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BEHIND A WALL

Investigating company and real estate
ownership in France

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Behind a Wall

Investigating Company and Real Estate Ownership in France

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Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of June 2023. Nevertheless, Transparency International cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

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GLOSSARY

Beneficial owner	A beneficial owner is a natural person who ultimately owns or controls a company. In France, in accordance with EU legislation, the beneficial owner of a company is the natural person(s) who either directly or indirectly holds more than 25 per cent of the capital or voting rights of the company or exercises, by any other means, a power of control over the company. Where no individual can be identified according to these criteria, the beneficial owner is by default the legal representative of the company.
Cadastre	The cadastre is a French public cartographic register which contains all the real estate data on a map by municipality. It inventories all real estate properties as well as the footprints of the buildings occupying them. The cadastre is divided into “sections”, which are in turn subdivided into “parcel sheets” and then into “parcels”.
Legal owner	A legal owner is a natural or legal person who has legal title of ownership to the property.
Parcel	A <i>parcelle</i> or parcel is the smallest subdivision of the cadastre, and the basic cadastral unit. It is a portion of land in one piece of the same nature and in principle, belonging to the same owner. It should be noted that in the case of buildings, particularly in urban areas, it is often the case that the building corresponds to a single cadastral parcel, even though it is divided into flats belonging to different owners. A parcel can be “built” or “unbuilt” depending on whether it contains buildings. In the cadastre database “files of premises and parcels owned by legal persons” (<i>fichier des locaux et parcelles</i>), <i>parcelles</i> refer only to unbuilt portions of land, whereas <i>locaux</i> are built portions of land.
Representative	A representative is a natural person who is tasked with defending the interests of the company and has the power to act in the name and on behalf of the company they represent.
SIREN number	A SIREN number is an identification number assigned by France’s National Institute of Statistics and Economic Studies (INSEE) to companies or establishments registered in the Trade and Companies Register (RCS).

EXECUTIVE SUMMARY

Despite transparency rules, the vast majority of corporate-owned real estate in France is held anonymously. At the heart of the problem lies non-compliance: almost a third of all companies have not declared who ultimately owns them.

Real estate in France, particularly in Paris and the French Riviera, has long been known to attract criminals and the corrupt. Time and again, foreign politicians and businesspeople allegedly involved in or convicted of financial crimes have been revealed to own luxury properties in France. At the start of the war in Ukraine, some 30 Kremlin-linked individuals reportedly held more than 350 million euros worth of French real estate.

Connecting suspicious individuals to their properties abroad is a notoriously difficult task because they virtually never own high-value assets directly and under their own names. Instead, real estate ownership is almost always concealed with the help of opaque corporate vehicles.

In principle, tracking potentially illicit financial flows into real estate should be possible in France, where public authorities collect information on the real owners of both companies and real estate. This data has been publicly available since 2021, so activists and investigative journalists should be able to follow the money. In reality, however, our analysis reveals that investigations into money laundering through French real estate are destined to hit a brick wall.

In a first-ever attempt to connect company records to real estate ownership information, Transparency International France, Transparency International and the Anti-Corruption Data Collective have made use of the available data to better understand the landscape in France. To conduct this study, we analysed company information from France's beneficial ownership register and cross-referenced the results with the ownership information available for parcels – the smallest subdivision of the French

land registry plan, or cadastre – each of which may contain one or multiple properties at a time. We uncovered significant loopholes through which criminals can launder and invest their money in French real estate.

At least 10.35 million – 11 per cent of the total – parcels include real estate owned by private companies. The real owners of 7.33 million of these remain unknown, meaning that nearly 71 per cent of all corporate-owned French parcels includes anonymously held properties. The vast majority of these companies did not provide data on their real owners or did not appear in France's beneficial ownership register at all.

All told, almost one-third of companies registered in the country have not yet declared any beneficial owner, even though they have been required to do so since 2017. These 1.53 million companies are also more likely to have several red flags that could indicate suspicious activity, such as registration at “mass” addresses and foreign legal representatives.

Among the various types of companies that can be created in France, the *société civile immobilière* (SCI) – a common vehicle for owning real estate properties – stands out. We found that only 63 per cent of all SCIs have declared their beneficial owners, one of the lowest rates across all categories of corporate vehicles.

The picture gets worse when we take a deeper look at 1.3 million SCIs that own real estate across 2.89 million parcels in France: we could only identify beneficial owners for around half of these companies. Within the Paris region, no beneficial

owner can be found for properties in 72 per cent of parcels that are owned via SCIs. Considering that SCIs are particularly at risk of being abused for money laundering through the real estate sector, these reporting rates are alarming low.

The French government’s decision to make these datasets freely available demonstrates a commitment to the fight against money laundering. But authorities have much work to do to unlock the potential of these powerful transparency tools to expose and deter money laundering, tax avoidance and other white-collar crimes.

While maintaining access for journalists, researchers and civil society organisations, France should also make it easier for them to retrieve beneficial ownership data so that compliance can be easily and independently monitored. In order to conduct this analysis, the authors had to scrape France’s beneficial ownership register one company webpage one at a time – over 5 million individual webpages in all. We then cross-analysed this data with the French cadastre.

Our findings lead us to conclude that French authorities should:

- + Ensure the adequate implementation of beneficial ownership disclosure rules and pursue entities in breach of their obligation to disclose, or who have submitted non-compliant filings.
- + Make beneficial ownership data available in bulk on existing public servers that house other

corporate records, such as the newly established National Register of Companies.

- + Include both current and historical ownership data, the nationality of the beneficial owners, and information on the whole ownership chain in publicly available data sets.
- + Establish and publicise a verification mechanism for data in the beneficial ownership register and improve data collection and validation, including collecting information on multiple nationalities and verifying identities with official documents.
- + Subject those types of legal entities and arrangements that are particularly at risk of money laundering to enhanced checks when declaring their beneficial owners to public authorities.
- + Consider lowering or removing the beneficial ownership threshold. At a minimum, determine the threshold based on an assessment of the money-laundering risks posed by different types of legal entities.
- + Analyse and address money laundering risks in the real estate sector, including by requiring foreign companies that own or wish to invest in the French real estate sector to disclose their beneficial owners. Guidelines for real estate professionals and controls of agents in critical regions should also be strengthened.

IN A NUTSHELL

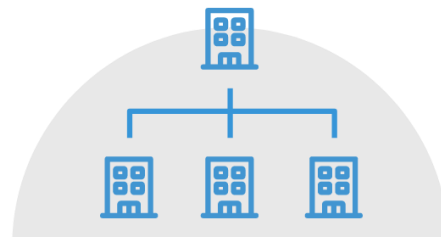


10,348,600

PARCELS* WITH CORPORATE-OWNED REAL ESTATE

11% of all parcels

*Parcel is the smallest unit of the French land registry plan, or cadastre. Each may contain **one or multiple properties**.



2,377,200

COMPANIES THAT HOLD REAL ESTATE

Of these, 1.49 million are registered in France

KEY FINDINGS



1,488,500 (63%) CORPORATE OWNERS **COULD BE LINKED** TO BENEFICIAL OWNERSHIP REGISTER



929,500

COMPANIES DISCLOSED OWNERS

3.23 million parcels



559,000

COMPANIES DID NOT DISCLOSE OWNERS

3.66 million parcels



888,700 (37%) CORPORATE OWNERS **COULD NOT BE LINKED** TO BENEFICIAL OWNERSHIP REGISTER



168,900

COMPANIES WITH SIREN*
NUMBER

1.55 million parcels



2,300

COMPANIES WITH NO SIREN NUMBER

7,900 parcels



717,400

COMPANIES WITH FICTITIOUS SIREN NUMBER**

2.42 million parcels

*A SIREN number is assigned to companies registered in France as a **unique identifier**.

These are likely **offshore companies without a subsidiary or branch incorporated in France.



THE VAST MAJORITY OF CORPORATE-OWNED REAL ESTATE REMAINS **ANONYMOUSLY HELD**



7,334,600

ANONYMOUSLY HELD PARCELS

71% of all corporate-owned parcels



1,447,700

ANONYMOUS CORPORATE OWNERS

61% of all companies that own real estate

INTRODUCTION

For decades, kleptocrats and the corrupt have abused secretive corporate structures to hide their identity or the source of money when investing and laundering suspicious funds.

Anonymous companies have made it easier for corrupt actors to purchase real estate or other luxury goods in key markets across the globe. Anonymous companies also appear to be the vehicle of choice for those engaging in corruption, being used to hide conflicts of interest, pay bribes and to unduly influence decision-makers without raising suspicion. Almost without fail, anonymous companies and trusts appear at the centre of major cases of corruption, money laundering and tax evasion.

To tackle these issues, transparency in company and asset ownership is critical. Transparency allows anyone to see who is hiding behind anonymous companies and trusts. It helps authorities, journalists and civil society to more effectively expose and fight corruption, money laundering and other financial crimes.

The European Union (EU) was among the first to take serious steps aimed at improving transparency in company ownership. The 4th EU Anti-Money Laundering Directive (AMLD) adopted in 2015 required countries to establish beneficial ownership registers. In 2018, in response to scandals such as the Panama and Paradise Papers, the EU approved the 5th EU AMLD, which recognised the importance of public scrutiny of company and beneficial ownership information for preserving trust in the integrity of business transactions and of the financial system. The Directive also recognised that transparency can be a powerful deterrent to money launderers and other criminals. As such, it required countries to open up their beneficial ownership registers to all members of the public.

