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EPPO and EU Law

(Jean Monnet Centre of Excellence – EPPONFI)

**The possible role of real estate
agents in EPPO investigations:
shared fight against money
laundering**



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Actual situation related to Eppo investigations

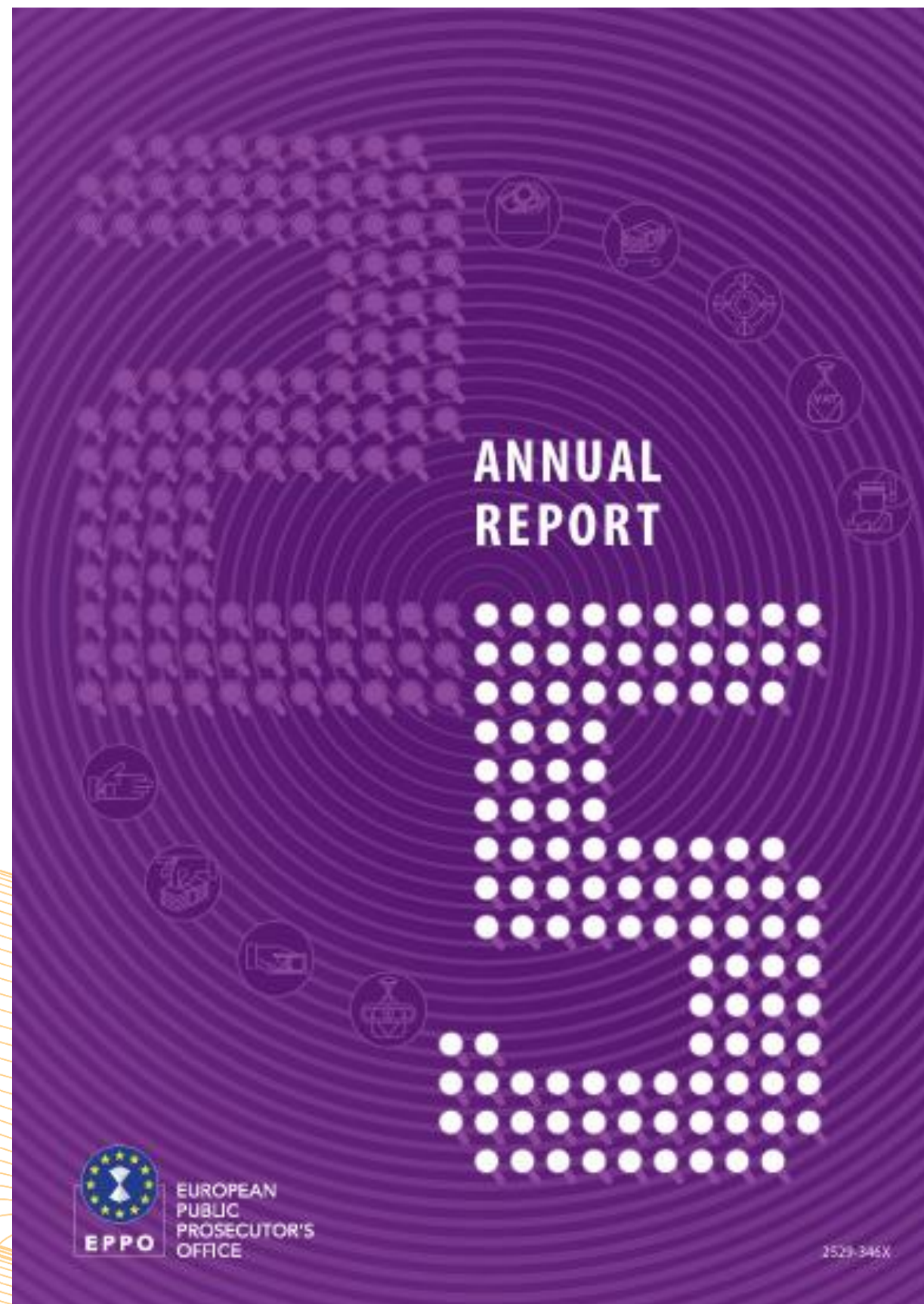
Try to make a search on Eppo site about relations/cooperation between real estate agent and Eppo, results are common pages about relationship with European citizens

No one asked to Real estate agents and their associations to take explain how money laundering or vat evasion could work practically.

