanding of ownership and control structures, including in complex corporate arrangements. While the objective of enhanced transparency is fully supported, practical implementation raises several challenges.

As mentioned before, real estate investment structures frequently rely on multi-layered vehicles across jurisdictions. In such cases, the process of obtaining and verifying information across all layers can become operationally burdensome and may, beyond a certain point, provide limited additional insight into beneficial ownership or risk exposure. As reflected in [INREV's previous response](#) to the

consultation by the European Banking Authority in May 2025, compliance requirements can become overly complex and resource-intensive without necessarily improving outcomes.

We therefore encourage AMLA to ensure that supervisory expectations remain firmly risk-based and focused on meaningful outcomes. The framework should allow obliged entities to exercise judgement and avoid situations where information is pursued beyond what is reasonably necessary to understand ownership, control and associated risks.

Simplification and usability

We welcome AMLA's stated objective to deliver simplification without undermining effectiveness. Ensuring that the framework is workable in practice will be critical to achieving this aim.

In particular, the RTS should provide clear and operational guidance that can be applied consistently across Member States, thereby reducing the scope for divergent national interpretations. Greater clarity and coherence at EU level would contribute to a more predictable regulatory environment and support more efficient implementation by market participants.

At the same time, the level of operational detail included in parts of the RTS risks becoming overly prescriptive. This is particularly relevant in areas such as the specification of trusted services or the detailed characteristics of tools used for remote verification. While the RTS repeatedly emphasise that proportionality should continue to apply, the practical effect of highly granular requirements is likely to be a significant increase in implementation, documentation and evidentiary burdens.

In practice, such detailed requirements will need to be reflected throughout internal AML/CFT frameworks, including policies, procedures, oversight mechanisms, onboarding documentation and control processes. They will also create additional expectations from internal audit and supervisory review functions regarding evidence of implementation and compliance. This may result in substantial operational and compliance costs without necessarily leading to proportionate improvements in AML/CFT risk mitigation.

In anti-money laundering and sanctions compliance reporting, some Member States require that every investment fund is obligated to submit its plan for ensuring appropriate compliance to the National Supervisory Authorities. This is true even though those funds may be part of an investment management group that has a group compliance policy and therefore all its funds must submit essentially identical compliance plans, which are then also subject to separate audit.

We recommend that guidance be issued confirming that investment management groups with established group compliance policies should be permitted to submit their group-wide compliance plans to National Supervisory Authorities on behalf of the funds and other investment vehicles they manage. This would ensure a more efficient and coherent approach to demonstrating compliance across entities operating under the same governance framework.

This is especially relevant in light of the increasing cost, complexity and resource intensity associated with AML/CFT compliance in recent years, which has not always translated into proportionate improvements in risk mitigation.

Comments on specific provisions of the draft RTS

Article 6(5) – Certified identification documents

Article 6(5) may introduce disproportionate operational burden by requiring certified identification documents even in the context of standard customer due diligence. In current market practice, certification requirements are generally reserved for higher-risk situations or enhanced due diligence measures.

Applying such requirements systematically risks undermining the risk-based approach underpinning the EU AML framework. In addition, the incremental assurance provided by certified copies has become increasingly uncertain in a digital environment where sophisticated image manipulation and AI-generated documents can replicate traditional certification features with high realism. As a result, mandatory certification may generate significant administrative burden without a commensurate reduction in AML/CFT risk.

We therefore consider that obliged entities should retain discretion to determine, based on their AML/CFT risk assessment, when certified documentation is necessary and proportionate. Mandatory certification requirements would be more appropriate in enhanced due diligence or other specifically identified higher-risk scenarios.

Article 7 – Verification measures conducted on a non-face-to-face basis

The hierarchy established in Article 7, which places eIDAS-compliant solutions as the primary verification method, remains unchanged compared to the previous EBA draft. In addition, Article 7(4) introduces a new obligation to justify the non-use of eIDAS, creating an additional compliance burden that did not exist under the EBA text.