Transparency International analysed the implementation of public beneficial ownership registers across the EU in May 2021.¹ While the analysis found that some member states were lagging in establishing registers or ensuring public access to the information, clear examples of the importance of opening up beneficial ownership information could already be identified in member states that had established public beneficial ownership registers.²

Public disclosure allowed civil society activists and journalists to play a key role in preventing money laundering by enabling them to check information contained in the registers. Indeed, in addition to disclosing some of the biggest money laundering scandals of the past 10 years, independent watchdogs can also play a preventive role. Opening the registers containing beneficial ownership information allows civil society and journalists to monitor this information, identify possible deficiencies and support evidence-driven policy making. That is the very purpose of this report.

France opened up beneficial ownership information to the public in April 2021, more than a year after the deadline set by AMLD5. The country opted to make beneficial ownership information available through two different platforms: (i) the National Council of the Clerks of the Commercial Courts (*Les greffiers des tribunaux de commerce*) and accessible via www.infogreffe.fr, and (ii) the National Institute of Industrial Property (*Institut National de la Propriété Intellectuelle*, or INPI), accessible via www.data.inpi.fr. Beneficial ownership information is thus available through both websites for free, enabling journalists, civil society organisations, businesses and any other member of the public to

look up the real owners of French companies. Additionally, France also opened other key datasets in the country, such as real estate information, allowing the public to scrutinise the ownership of properties across the country.

From an anti-money laundering perspective, having access to this type of information can be powerful. It is well known that French real estate, and more precisely luxury real estate located in the west of Paris and the French Riviera, is prized by economic criminals wishing to launder and shelter their illicitly acquired wealth.³ High-ranking politicians and their family members from Azerbaijan, Cameroon, Indonesia, Equatorial Guinea and the United Arab Emirates have all been revealed to own luxury real estate in France, as have former dictators deposed in the wake of the Arab Spring. At the start of the war in Ukraine, some 30 Russian elites reportedly held more 350 million euros of real estate in France.⁴

In the past, uncovering such cases depended to a great extent on having access to leaked and confidential information held by gatekeepers – such as lawyers, bankers or real estate agents – or on time-consuming investigations. Journalists usually have to go through painstaking work to uncover possible cases of money laundering through French real estate.⁵ The publication of company and asset ownership information can be a game-changer. It allows competent authorities, journalists and activists to identify suspicious cases more effectively and to identify potential red flags and areas where improved regulations and/or supervision is needed.

Against this backdrop, in November 2022, the Court of Justice of the EU (CJEU) invalidated provisions of the AMLD5 that required member states to grant the public access to beneficial ownership information. This raises questions about the availability of company ownership data in France and other EU member states in the long run. As an immediate result following the ruling, eight member states closed their registers to the general public.⁶ In France, access to beneficial ownership information maintained by INPI was restricted in January 2023. After journalists reported on the restriction,⁷ the government alleged that there had been technical problems due to the launch of the National Company Register (*Registre National des Entreprises*, or RNE)⁸ and confirmed that the register would remain open despite the CJEU ruling.⁹

Although data on company and real estate ownership have been available for more than two years, up until now, no one has attempted a

complete data-mapping exercise to identify the risk of money laundering across the entire French corporate and real estate sectors. This research aims to close this gap. In analysing the register of beneficial owners in conjunction with the register of real estate assets owned by legal entities, this report precisely identifies and describes the main loopholes through which criminals can launder their money through French real estate.

METHODOLOGY

To conduct this research, we had to scrape roughly five million individual web pages containing company information from France's beneficial ownership register and cross-reference the results with the cadastre data.

A paper by the Network of Beneficial Ownership Transparency Experts, which was coordinated by Transparency International, shows that the ability of stakeholders, including civil society organisations and journalists, to effectively use beneficial ownership registers depends primarily on the type of access they have to the data and on the quality and adequacy of the information.¹⁰ Access to beneficial ownership information in an open data format – or even better, API access – allows key actors to more effectively use the data to: (i) verify the information provided by beneficial owners and legal entities, and (ii) identify anomalies and red flags revealing potential misuses of legal entities and their owners.

The research was conducted in October and November 2022 by first collecting all company records marked as "active" in the October 2022 edition of the French and Company Register (RCS). This open data included 4,897,823 active legal entities.¹¹ In addition to the basic registration forms, the data contained information on the representatives (directors, managers and so on) of companies as well as the addresses for all establishments (plants and head offices) associated with each company. We then standardised each of these roughly five million establishment addresses using the Bases Adresses Locales API.¹²

In the next step, we scraped the beneficial ownership data available in the INPI's database using each legal entity's unique identifier – a nine-digit SIREN number. Although beneficial ownership data was made public on the INPI portal in 2021, these fields were not yet included in the bulk data dumps posted on INPI's dedicated FTP server.

Therefore, in order to analyse the register's coverage, we had to download and then parse the individual HTML webpage for each of the roughly five million companies. We extracted information on all beneficial owners, resulting in a dataset of 5,275,490 natural persons, which included the following self-reported fields that were cleaned and standardised as part of the research:

- + full name
- + customary name
- + month and year of birth
- + nationality
- + percentage of total capital owned in the company (direct and/or indirect)
- + percentage of voting rights in the company (direct and/or indirect)

In the midst of our data collection efforts, the INPI portal changed the format of the beneficial ownership data presented to the public and removed "nationality" from each entry. This step is very unfortunate from the transparency perspective, as it creates significant difficulties for journalists and researchers to identify unique individuals from around the world. Fortunately, as of June 2023, the nationality field was restored. Due to these late changes, we were only able to obtain nationality for 87 per cent of the persons listed as beneficial owners in our sample.

Manually parsing the individual websites required months of computing time and could result in some company omissions due to access failures. We validated our data acquisition process by selecting a

random sample of 200 active companies from the full INPI database. We then verified that the data on beneficial ownership listed on the INPI website matched our database in 199 out of the 200 cases. For the one case where our database was incorrect, we believe the issue was related to a problem in the download process. To ensure our analysis reflected the most up-to-date records, in late May 2023, we re-downloaded the webpages for all companies missing beneficial owners. The statistics in the report reflect this second pass.

Finally, we collected data from the official dataset “files of premises and parcels owned by legal persons” (*Fichiers des locaux et des parcelles des personnes morales*),¹³ which contains information on all individual parcels – built and unbuilt – owned by legal entities in France as of 28 December 2022. This dataset includes information on the legal entities owning real estate – excluding sole proprietorships and individual entrepreneurs – as well as the company’s unique identification number (SIREN number). We then used the unique SIREN number to link the corporate real estate ownership database with the INPI database containing beneficial ownership information. By linking the two databases, it should be possible to identify the beneficial owners of properties that are owned through legal entities in France.

How was this research possible?

Since 2021, access to the French beneficial ownership register has been open to the public. Without having to pay a fee and register, members of the public – regardless of where they are based – can consult information on legal entities and their owners. The information published is limited to the basic minimum. On the beneficial owner, it is possible to access the name, month and year of birth, and information on how control is exercised. Upon registration, users can access more detailed information on the owners and legal entities.

Up until December 2022, neither of the registers (Infogreffe and INPI) containing beneficial ownership information had made the data available in bulk format. However, journalists and civil society were able to scrape the whole INPI dataset by parsing each company webpage one at a time, allowing for more in-depth analysis of the information. The data could also be cross-checked against other available datasets, such as the real estate register (cadastre), which in France is available in open data format for all properties owned through legal entities via the *Fichier des locaux et des parcelles des personnes morales*. This type of analysis nearly impossible with the data in the Infogreffe register, as beneficial ownership information is available only after downloading a PDF for each of the companies of interest.

In January 2023, with the launch of the new centralised company register, the government started to make the beneficial ownership data available through a new application programming interface (API) for registered users. However, we have not yet been able to access the data and therefore maintained our analysis based on the scraped data.

The French government’s decision to make these datasets freely available demonstrates a commitment to the fight against money laundering. Without access to this information, this analysis would not have been possible. Our findings should be used to improve the reporting requirements and accessibility even further so that this type of data can effectively help authorities, civil society and journalists to detect, expose and help keep dirty money out of France.

THE BENEFICIAL OWNERSHIP TRANSPARENCY LANDSCAPE

While maintaining access for journalists, researchers and civil society organisations, France should make it much easier for them to interrogate beneficial ownership data so that compliance can be easily and independently monitored.

France started to collect data on beneficial ownership in a central register in June 2017 and opened up access to beneficial ownership information to the general public only in April 2021. In compliance with EU rules, all unlisted companies, economic interest groups and other legal persons incorporated in France are required to obtain and maintain accurate and up-to-date information on their beneficial owners. This information is also expected to be collected, maintained and verified by the 141 clerks of commercial courts spread across the country and then made accessible in a centralised manner on the www.infogreffe.fr website.

The Institute for Industrial Property (INPI) has also been responsible for centralising and disseminating all the information and documents that have been checked and validated by the registrars, including beneficial ownership information.

Since January 2023, the National Company Register (RNE) has become the sole registration body for French companies carrying out economic activity in France. This centralised database, which contains beneficial ownership information, is hosted and maintained by INPI. It is expected that the new RNE will transition to become the sole source of information on legal entities and beneficial owners in the country.

PUBLIC ACCESS TO FRENCH BENEFICIAL OWNERSHIP INFORMATION

To balance privacy concerns with the public interest, the public has access to a subset of the beneficial ownership information collected by the authorities. The following information on beneficial owners is available to the public:

- + name
- + month and year of birth
- + nature and extent of interest
- + nationality

Between January 2023 and May 2023, authorities removed publicly available fields containing beneficial owners' nationalities from the INPI website, but information is available again as of June 2023. During this time, this information was still available through the database maintained by Infogreffe.

Both registers maintained by Infogreffe and INPI are accessible free of charge without registration or e-identification and without restrictions based on nationality or citizenship.