It is not compulsory to buy or sell real estate through mediation of an agent (even if highly recommended in case of foreign buyers)



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S Same as last report

Compare last year
and this year report,
same situations,
same sentences

W Weaknesses

Again identified how
it works, no ideas on
how to prevent using
cooperations

O Only 3 times

Real estate named
only 3 times in 84
pages of report

T Tool

Buildings, real estate assets
are just “tools” used to
laundry money or VAT
fraud, it is not the subject



MONEY LAUNDERING

Money laundering is also committed by purchasing real estate or luxury goods and reselling them, making it more difficult to trace the funds, and by reinvesting the profits from criminal activities into economic activities in licit or illicit markets (such as drug trafficking).

EPPO_Annual_Report_2025



MONEY LAUNDERING

Recent EPPO investigations have shown that money laundering typically manifests through combined schemes rather than isolated methods, including **hybrid laundering schemes**, combining traditional methods (cash, real estate, legal business structures) with newer techniques, including the use of crypto assets as investment vehicles.

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SEIZURE AND CONFISCATION OF CRIMINAL ASSETS

Testo di prova

The main assets seized were cash or bank accounts, followed by real estate properties, business activities, vehicles, other movable properties, as well as gold, shares, cryptocurrencies, financial products and luxury items.

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Europe

Police raid on EU Commission: 'Alleged irregularities in property sales'

Investigation into possible irregularities amounting to approximately EUR 900 million, occurred in 2024

12 February 2026



Belgian police raided the European Commission's premises in Brussels as part of an investigation into possible irregularities in the sale of real estate worth around EUR 900 million in 2024, when Austrian Johannes Hahn was budget commissioner. The investigation is being conducted by the European Public Prosecutor's Office (Eppo), which reports that it is "gathering evidence".

The investigation, according to sources in the European Public Prosecutor's Office, concerns the agreement finalised on 29 April 2024 by the EU executive with the sovereign wealth fund Federal Holding and Investment Company for the sale of 23 Commission buildings.

<https://en.ilsole24ore.com/art/police-raid-eu-commission-alleged-irregularities-in-property-sales-AI9YE6NB>

Europe

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12 February 2026



Brussels had presented the deal as a key step to transform the European quarter into a 'modern, attractive and greener' area, in which offices, residences, shops and recreational spaces could coexist harmoniously. The deal was described as 'beneficial for the European Quarter' and functional to the Commission's goal of reducing its office space by 25 per cent by 2030, modernising and making the building stock more sustainable and reducing its carbon footprint. The plan, as explained by the EU executive at the time, would also allow economies of scale by concentrating staff in a smaller number of larger, more energy-efficient buildings.

<https://en.ilsole24ore.com/art/police-raid-eu-commission-alleged-irregularities-in-property-sales-AI9YE6NB>



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What about news on R.E. crimes or investigations?



S Search

Try to search on internet, online also on institutional sites news regarding investigations or crimes related to Real estate, if you are able to...we tried

H Help

Asked for help to other Committee (Media), same result, nothing

O Opportunities

If no one talks about it, is it just an illusion or...the greatest opportunity for organized crime?

S Stop it

If it is an opportunity for organized crime to money laundering, is it possible to stop it?



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Is the real estate market a risk market for money laundering?

COMMISSION STAFF WORKING DOCUMENT
Accompanying the document
REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT
AND THE COUNCIL
on the assessment of the risk of money laundering and terrorist
financing affecting the internal market and relating to cross-border
activities
{COM(2022) 554 final}

Real estate is as attractive to criminals as it is to any investor (prices being generally stable and likely to appreciate over time) and is also functional (the property can be used as a second home or rented out, generating income). Real estate also provides a veneer of respectability, legitimacy and normality.