More fundamentally, Article 7 appears to presume that customers onboarded remotely present a higher level of AML/CFT risk than customers onboarded in person. This assumption does not reflect the business model of the investment fund industry, which due to its inherently cross-border nature operates predominantly through remote onboarding arrangements.

We therefore consider that eIDAS-compliant solutions should be recognised as a preferred, rather than primary, verification method. Obligated entities should retain flexibility to apply alternative verification measures where these are appropriate to the risk profile and operational model of the business relationship.

Article 12 – Complex corporate structures

Further clarification would be beneficial regarding the concept of a “layer” for the purposes of Article 12(1). In the absence of additional guidance, there is a risk that each individual legal entity within an ownership chain could be treated as constituting a separate layer.

We consider that entities belonging to the same group should be treated as constituting a single layer for the purposes of assessing structural complexity.

This clarification would be beneficial regarding the treatment of legal arrangements and foundations under Article 12(1). Not all such structures should automatically be treated as indicators of complexity. In practice, this approach risks capturing a significant number of institutional investors, including common pension structures used in jurisdictions such as Germany and the Netherlands, without this necessarily corresponding to elevated AML/CFT risk.

Similarly, defining structures as complex solely on the basis that they involve entities established outside the EU risks capturing the vast majority of investors and clients of asset management companies. In the investment fund industry, cross-border structures frequently reflect legitimate operational, legal and investment considerations and should not automatically be interpreted as indicators of elevated AML/CFT risk.

In this context, we consider that the geographical criterion should be more narrowly targeted towards entities established in high-risk third countries rather than all non-EU jurisdictions. A broader approach risks creating unintended barriers to international investment into EU funds and holding structures at a time when the EU is actively seeking to attract foreign investment into sectors such as infrastructure, real estate and business financing.

Article 13 – Senior managing officials

Article 13 continues to require obliged entities to collect the same information for senior managing officials as for beneficial owners and to verify their identity “in the same way as they would for beneficial owners.”

In our view, this approach does not sufficiently reflect the fundamentally different role and risk profile of these two categories. Senior managing officials are identified as a fallback mechanism where no beneficial owner can be identified, and therefore do not present the same AML/CFT considerations as beneficial owners themselves.

A more proportionate approach would allow for simplified verification requirements in the case of senior managing officials, consistent with the distinct purpose of their identification under the AML framework.

Article 17 – Reliance on intermediaries and look-through requirements

In the investment fund industry, intermediaries are predominantly regulated financial institutions that provide their customers with efficient and cost-effective access to financial markets.

Imposing systematic look-through obligations to the underlying investor would duplicate efforts to collect information that is only relevant to a limited extent, while asset managers already conduct appropriate due diligence on their direct customer, namely the intermediary with whom the business relationship is established.

Such duplication of identification and verification obligations would significantly increase compliance costs, which are ultimately borne by investors, while also undermining the competitiveness of the EU financial sector.

Where an intermediary subscribes in its own name on behalf of underlying investors, the business relationship for AML/CFT purposes is established between the obliged entity and the intermediary. In this respect, Article 17 does not appear fully aligned with the FATF Guidance for a Risk-Based Approach for the Securities Sector (October 2018), which recognises the role of regulated intermediaries within the securities distribution chain.

Conclusion

INREV supports the overall direction of the draft RTS. In finalising the framework and developing supervisory guidance, it will be important to ensure that its application remains proportionate and risk-based, and reflects the actual risk profile of the activities in scope. Particular attention should be given to avoiding unnecessary duplication of compliance obligations across the financial system, which remains a structural source of inefficiency.

More broadly, the effectiveness of the framework will depend on its ability to accommodate the operational realities of sectors such as non-listed real estate investment, where business models and transaction structures differ from other parts of the financial sector.

INREV stands ready to continue engaging constructively with AMLA and other stakeholders as implementation progresses. We remain committed to supporting a framework that is proportionate to the risks addressed, operationally workable and effective in achieving its AML/CFT objectives.