

Anti-money laundering, combatting the financing of terrorism and counter proliferation financing (AML/CFT/CPF)

Application of the Gibraltar National Risk Assessment (NRA) for Real Estate Agents & Letting Agents (REAs), Art Market Participants (AMPs) and High Value Good Dealers (HVGDs)

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Disclaimer

The information contained in these guidelines is not intended to be legal advice and is for guidance and information purposes only.

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1. About this document

1.1 Why is the OFT issuing these guidance notes?

The OFT is issuing these Guidance Notes to assist businesses in the real estate, art market, and high-value goods sectors in understanding and applying the findings of Gibraltar's National Risk Assessment (NRA) to their AML/CFT/CPF controls under the Proceeds of Crime Act and related obligations.

<https://oft.gov.gi/uploads/AML/2025NRA%20-%20FINAL.pdf>

The NRA provides a national level assessment of money laundering (ML), terrorist financing (TF) and proliferation financing (PF) threats and vulnerabilities. Regulated entities are expected to consider the NRA as a baseline risk tool and to reflect its findings proportionately within their own business wide and customer level risk assessment.

1.2 NRA Update

Gibraltar published its latest NRA in 2025, and it represents an important update to the

jurisdiction's understanding of ML, TF, and PF.

Businesses that had previously relied on Gibraltar's earlier NRA must now review the 2025 NRA and consider its updated findings. The new NRA may identify emerging risks, evolving typologies, or revised sector risk ratings which could materially impact the business-wide and customer-level risk assessments maintained by regulated entities.

Accordingly, businesses are expected to reassess their internal Business Risk assessment and AML/CFT/CPF policies, procedures, and controls in light of the 2025 NRA. Where changes are required, businesses must implement them promptly to ensure their compliance framework remains aligned with the latest national risk understanding

Failure to adequately consider and apply the findings of the National Risk Assessment (NRA) may be regarded as a breach of the risk-based obligations under the Proceeds of Crime Act 2015. This may result in regulatory action by the Office of Fair Trading.

2. Key NRA Findings Relevant to Your Sector

2.1 How the NRA Characterises Risk

The National Risk Assessment (NRA) assesses money laundering and terrorist financing risk using a risk-scoring

methodology based on the combination of threat and vulnerability at national level.

The NRA provides a baseline, sector-level assessment of risk, which is intended to inform, but not replace, each regulated

entity's own business-wide and customer-level risk assessment.

NRA Aligned Expectations: Enhanced due diligence (EDD) should be applied where non-resident buyers, corporate purchasers, or high-value transactions present elevated money laundering or terrorist financing risk, having regard to the customer profile, transaction structure and geographic exposure.

2.2 Real Estate Agencies

Sector Risk Rating:

- The NRA assesses real estate agency activity as presenting a medium money laundering risk at national level, based on its threat and vulnerability scoring

In assessing the real estate sector, the NRA recognises that:

- Property transactions may be attractive for money laundering at the integration stage, particularly in certain transaction scenarios.
- The use of legal persons or arrangements in property ownership can increase vulnerability where beneficial ownership is not transparent.
- Cross-border elements, including non-resident purchasers, can elevate situational risk depending on the customer profile and source of funds.
- Cash transactions are not prevalent in Gibraltar's property market, which mitigates overall sector vulnerability, although cash usage remains an inherent risk factor where it occurs.

- Real estate agents do not typically handle client funds, which reduces exposure, but ML risk remains at the customer onboarding and transaction assessment stages.

2.3 Art Market Participants

Sector Risk Rating:

- The NRA assesses relevant non-financial business activity, including art market participants, as presenting a medium risk at national level, reflecting vulnerabilities associated with opacity and transaction characteristics rather than volume.

In its broader assessment of designated non-financial businesses and professions, the NRA recognises that:

- Transactions involving high-value goods may present increased vulnerability where valuation is subjective or not readily transparent.
- Reduced transparency over parties to a transaction can increase ML risk, particularly where intermediaries or agents are involved.
- Cross-border activity may elevate risk depending on the jurisdictions involved and the source of funds.
- Certain high-value goods may be vulnerable to misuse in the context of sanctions or other financial crime risks, depending on transaction structure and counterparties.

2.4 High Value Goods Dealers

Sector Risk Rating:

- The NRA assesses high-value goods dealers as presenting a medium-to-low money laundering risk at national level, reflecting the limited use of cash transactions in Gibraltar and the scale of activity

In assessing this sector, the NRA recognises that:

- The purchase of high-value goods may present money laundering vulnerability in certain circumstances, particularly where

cash or cash-equivalent payment methods are used.

- Transaction structures designed to obscure the true payer or beneficiary may increase risk.
- Trade-based money laundering risks can arise where transaction values or documentation are inconsistent with the nature of the goods, although such risks are context-specific.

3. Expectations for Regulated Entities Regarding NRA

Regulated entities are expected to treat the National Risk Assessment (NRA) as a key reference point in their approach to anti-money laundering, counter-terrorist financing, and counter-proliferation financing (AML/CFT/CPF) compliance. The NRA provides the national level understanding of Gibraltar's ML/TF risk landscape and must be actively integrated into internal policies, procedures and controls.

In line with the risk-based approach and the requirements of the Proceeds of Crime Act, regulated entities must:

3.1 Incorporate NRA Findings into Business-Wide Risk Assessments

- Review the most recent NRA and ensure its findings are reflected in

the entity's business-wide risk assessment (BWRA).

- Where the NRA identifies a sector or activity as presenting elevated risk, this must be considered when determining the firm's own risk exposure.
- Where an entity's internal view of risk diverges from the NRA's, it must be able to justify and evidence that position.

3.2 Reflect NRA Risk Indicators in Customer Risk Assessment

- Use the NRA's identified threats, vulnerabilities and typologies to inform customer risk assessments.
- High-risk indicators identified in the NRA, such as cross-border transactions, opaque ownership structures, or high-value purchases,

should be factored into client onboarding, monitoring and due diligence processes.

3.3 Adjust Customer Due Diligence Measures Accordingly

- Ensure that customer due diligence (CDD) measures are tailored to the risks outlined in the NRA.
- Apply enhanced due diligence (EDD) where the NRA identifies risk factors relevant to the customer, product, or transaction.
- Verify source of funds and source of wealth as necessary based on NRA-informed risk assessment

3.4 Update Internal Policies, Procedures and Training

- Update internal policies and procedures to incorporate the findings and language of the most recent NRA.
- Provide training to relevant staff on NRA-relevant risks, sector vulnerabilities and the entity's response framework.
- Ensure staff understand how to apply the NRA findings in practice and identify relevant risk indicators.

3.5 Maintain Documentation and Auditability

- Document how the NRA has been considered and applied within the entity's risk framework.
- Maintain clear records showing how NRA findings influence decisions on risk scoring, CDD measures, monitoring activity and reporting obligations.
- Monitor for updates to the NRA or related national guidance and be prepared to review and adjust risk assessments and controls as appropriate.

4. Useful Contacts

4.1 Office of Fair Trading

The Office of Fair Trading (OFT) has been appointed as a supervisory authority under the Proceeds of Crime Act 2015. Additionally, it is responsible for business licensing and for consumer protection in Gibraltar.

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4.2 Gibraltar Financial Intelligence Unit

The Gibraltar Financial Intelligence Unit (GFIU) receives, analyses and disseminates financial intelligence gathered from Suspicious Activity Reports.

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