Through interviews with relevant stakeholders, the study confirmed that tax evasion using the real estate sector is cited as a significant problem in many Member States.

Conclusions: Based on the strong evidence gathered by law enforcement agencies that real estate is frequently used in money laundering schemes and because their services may be combined with those provided by other non-financial professionals, the level of money laundering threat related to real estate is considered as very significant (level 4).

Why talking about real estate market?

<https://www.eppo.europa.eu/en/mission-and-tasks>

The European Public Prosecutor's Office (EPPPO) is an independent public prosecution office of the European Union. It is responsible for investigating, prosecuting and bringing to judgment crimes against the financial interests of the EU. These include several types of fraud, VAT fraud with damages above 10 million euro, money laundering, corruption, etc.

The EPPPO is also competent for offences regarding the participation in a criminal organisation – if its focus is to commit a PIF offence when:

- the criminal offences have been committed, **in whole or in part, within the territory of one or several participating EU Member States**;
- the criminal offences have been committed **by a national of a participating EU Member State**;
- the criminal offences have been committed **by a person who was subject to the Staff Regulations or to the Conditions of Employment of EU staff**.



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Organized Crime interest in R.E.

From **luxury properties** in the world's most sought-after cities, to **commercial facilities** that can offer a significant return on investment, real estate has been shown to act as a critical vector for dirty money to enter the legitimate economy. Like most real estate investors, **shady actors prefer stable, reliable and profitable markets.**

Insufficient transparency sector-wide leads to **anonymous ownership**, while professionals involved in real estate transactions are often unregulated. The corrupt exploit this by using luxury properties as vehicles for investing illicit gains.

Real estate has a money laundering problem. Investigation after investigation has shown how criminals and the corrupt have turned to real estate to launder and enjoy their ill-gotten gains.

<https://www.statista.com/outlook/fmo/real-estate/worldwide>



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R.E. market preventions

Real estate transactions **often** require the services provided by different professionals. Real estate agents and developers, lawyers and notaries, among others, are in a privileged position to identify suspicious transactions and prevent illicit money from being laundered through the sector.

International anti-money laundering standards set by the FATF require these professionals to perform anti-money laundering checks, identify the beneficial owners of legal entities being used to purchase property, establish the source of funds for high-risk clients, and carry out enhanced checks on politically exposed persons and their family members and associates.

<https://www.statista.com/outlook/fmo/real-estate/worldwide>



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How money laundering in R.E. works



Criminal Intent

Money coming from other crimes to be “washed” into legal market in a massive quantity

Objective

Use the illegal money to buy a real estate property (residential or commercial)

Opportunities

To be sure of success, first of all, for residential R.E., it is better to choose a private person selling (not R.E. agent involved in transaction), or choose a figurehead.

Partner in Crime

It is necessary (specially when the seller is a company) a partner in crime that could be an agent, an accountant, a layer or a notary (white collar crimes)



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Markets in focus for Organized crimes



H Highly requested areas (legislation)

Where AML rules are not strictly applied, it is easier to “wash” money (i.e. black list FATF))

H Highly requested areas (tourism)

Where tourism is an important economic income, it is easier to have profit from investments (i.e. Spain, Italy)

D Diversify Investments

Not only residential properties, but often commercial, hospitality.

U Usage

Residential is not only to gain money, but also to ensure a place to live in to criminals. In commercial properties, a legitimate façade to other criminal activities.



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What about R.E. crimes or investigations to be in Eppo interest?

S Specific cases

Sometimes, specific cases are more bounded to R.E. market (and are part of a big international fraud against financial interest of UE, that's why Eppo is involved)

P Part of other crimes

Sometimes investigation begins from a VAT fraud but criminal gains are invested in real estate properties

M More than one UE State involved

To be involved Eppo needs that there is a damage to financial interest of UE or more than one UE Countries must be involved

M Misused EU funds

Real estate assets are one of the most used way to reinvest EU funds obtained with a fraudulent scheme.