On the Infogreffe website, it is only possible to search by entity (company name or SIREN number), and once the legal entity has been located, it is possible to download an "extract for the general public" in PDF format with information on the

beneficial owner. This document contains the name, month and year of birth, nature and extent of the interest, as well as the nationality of the beneficial owner.

On the register maintained by INPI, it is possible to search by entity, representative or beneficial owner. On the company page, the name, month and year of birth, nationality and country of residence, as well as the nature and extent of the interest are displayed directly. This does not seem to have changed with the launch of the new RNE, which now incorporates the beneficial ownership data that was previously available on the INPI website.

In January 2023, INPI also started to make the beneficial ownership data available through a new application programming interface (API). This interface allows registered users to access company and beneficial ownership in bulk. As this feature was not available when we started this analysis, we have not used it. However, Open Ownership has recently written about the challenges they faced when trying to use the application.¹⁴

In the first days of January 2023, following the November 2022 CJEU decision, France abruptly shut down public access to the beneficial ownership register maintained by INPI.¹⁵ Claiming a “technical issue” due to the launch of the RNE, French authorities reopened the register later that month and announced that, with the decision of the Minister of Finance, public access to the beneficial ownership data will be maintained – pending the adoption of a new legal framework at the EU level.¹⁶ Following this announcement, the authorities in charge of implementing beneficial ownership transparency legislation organised a consultation with civil society organisations who shared their views and concerns regarding the definition of legitimate interest and the guarantees needed to ensure effective access to the registers for journalists and civil society actors.

VERIFICATION OF THE BENEFICIAL OWNERSHIP DATA

The clerks of commercial courts have been tasked with verifying that the information on beneficial owners disclosed by legal entities is complete, up-to-date and accurate.¹⁷

In accordance with EU law, professionals subjected to anti-money laundering obligations must also report to the clerks of commercial courts any discrepancies they observe between the

information recorded in the register and the information available to them, including the failure to record such information.¹⁸ In such cases, the clerks of commercial courts urge the non-compliant company or entity to regularise its declaration. If the company or entity fails to comply with this order within one month, the clerks of commercial courts may refer the matter to the judicial authority.¹⁹

Companies that do not comply with their beneficial ownership reporting obligations face civil sanctions in the form of an “injunction”, which requires corrective measures to be taken without prejudice to sanctions.²⁰ Criminal sanctions can also be applied, including a six-month prison sentence, a fine of up to 37,000 euros, and a ban on directing, managing, administering or controlling a company and participating in public procurement.²¹ Beneficial owners that do not comply with their reporting obligations face criminal sanctions including a six-month prison sentence and a fine of up to 7,500 euros, as well as a ban on directing, managing, administering or controlling a company and participating in public procurement.²²

There is no publicly available information on the number of injunctions or sanctions applied by the authorities. When contacted by the authors of this report, the National Council of the Clerks of the Commercial Courts reported that they had used their injunction powers to request legal entities to disclose beneficial ownership information 802 times in 2018, 87,215 times in 2019, and 5,218 times in 2020. When contacted by the authors of this report, the General Directorate of the Treasury (*Direction Générale du Trésor*) within the Ministry of Economic Affairs and Finance reported that between 2016 and 2020, 96 criminal sanctions were imposed on companies for failing to meet their declaration obligations. Out of these, only one sanction has been imposed for failure to comply with the obligation to declare beneficial ownership.

REAL ESTATE IN FRANCE

Real estate is a significant vector for money laundering, allowing criminals to integrate dirty money into the legal economy. Among other things, real estate is an attractive investment as it enables corrupt individuals to place large amounts of cash in a single purchase, conceal property ownership behind anonymous companies, and continue using dirty money to renovate and improve real estate – increasing its value – as well as resell property and emerge with clean money.

In France, this is no different. According to France's 2019 and 2023 national money laundering risk assessment (NRA), real estate acquisition and sales activities are exposed to a high money laundering threat due to their widespread nature, the large sums of money involved and the relative safety of the investment, particularly in large metropolitan and tourist areas.²³ The luxury and prestige residential property sector in Paris, the French Riviera and the Overseas Departments and Territories is particularly vulnerable to money laundering threats – especially laundering of proceeds of corruption committed abroad – due to the large amounts involved in transactions, the volatility of sales prices and the absence of a benchmark to check the consistency of prices in the very high-end sector.²⁴

Due to the high risk of money laundering through the sector, certain professionals are seen as gatekeepers and as such are expected to monitor and report potential money laundering through real estate investments. In France, professionals such as notaries, real estate agents and others who are involved in real estate transactions are subject to anti-money laundering obligations.²⁵ They are required to identify the beneficial owners of their clients. When they deal with transactions or operations that they know, suspect, or have a good reason to believe originates from crime, they must send their suspicious transaction reports (STRs) to the French financial intelligence unit (FIU), Tracfin. Quantitatively, although STRs sent to Tracfin by notaries and real estate agents have increased over the years, they remain very low compared to the overall risk of money laundering in the real estate sector and the volume of real estate transactions recorded every year.²⁶ Qualitatively, the content of STRs can be significantly improved, as too many STRs – particularly from the non-financial sector – still lack analysis or provide insufficient information to categorise the suspicion.²⁷ STRs from real estate professionals are also marked by strong geographical disparities.²⁸ It is interesting to note that the number of STRs filed by notaries and real estate agents is high for Paris and the Mediterranean coast, but less so for the Bordeaux area, and relatively low for the overseas territories.²⁹

However, relying only on these professionals to prevent and detect potential money laundering is not sufficient. Investigations show real estate data can be a powerful tool to detect potential money laundering and other criminal activities.³⁰ Access to property-related data – such as legal and beneficial ownership, historical ownership data, value and

dates of purchase – can go a long way towards exposing red flags for authorities, journalists and activists.

Data on real estate properties in France are available from different sources and each of them offer different types of information and can be accessed through different means – online for free or upon request and the payment of a fee.

The *cadastre*, the French land registry plan, was established at the beginning of the 19th century. It is maintained by the French public land register under the auspices of the French tax authority (*Direction Générale des Finances Publiques*, or DGFIP) within the Ministry of Economic Affairs and Finance. The cadastre contains a set of maps and administrative files containing information on land ownership (buildings, houses, plots of land and so on), broken down by municipalities and covering all French territory, including overseas territories. Each municipality is divided into sections composed of various plots of land, or parcels. Each parcel is owned by legal and natural persons, serving as a basis for calculating certain taxes such as land taxes.

It must be noted that the cadastre does not include information about the owner of a given parcel, nor about the purchases (price, date and so on) of a given parcel. Information about the price of properties and sale transactions over the last five years is available online and for free through a different dataset since 2019.³¹ However, information on the name of the seller or the buyer is not available.

Data on real estate ownership, older information on sales transactions and their amounts as well as further information on mortgages and other securities must be requested in writing from the local land registry office (*Service de publicité foncière*). The payment of a fee is required to access the information, together with a form specifying the parcel on which the information is requested. The response may take a couple of weeks.³²

When it comes to the ownership of real estate through legal entities, France has improved transparency in recent years and facilitated public access.

Using the cadastral documentation, in March 2021, the French Ministry of the Economic Affairs and Finance publicly disclosed a batch of 131 datasets: the files of premises and parcels owned by legal persons (*Fichier des locaux et parcelles des personnes morales*). These datasets contain information on real estate owned by legal persons in France, whether

private companies – from simple family real estate companies or multinationals listed on the stock exchange – or public authorities.

The dataset contains information on built and non-built parcels with their cadastral references and addresses of the premises, along with the company unique identification number (SIREN number), name and legal form of the legal entities owning them.

It is noteworthy that the dataset of corporate real estate owners is based on the cadastre data, which does not include information on individual properties but only parcels. One parcel can potentially include multiple properties, particularly in the case of a building containing several flats which may be owned by different owners (legal entities or individual owners). As a result, for some parcels, the single cadastral unit in the data is linked to multiple legal entities as owners. As there is no publicly available data on the number of individual properties that exist in France, for this analysis, we used the available corporate real estate ownership cadastre data to estimate the percentage of real estate in France that is owned by legal entities. We found that 10.35 million unique parcels – which correspond to 11 per cent of French parcels – include real estate owned by legal entities that are private companies, that is, excluding those owned by the French state and local governments.³³

This analysis makes use of the available data on real estate and companies to better understand the landscape in France and identify potential red flags and areas that require increased attention.

Together with our partners at the Organized Crime and Corruption Reporting Project (OCCRP) and *Le Monde*, we also examined suspicious cases of real estate ownership, making use of the available data to investigate whether politically exposed persons have been investing in France.

The importance of historical ownership data

International standards and EU rules require beneficial ownership information to be adequate, accurate and up-to-date. But it is equally important to have that information available over different periods of time. Historical information can help authorities and other stakeholders to better understand the ownership structure of a legal entity and also detect potential attempts to hide or circumvent rules. Unfortunately, however, historical information is not easily available across countries that have beneficial ownership registers, and this is also the case in France.

Following Russia's invasion of Ukraine, the efforts from different countries to trace assets connected to Russian elites has helped shed the light on this issue. Information collected by journalists and authorities show a pattern of Russian elites transferring shares or the control of companies just before or soon after being designated.³⁴

We identified similar cases in the French beneficial ownership register. For example, Elizaveta Peskova, the daughter of Vladimir Putin's spokesperson Dmitry Peskov, used to be listed as the beneficial owner of a company in France – SIRIUS.³⁵ The company also owns at least one property in France. On 29 April 2022, she transferred her shares in the company to her mother. At the time, Peskova had already been sanctioned by the United States on 11 March 2022 and was later sanctioned by the EU on 3 June 2022,³⁶ raising questions about whether the move was to protect her French assets from being frozen. Current information on the beneficial ownership register shows the company is fully controlled by her mother and her own name no longer appears among the beneficial owners.³⁷ One of the documents included in the register, however, accessible upon registration, confirms the transfer of shares.³⁸

WHO REALLY OWNS FRENCH COMPANIES

The analysis of the beneficial ownership data allowed us to better understand the profile of companies' beneficial owners and the level of compliance with current disclosure rules. It also helped us identify potential red flags that require further attention.

COMPLIANCE WITH BENEFICIAL OWNERSHIP DISCLOSURE REQUIREMENTS

For policies to achieve their desired outcome, it is critical to have high levels of adherence. Unfortunately, our analysis shows that compliance with beneficial ownership rules, particularly by certain types of legal entities, is still very low.

While the current rules required all companies in the register to have declared their beneficial owner(s) by 1 April 2018, it remains impossible to identify the actual owners of 1,532,138 legal entities registered in France. As of June 2023, over five years after the establishment of the French beneficial ownership register,³⁹ only 69 per cent of legal entities – that is, 3,365,685 out of a total of 4,897,823 active legal entities – have declared any beneficial owner, according to our analysis of the INPI register. This means that 31 per cent have not yet declared any beneficial owner and are thus not in compliance with the law.

Our findings differ slightly from statistics provided by the French authorities. While France does not publish compliance rates, information provided during the Financial Action Task Force (FATF) Mutual Evaluation Review (MRE) in 2022 showed a compliance rate of 74 per cent.⁴⁰ Within the framework of this analysis, the authors also contacted the National Council of the Clerks of the

Commercial Courts, who have been solely responsible for collecting this data until at least December 2022. They undertook an analysis at the end of May 2023 to respond to our request and found a compliance rate of 83 per cent. They reported that a total of 4,953,548 legal entities are subject to beneficial ownership disclosure obligations and that 4,122,641 of them have complied. This means that according to their figures, 830,907 companies have yet to comply with their disclosure obligations (see Annex 1 for further detail).

An initial explanation for these discrepancies is that the statistics provided by the National Council of the Clerks of the Commercial Courts come from the dataset they maintain (Infogreffe), while our analysis is based on the information on beneficial owners available in INPI's database. As discussed earlier, INPI's database is built based on the information collected by the National Council of the Clerks of the Commercial Courts. Therefore, in theory, there should not be any discrepancy. However, according to the authorities, for a period of time, there were delays in the data transmission from the National Council of the Clerks of the Commercial Courts to INPI, which could mean that beneficial ownership disclosures had not been immediately updated in the INPI database. Taking this into account, we restricted our analysis to only companies that were active as of 15 September 2022, and then collected information on their beneficial owners – first in

January 2023 and then again in early June 2023. Therefore, our data collection allows for at least an eight-month delay in data transmission between the responsible agencies (calculated as the minimum difference in time between the day when the most recent companies registered and our collection of their beneficial owners). However, the final numbers still continue to differ from the statistics provided by the authorities.

Authorities should investigate the difference in compliance rates. Our findings align with a recent report by Open Ownership, which finds that the new API interface also has significant issues with missing data, including API data not being made fully available on the INPI website and vice versa.⁴¹

The analysis shows that compliance rates differ depending on where companies are registered. In Metropolitan France, Corsica and the Grand Est region have the lowest compliance rates, with only 59 per cent of companies registered in Corsica and 57 per cent of companies registered in the Grand Est region having declared their beneficial owner. Overseas territories lag far behind with an average compliance rate of 40 per cent, 30 points lower than the average rate in Metropolitan France. This low rate may be explained by the late introduction – in 2019 – of commercial courts' clerks in overseas territories (see Figure 4).

NUMBER OF BENEFICIAL OWNERS PER LEGAL ENTITY

Limiting the analysis to only the French companies that declared beneficial owner(s), we find an average of 1.51 beneficial owners per company. This figure is slightly higher than the 1.13 persons per company reported by Global Witness in their analysis of the UK Persons with Significant Control register in 2018.⁴² Similarly, in Latvia, analysis

undertaken by Transparency International and its national chapter shows that, as of May 2021, the average number of beneficial owners per company was 1.21.

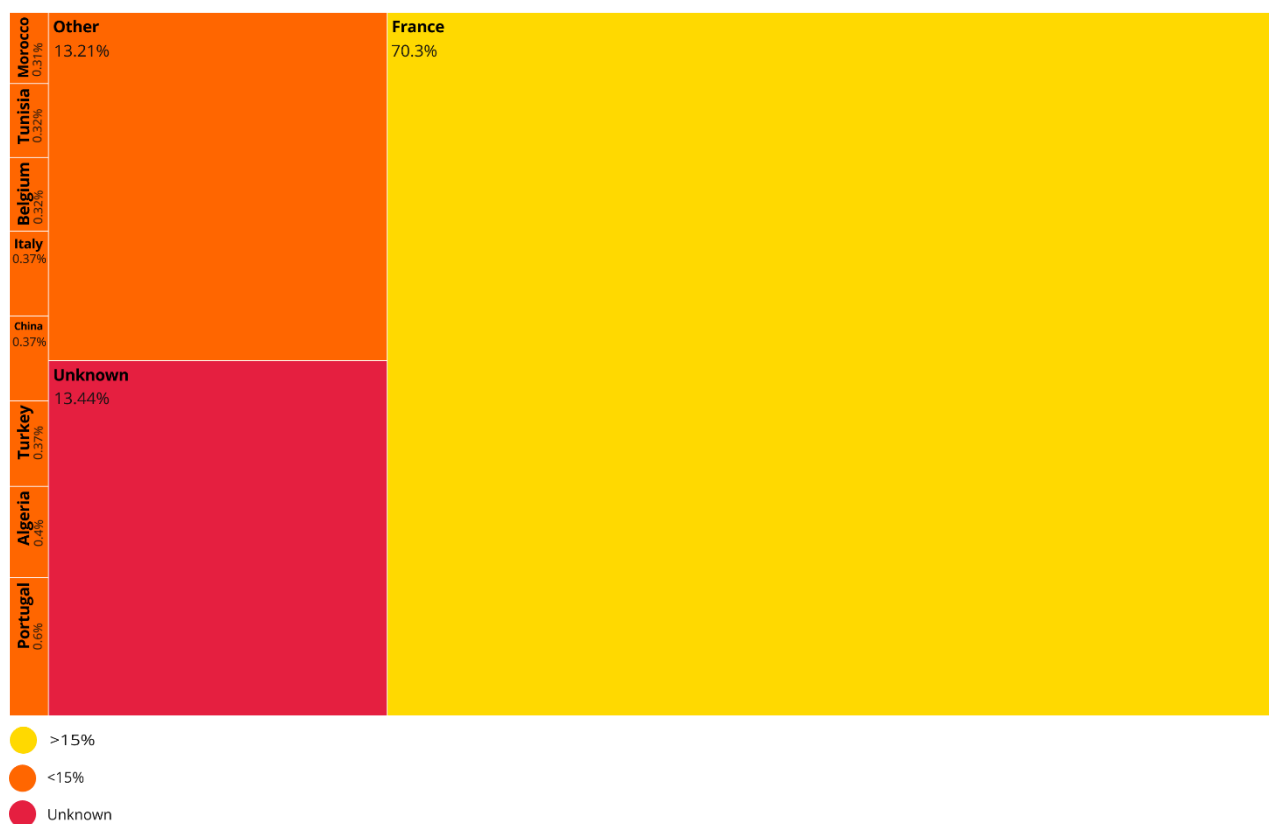
Many individuals in the dataset also appear as owners of multiple companies. The data show that 7,137 people beneficially own more than ten companies. Of those, 271 people are the beneficial owners of more than 50 companies.⁴³

Our analysis also finds that at least 5 per cent of legal entities only listed legal representatives as beneficial owners, rather than revealing the persons who truly own equity stakes and control voting. According to the law, in cases where no beneficial owner who fits the definition can be identified, the legal representative of the legal entity must declare him- or herself in such a capacity.⁴⁴ However, it is not always clear in the data whether a person listed as a beneficial owner is only a default beneficial owner or a representative who is also a beneficial owner due to his or her significant means of control according to the legislation.

NATIONALITY OF BENEFICIAL OWNERS

The majority of beneficial owners listed in the database declared their nationality as French (70 per cent), though 313,093 companies in our dataset (about 8 per cent) declared at least one non-French beneficial owner. Figure 1 shows the top nationalities represented in the full INPI data. Note that due to the decision to remove nationality from the INPI website for a period in early 2023, this information is not available for 13 per cent of the total sample analysed. The most popular non-French nationalities of declared beneficial owners are Portuguese, Italian, Algerian and Belgian. Overall, there are 190 distinct countries observed in the data.

FIGURE 1. NATIONALITIES OF FRENCH LEGAL ENTITIES' BENEFICIAL OWNERS



RED FLAGS

Compliance with beneficial ownership disclosure rules is not uniform across the array of company types operating in France. We collected company-level data and conducted a series of statistical tests to uncover patterns in terms of which kinds of firms were more or less likely to properly report owners. The results indicate that the roughly one-third of non-compliant French companies share a significant number of red flags that could in many cases indicate the very suspicious activity that the law was designed to make it harder to engage in.

1. Types of legal entities

Compliance with disclosure rules varies depending on the specific type of legal entity that each company is registered as.

Some types of legal entities are much more likely to not have declared beneficial ownership data. These include, for example, *société de droit étranger*, *société*

anonyme (only 27 per cent declared beneficial owners), *groupements d'intérêt économique* (38 per cent declared owners) and *sociétés civiles* (54 per cent declared owners). Figure 2 shows the breakdown of compliance by each type.