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Signa bankruptcy Eppo difficult investigations



The VAT evasion investigation represents one of the most complex strands involving René Benko, as it involves the intervention of the European Public Prosecutor's Office (EPPO) for alleged **fraud against the financial interests of the European Union**. The EPPO has launched investigations focused on the cross-border operations of the Signa group, suspecting a scheme aimed at evading taxes on an international scale:

Falsification of invoices: Benko is suspected of having created false invoices to justify the movement of capital between different jurisdictions (Austria, Germany, Italy, and Luxembourg), thus unduly reducing VAT.

COVID-19 funds: In addition to VAT, the investigation extends to the misuse of public funds related to the pandemic (such as for the luxury Chalet N in Lech), constituting fraud against the EU budget.

Use of trusts and foundations: Authorities believe that structures such as the Laura Privatstiftung were used not only to hide assets from creditors, but also to evading tax obligations through fictitious transactions. Other tax irregularities have emerged.



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Signa bankruptcy Eppo difficult investigations



A joint investigative team between Vienna, Berlin, and Munich is examining alleged fraud related to Bavarian real estate projects (such as "Project Franz"), which allegedly violate German and European tax rules.

Current status (April 2026)

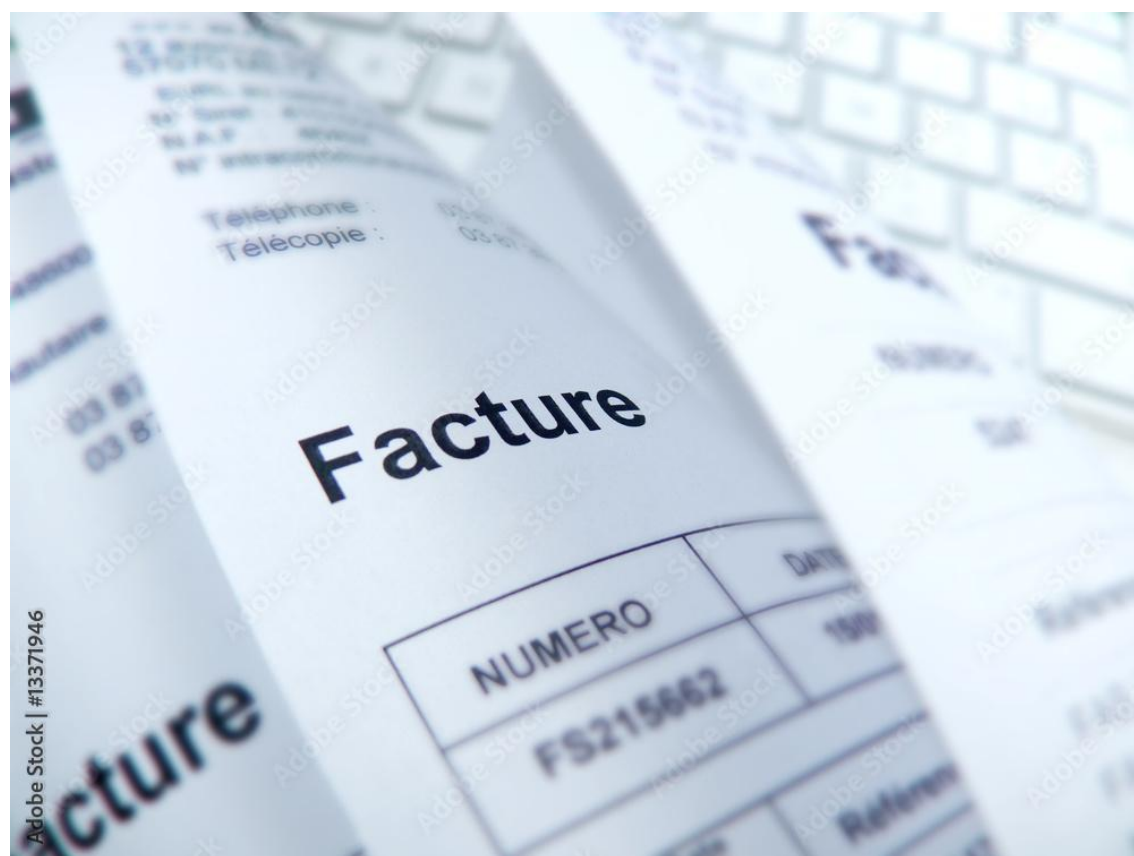
Despite the convictions already received for bankruptcy (2 years and 15 months), the tax and VAT fraud case is still at an advanced stage of investigation. Benko's detention, extended until April 16, 2026, is intended to prevent the former tycoon from tampering with evidence or repeating financial crimes while the EPPO completes the reconstruction of the offshore company network.



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Signa bankruptcy Eppo difficult investigations



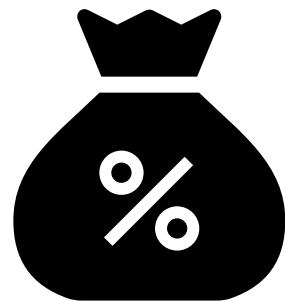
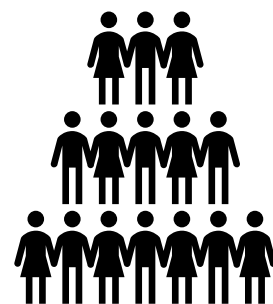
The "False Invoice" System: According to investigations conducted by the European Public Prosecutor's Office (EPPO) and the Austrian Public Prosecutor's Office (WKStA), the scheme operated in several ways:

Invoices for non-existent services: Benko is suspected of issuing or having invoices issued for consultancy and services never provided between various Signa group companies. This allowed him to reduce the profits of the operating companies and generate undue VAT credits.

Real estate overinvoicing: In some cases, real estate transactions were inflated through compliant appraisals, allowing for the movement of enormous sums in the form of tax-deductible operating costs.

Fictitious contributions: Benko allegedly convinced other partners to inject capital by promising their own contributions through family trusts, which, however, were actually funded by laundering money between various group companies through fictitious invoicing.

Are R.E. Agents leading actors on the R.E. Market?



- Foreign Investments Funds
 - Asset management companies
 - Holdings
 - Insurance and Banks
-
- They manage almost the 30-35% of the global market BUT...
the **assets they manage influence the whole market value**
and, most important, **value fluctuations in specific areas** (i.g.:
Kering – Via Montenapoleone 8).
-
- Private owners -> they can manage buying and selling apts
and houses **WITHOUT** the presence of a R.E. Agent



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Real Estate Agents role on the global Market





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Actual R.E. Agents legal instruments:

- Adequate verification → it is just an “auto-declaration of customer”
- Evaluation of risk → based on personal R.E.A. evaluation of customer behavior
- Act following ethic prescription of our profession
- Report to UIF

R.E. Agents professional skills instruments:

- Deep knowledge of properties documents (from beneficial owner to deed or hereditary succession acts)
- Attention to land registry informations
- How to read financial documents (private or company balance sheets)

Which role has a R.E. Agent

How R.E. Agents could avoid Eppo competence's crimes:

- In case a professional R.E. Agent is involved in a property transaction, and has the doubt or infos about an illegal origin of funds, he must report to UIF and do not the transaction



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R.E. Agents legal instruments:

- Adequate verification → We are not allowed to investigate financial infos (cooperation needed)
- Evaluation of risk → must be based on practical data
- Data access → we are not “public”, we are professionals (b.o.; foreign land registers)

R.E. Agents professional skills instruments:

- Continuous updating on rules, report and authorities' cooperation
- Access to national/international data
- Associations deals to an international level

**Which role
could have
a R.E. Agent**

How R.E. Agents could prevent Eppo competence's crimes:

When GdF makes controls, transaction is completed, please consider R.E. Agents as partners: we are fighting for the same goal **SAVEGUARD THE MARKET WE OPERATE INTO.**



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Thanks for your attention

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