The *sociétés de droit étranger*, or foreign-registered companies, refer to a *succursale* – that is, a branch of a foreign company in France. Our analysis shows that ownership information is only available for 29 per cent of foreign-registered companies in the INPI register. French legislation does not impose beneficial ownership disclosure obligations on subsidiaries of foreign companies from within the EU,⁴⁵ but any foreign company from outside the EU incorporating a subsidiary in France is required to disclose this information.⁴⁶ We were unable to identify the percentage of foreign companies that are subsidiaries of companies within the EU, and the low compliance rate could be explained by a majority of foreign companies not actually being under such obligation. However, without a detailed analysis of the place of original incorporation of the company, it is not possible to establish whether the

low number could also be the result of offshore companies not complying with their obligations. In any case, given the challenges to ensure access to beneficial ownership data across member states, this exception currently applied to subsidiaries of EU companies could harm the ability of authorities and others with legitimate interest to identify the owners of entities doing business in France.

The analysis found that only 27 per cent of all registered *sociétés anonymes* (SA) have information on their beneficial owners available in the INPI register. Under French law, *sociétés anonymes*, along with *sociétés en commandite par actions*, are the only companies that can be listed on stock markets when they have at least seven shareholders. When listed, they are exempted from the beneficial ownership disclosure obligation.⁴⁷ However, this exemption can only explain a tiny part of the low reporting rate of *sociétés anonymes*. While the total of listed companies regularly fluctuates, it rarely exceeds the threshold of 1,500 companies⁴⁸ – a drop in the bucket among the 33,797 *société anonymes* registered in France. When contacted by the authors, the National Council of the Clerks of Commercial Courts presented different figures. According to them, only 13,245 *sociétés anonymes* have beneficial ownership disclosure obligations, and out of those, 8,442 have declared their beneficial owners, suggesting a compliance rate of 64 per cent. We were not able to confirm the number of *sociétés anonymes* out of the 33,797 registered in France that are indeed required to declare their beneficial owner, making it difficult to assess the figures provided by authorities. In any case, this analysis as well as the information provided by the National Council of the Clerks of Commercial Courts raises questions about the rate of compliance of those legal entities with beneficial ownership disclosure rules.

A *groupement d'intérêt économique* (GIE) is an entity with legal personality, distinct from a company or an association, whose purpose is to facilitate the economic development of its members by pooling certain aspects of their activity. Its purpose is not to make profits for itself but to facilitate, develop and increase the economic activity of its members. GIE are required to disclose their beneficial owners under a specific regime.⁴⁹ Although contrary to the legislation in force, the low reporting rate of GIEs may be because each entity constituting it has a

legal personality and has, therefore, already declared its beneficial owner.

Sociétés civiles immobilières (SCI) are a type of private limited company in France created for the purpose of owning and managing real estate properties. SCIs are particularly at risk of being abused for money laundering through the real estate sector. As acknowledged in France's NRAs of 2019 and 2023, shares in SCIs can be transferred without a notary's intervention, which makes it difficult for professionals to diligently scrutinise them under their anti-money laundering obligations. The FATE, in its latest evaluation of France published in 2022, pointed out that the use of SCIs was only superficially addressed in the NRA published in 2019.⁵⁰ The 2023 NRA also failed to elaborate further on this issue, merely pointing out that non-compliance rate with the beneficial ownership disclosure obligation for this type of legal entity is too high, particularly given the level of risk involved. Echoing this observation, our findings show that only 63 per cent of SCIs have declared their beneficial owners, one of the lowest rates across all categories of corporate vehicles. This means that despite beneficial ownership disclosure rules, SCIs remain opaque, enabling potentially shady actors to anonymously own properties in France.

The analysis also shows that SCIs that have been formed after the establishment of the beneficial ownership register are more likely to have declared their beneficial owners. SCI companies that were incorporated prior to 2020, particularly between 1970 and 2010, are less likely to have declared their beneficial owners, pointing to challenges in ensuring that pre-existing companies declare their beneficial owners (see Figure 3).

While the French government does not publish the compliance rates of legal entities, when contacted by the authors, the National Council of the Clerks of the Commercial Courts acknowledged the poor compliance with beneficial ownership disclosure rules by SCIs. However, the non-compliance rate provided by them differs slightly from the results of our analysis. They reported that less than 30 per cent of SCIs have not yet declared their beneficial owners (see Annex 1 for full statistics provided by the Council), while we found that 37 per cent of SCIs have not declared their beneficial owners.

FIGURE 2. COMPLIANCE WITH BENEFICIAL OWNERSHIP DISCLOSURE RULES BY TYPE OF LEGAL ENTITY

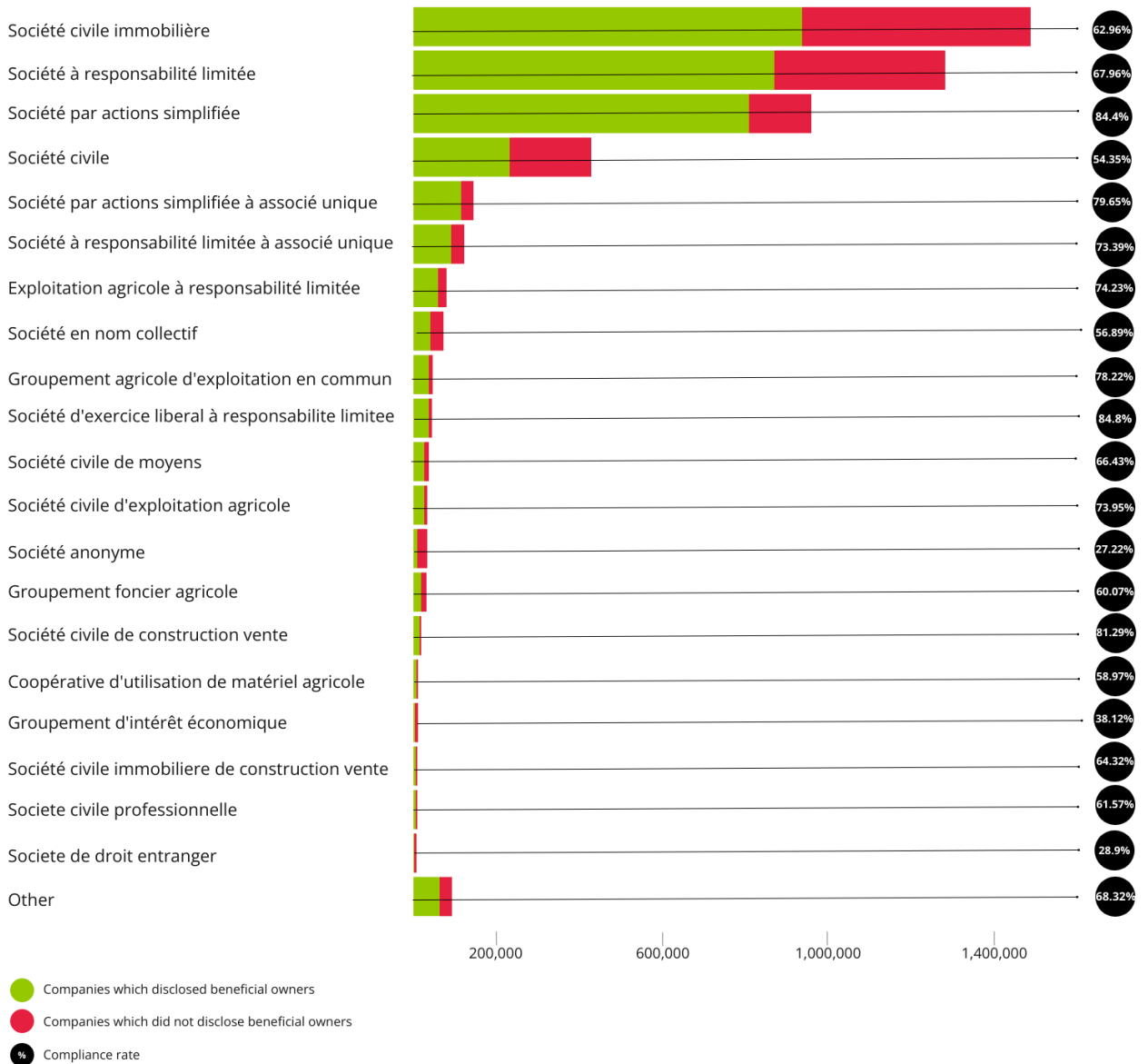
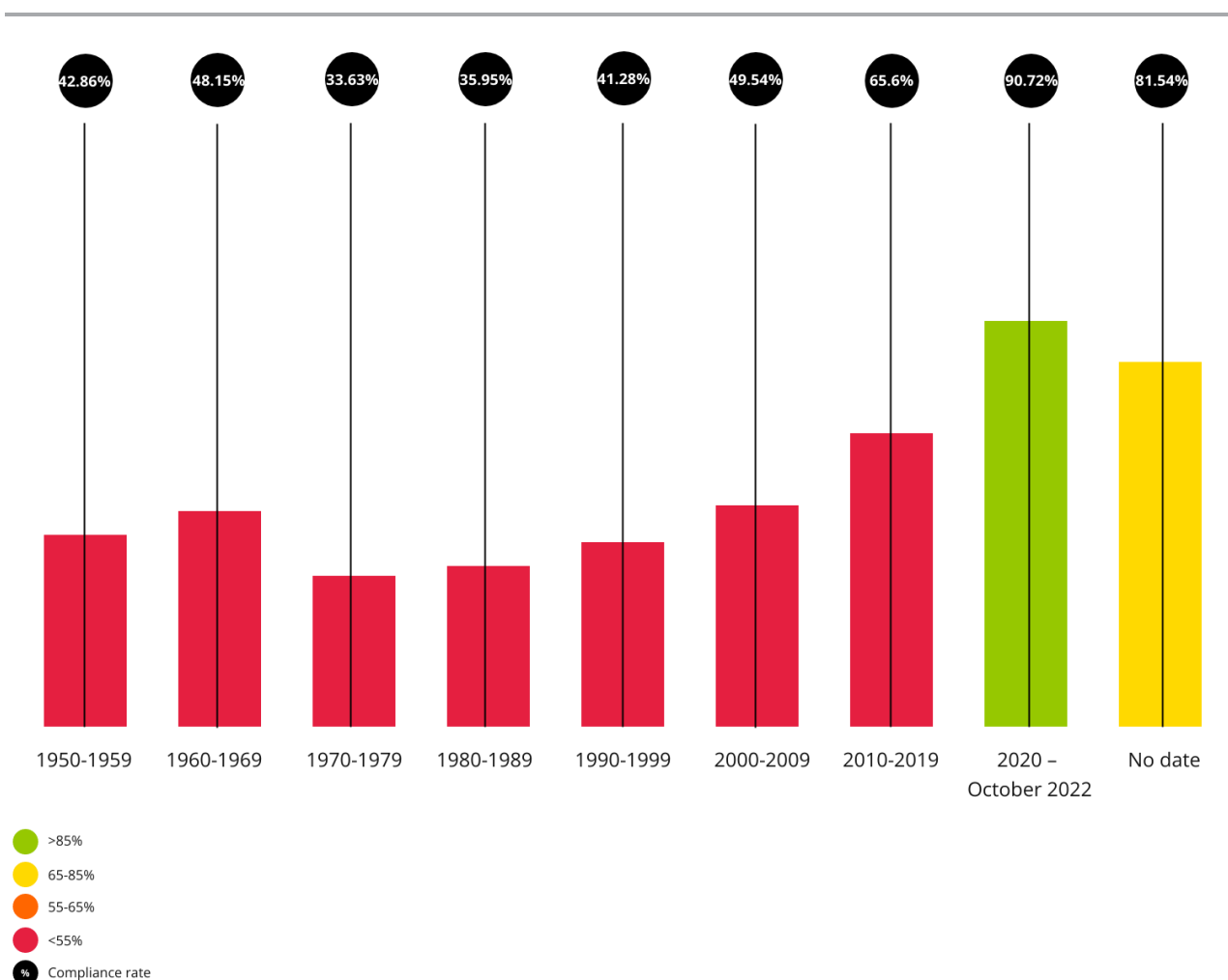


FIGURE 3. SCIS' COMPLIANCE WITH BENEFICIAL OWNERSHIP DISCLOSURE RULES BY YEAR OF CREATION



2. Location and mass addresses

The analysis also shows that companies registered at a “mass” location – that is, an address where at least 2,500 distinct firms are registered simultaneously – are much less likely to report beneficial ownership information. The FATF warns that mass registration addresses are a key structural indicator of shell companies⁵¹ and potential money laundering,⁵² which can be seen, for example, in the UK, where limited liability partnerships have been clustering in a small number of registered locations.⁵³ Across the dataset, nearly 10 per cent of companies have at least one establishment registered at such a mass address.

The analysis also shows that companies either submitting an address that does not physically exist or failing to report an address altogether are also

much less likely to have declared beneficial ownership information. Our data indicates that this problem is common across the French corporate landscape: another one-tenth of companies (9 per cent) had establishments where the address was either missing or could not be parsed at a high level of confidence using the French government’s official address standardiser (missing street number, postal code and so on).

3. Minors

There are 1,723 companies owned solely by individuals under the age of 18 as of 1 January 2023. This phenomenon of “boss babies” raises significant questions about the integrity of the data that French companies are reporting to authorities. While children are legally allowed to own companies,

minors could be used as proxies to hide the true owners, raising red flags that should be checked by authorities. For instance, a 2022 investigation by OCCRP uncovered hundreds of companies in Luxembourg which were owned by minors whose parents or relatives have criminal records or are politically exposed.⁵⁴ In France, 12,632 companies have at least one owner under the age of 18.

4. Nationality

Using data on the country of origin of all individuals connected with each company, we find that those firms with non-French representatives are less likely to report their beneficial owners, suggesting that companies managed or controlled from abroad are complying at lower rates.

Multiple citizenships and golden passports

Our analysis has uncovered that 3,675 beneficial owners appearing in the database report having multiple nationalities. We calculate this figure by counting the number of unique countries that appear for each unique name and birth month combination, the most specific information we have about each individual.

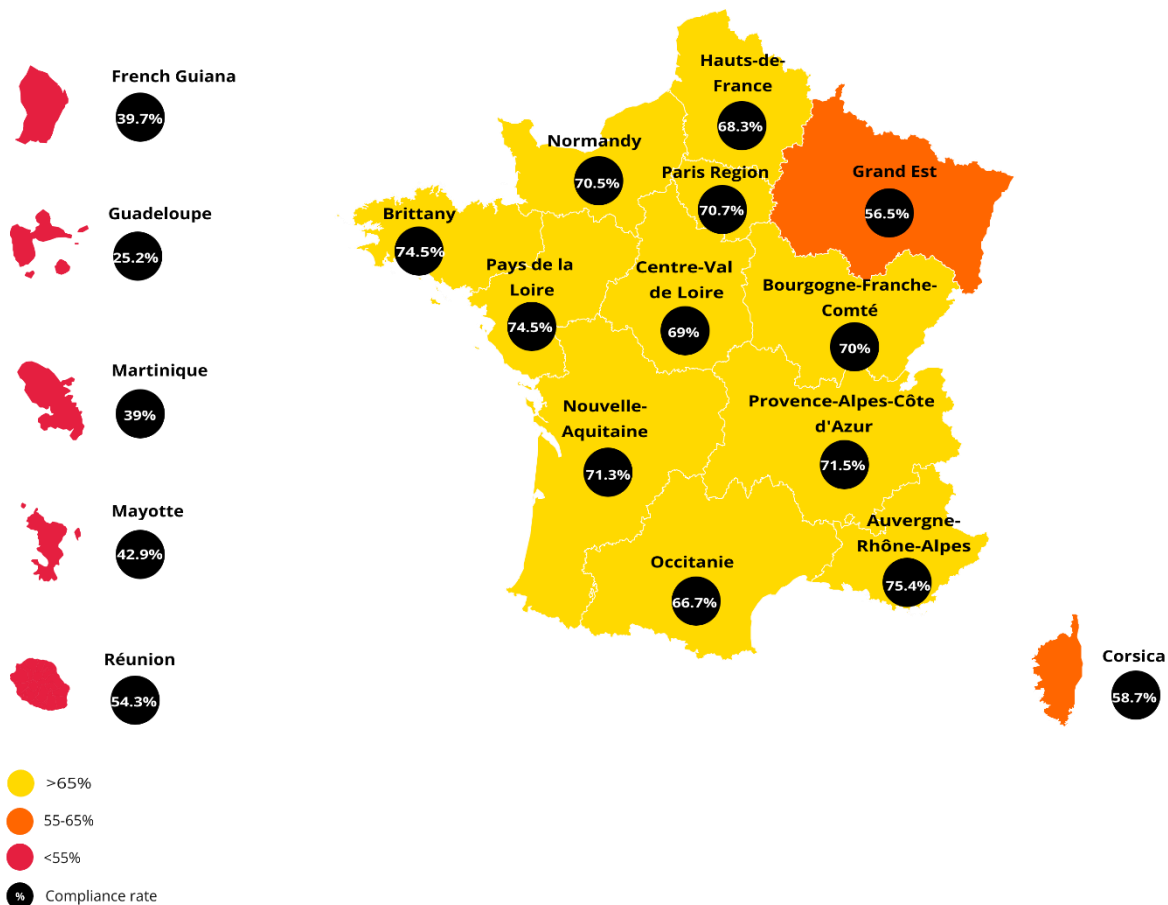
Many of these people presumably have dual citizenship and report different nationalities depending on the company through which they appear in the database. Because of the lack of verification of the beneficial owner data, it is also possible that some individuals intentionally misrepresent their country of origin to mislead regulators and investigators. The most common dual nationalities are people reporting French nationality alongside Algerian, Moroccan or Turkish nationality.

But there are also instances of potential “golden passports” – acquired through investment migration schemes – appearing in the data.

There are at least five individuals reporting both Russian and Cypriot nationality, with cases where the same beneficial owner declared different nationalities depending on the company.

In the case of Malta, as of February 2023, 55 beneficial owners had declared Maltese citizenship to the French beneficial ownership register. In at least 20 of these cases, the individuals in question are likely to have bought Maltese citizenship as their names appeared in the list of naturalised individuals in the Malta Government Gazette. In all those cases, the beneficial owner has chosen to declare only their Maltese citizenship to the register. Analysis done by the Daphne Caruana Galizia Foundation⁵⁵ shows, however, that the majority of them are originally from Russia and acquired Maltese citizenship between 2016 and 2019, just a few years after the cash-for-passports scheme was created. Some of these individuals are under sanctions by Ukrainian authorities and/or are connected to politically exposed persons in Russia.

FIGURE 4. COMPLIANCE WITH BENEFICIAL OWNERSHIP DISCLOSURE RULES BY REGION



REAL OWNERS OF CORPORATE-OWNED REAL ESTATE

In this section, we discuss corporate real estate ownership in France and what we found when we linked the data with beneficial ownership information.

The analysis of the cadastre data on real estate owned through legal entities in France allows us to better understand corporate real estate ownership in the country, including the ability to better estimate the number of properties owned through legal entities vs. directly; the main types of legal entities used to acquire real estate; and the areas in the country with a greater prevalence of corporate real estate ownership. Combining this data with other available datasets, such as the information on beneficial owners of legal entities in France, offers an opportunity to draw further insights.

PROPERTIES OWNED BY LEGAL ENTITIES

As discussed previously, the dataset of corporate real estate owners is based on the cadastre data, which does not include information on individual properties, but on parcels. One parcel can potentially include multiple properties, such as buildings and apartments, which may be owned by different owners (legal entities or individual owners). For this analysis, we used the available corporate real estate ownership cadastre data to estimate the percentage of real estate in France that is owned by legal entities. We found that 11 per cent of parcels (10.35 million out of 93 million) across France are fully or partially owned by private legal entities (as opposed to only state-owned or individually-owned).

Figure 5 shows a heatmap of the percentage of parcels within municipalities which include real estate owned by companies. As we can see,

corporate real estate ownership is particularly high in Paris, around Bordeaux and on the coast of the Mediterranean Sea.

Our analysis also shows that 30 per cent of all legal entities registered in France own real estate (1.49 million out of 4.9 million legal entities).

BENEFICIAL OWNERS OF FRENCH PROPERTIES

To create additional insights and identify the real individuals behind legal entities owning properties across France, we combined the corporate real estate ownership data with the INPI beneficial ownership register data.

The corporate-owned real estate data includes properties owned by 2.37 million different private legal entities with unique company identifiers (SIREN numbers). Using the SIREN numbers, we were able to link 1.49 million legal entities in the company and beneficial ownership register maintained by INPI. Together, they hold real estate in 6.73 million parcels – representing 65 per cent of all corporate-owned French parcels. Of these, 3.23 million parcels – or 31 per cent of all corporate-owned French parcels – are owned by private legal entities that have declared their beneficial owners in the beneficial ownership register. Properties in these 3.23 million parcels are owned by 929,469 legal entities.

We also found that foreign beneficial owners appear as the real individuals behind companies owning real estate in 199,247 parcels.

Real estate in 3.66 million parcels – 35 per cent of all corporate-owned French parcels – is owned by 559,016 legal entities that can be linked to the company register but without disclosure of their beneficial owners, making it impossible to verify the identities of the actual beneficial owners.

We were not able to link 886,357 legal entities that appear as the owners of 3.92 million parcels to the company and beneficial ownership register.

The majority of these legal entities – 717,411 – appear to have a “fictitious” SIREN number that starts with U* and cannot be located in the company register. The files of premises and parcels owned by legal persons – a document accompanying the cadastre database – states that “SIREN numbers starting with U are fictitious numbers set up by DGFIP [Treasury Department].” The authors also approached French authorities, who were not aware of the publication of such fictitious numbers. We have not received a more detailed explanation by the time of this report’s publication. These legal entities own properties across 2.42 million parcels.

There are 168,946 legal entities that appear to be registered with a regular SIREN number, but which still could not be linked to the company and beneficial ownership data. This could be related to the delays in data transmission to the INPI database as discussed above. These legal entities own real estate in 1.55 million parcels.

Lastly, there are also 7,900 parcels that include properties owned by legal entities which do not have any SIREN number registered. While there is no unique identifier available, they represent companies with 2,314 different names. A potential explanation for the lack of SIREN number could be that the legal entities in question are foreign companies without a subsidiary or branch incorporated in France. According to French rules, foreign companies can purchase real estate in France directly without the need to have local presence in the country. This is not advantageous from a tax perspective but could be the preferred option for those wanting to avoid disclosure requirements that apply to French companies, including of beneficial ownership information. Transparency International has previously noted this loophole,⁵⁶ which continues to enable corrupt individuals to remain anonymous when owning real

estate in France despite recent transparency requirements.

This analysis reveals that the beneficial owners of properties across 7.34 million out of 10.35 million corporate-owned parcels remain hidden. This means that 71 per cent of all corporate-owned French parcels contain real estate that remains anonymously held, despite recent transparency measures. These includes parcels with properties that have corporate owners in the company register but no information on their beneficial owners; parcels with properties owned by corporate owners that cannot be linked to the company register; and parcels with properties owned by corporate owners without a SIREN number.

FIGURE 5. CORPORATE-OWNED PARCELS

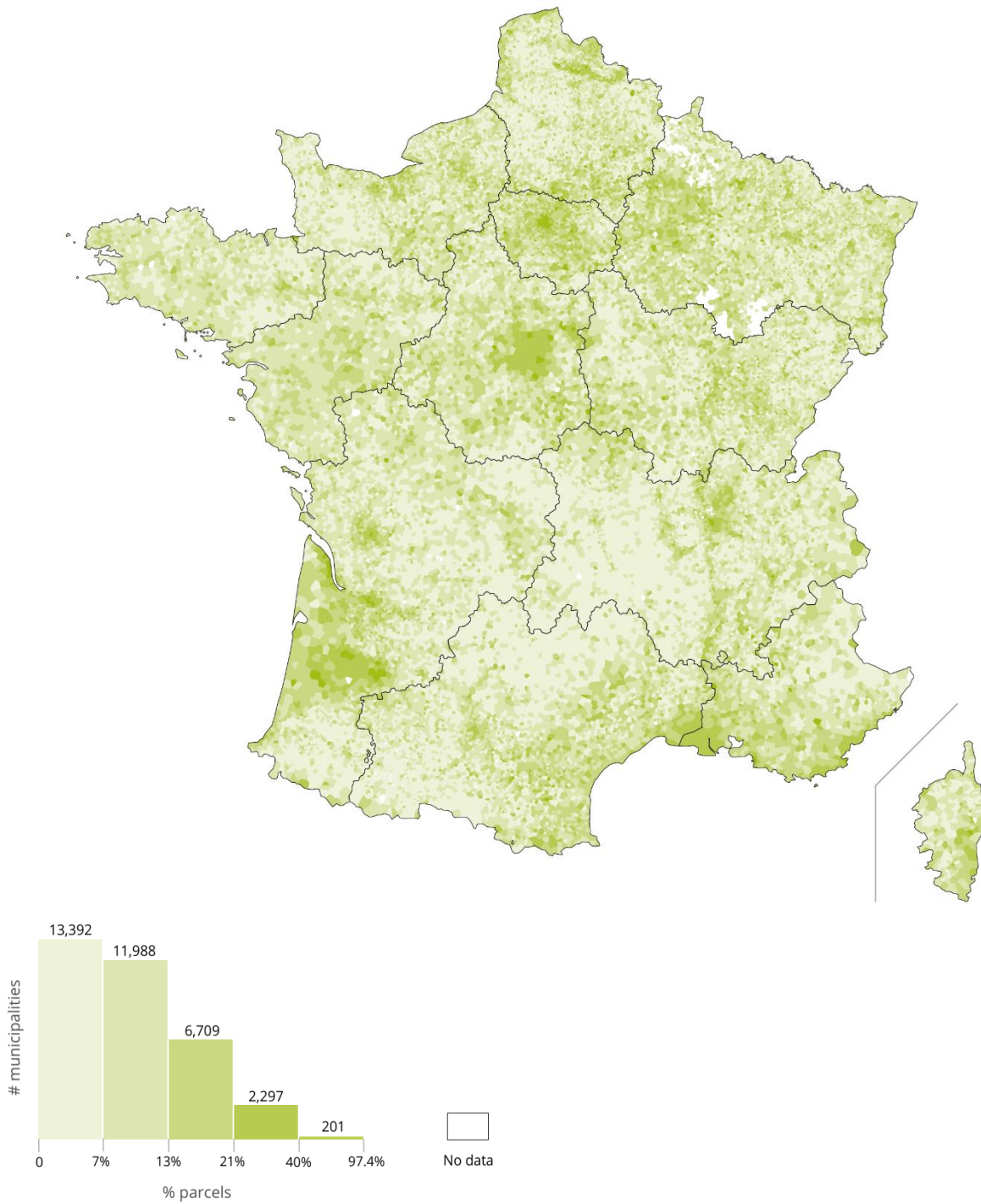
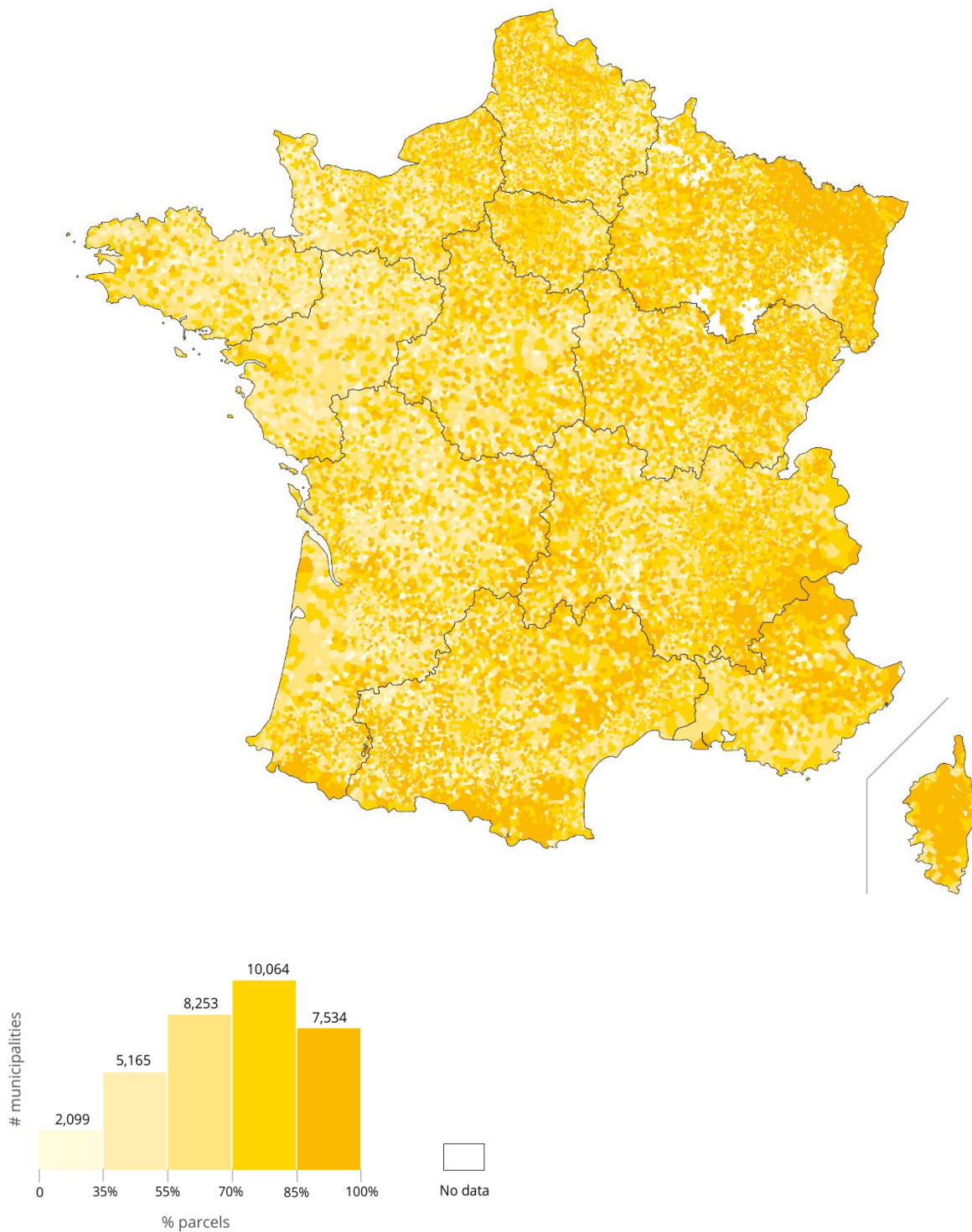


FIGURE 6. CORPORATE-OWNED PARCELS WITH HIDDEN OWNERSHIP



PREFERRED LEGAL ENTITIES FOR CORPORATE OWNERSHIP OF REAL ESTATE

The *société civile immobilière* (SCI), which is known to be a common vehicle for owning real estate properties in France, appears to be the preferred type of legal entity according to the data analysed. We identified 2.38 million different private legal entities in the corporate real estate ownership data, of which 1.32 million – 56 per cent – are SCIs. They own 2.89 million parcels across France.

However, we could only identify beneficial owners for 53 per cent of the SCIs owning real estate. These firms own real estate in 1.53 million parcels. Thirty-three per cent of the SCIs that own real estate across 1.08 million parcels have not declared their beneficial owner to the register. For 14 per cent of SCI firms that own real estate in 424,790 parcels, we were not able to identify the corresponding SCI in the INPI company and beneficial ownership register. This means that it is not possible to identify the beneficial owners for 47 per cent of SCI firms that own real estate in 1.47 million parcels.

We also analysed the prevalence of SCIs owning real estate in different areas of the country. Figure 7 shows the geographical distribution of SCI-owned real estate. Specifically, the heatmap shows the percentage of parcels in each municipality that have real estate owned by SCI companies. We can see the concentration of real estate ownership via SCI in a few hotspots, including Paris, Bordeaux and once again along the Mediterranean coast.

Within the Paris region, no beneficial owner could be identified for 72 per cent of parcels that are owned via SCIs (see Annex 4 for further detail).

The French Riviera or *Côte d'Azur* (Mediterranean coast at the extreme south-east of France) also has a significantly high rate of parcels owned by SCIs where no beneficial owner could be identified.

These two areas were identified by the 2019 and the 2023 NRA as being particularly at risk of money laundering in general, and specifically when it comes to laundering the proceeds of tax fraud, scams or large-scale drug trafficking.⁵⁷ The so-called ill-gotten gains cases in France concerning Equatorial Guinea, Syria, Gabon and Congo Brazzaville illustrate well how Parisian luxury real estate was targeted to

launder allegedly stolen funds.⁵⁸ As for the *Côte d'Azur*, potential large-scale money laundering through the purchase of luxury villas was revealed by the Pandora Papers leaks in 2021.⁵⁹ More recently, investigative journalists focusing on money laundering by politically exposed persons in the luxury property sector in France uncovered acquisitions made with money of dubious origin – once again, mainly in Paris or on the *Côte d'Azur*.⁶⁰ Many of the real estate assets of Russian elites under sanctions are also located on the Mediterranean coast.⁶¹

Furthermore, we observed that SCI-owned real estate also seems to be high in the centre of France, just south of Paris. This territory corresponds to a forest region called the “*Sologne*”. Although less well known internationally than the Mediterranean shore, this area has been popular with businesspeople since the 1950s, particularly for its hunting grounds. Many senior executives from France's CAC 40 (most significant stocks),⁶² as well as some Russian oligarchs, have residences there.⁶³ Ninety per cent of the 500,000 hectares of forest are privately owned, and the area is now covered by 4,000 km of fencing erected by private owners to demarcate their land. There are almost four hundred castles and associated grounds, with estates of up to five thousand hectares.⁶⁴

The recent FATF mutual evaluation of France highlighted the use of SCIs for the purpose of owning and managing real estate properties while concealing the identity of the beneficial owner of a property.⁶⁵ The findings of this assessment show that this continues to be the case, given the prevalence of real estate owned through this type of legal entity and its lack of compliance with beneficial ownership transparency disclosure rules.

The subsidiaries (*succursales*) of foreign legal companies in France (4,212 firms) appear to own real estate in 15,812 parcels across France. Of these, the beneficial owners could only be identified for 90 companies which own real estate in just 956 of the parcels in question (6 per cent). For those few foreign entities that declared beneficial owners, 80 per cent of companies had foreign beneficial owners. The vast majority of foreign legal entities, at least 3,898 companies owning real estate in 12,014 parcels across France, could not be found in the beneficial ownership register.

FIGURE 7. SCI-OWNED PARCELS

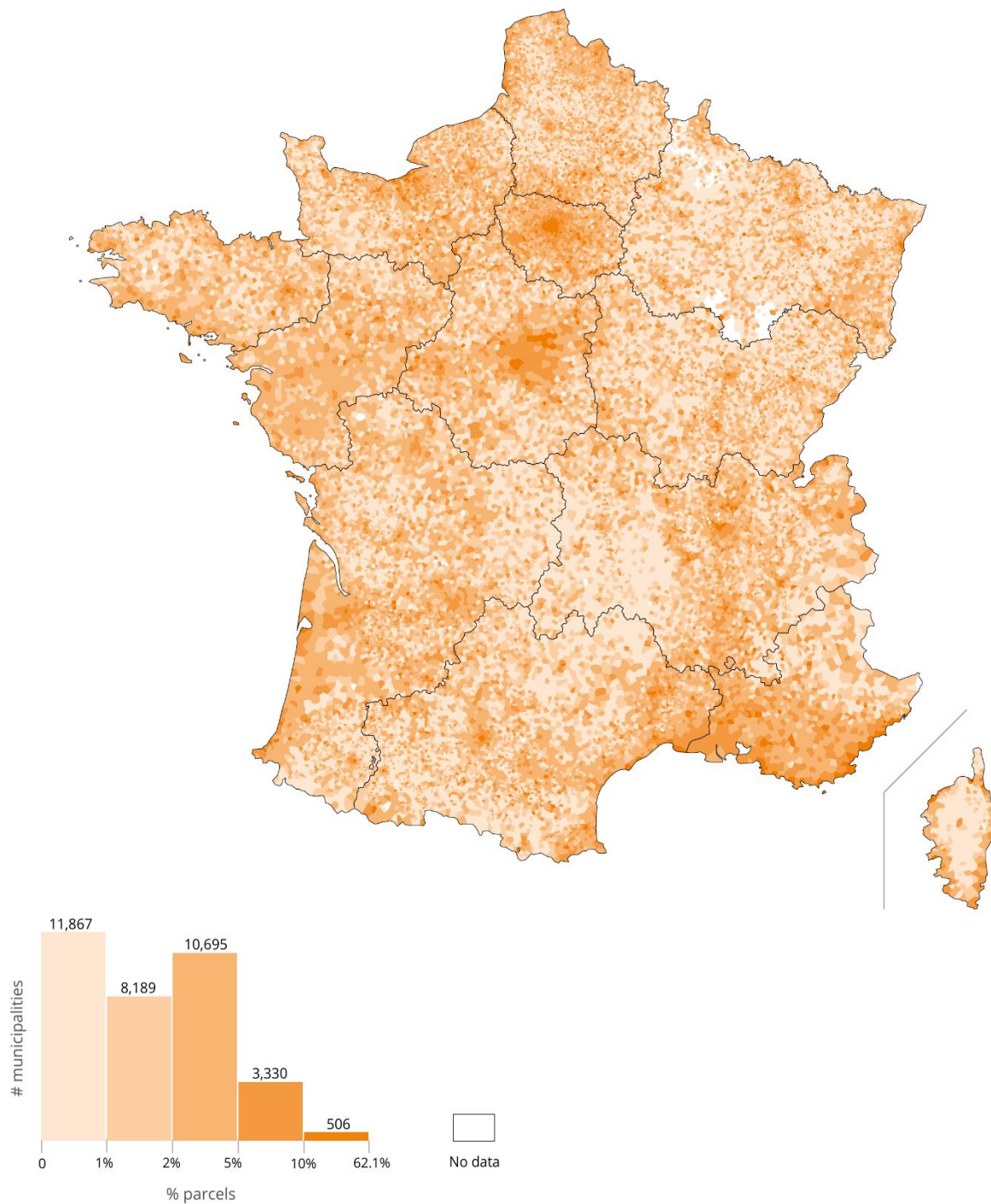
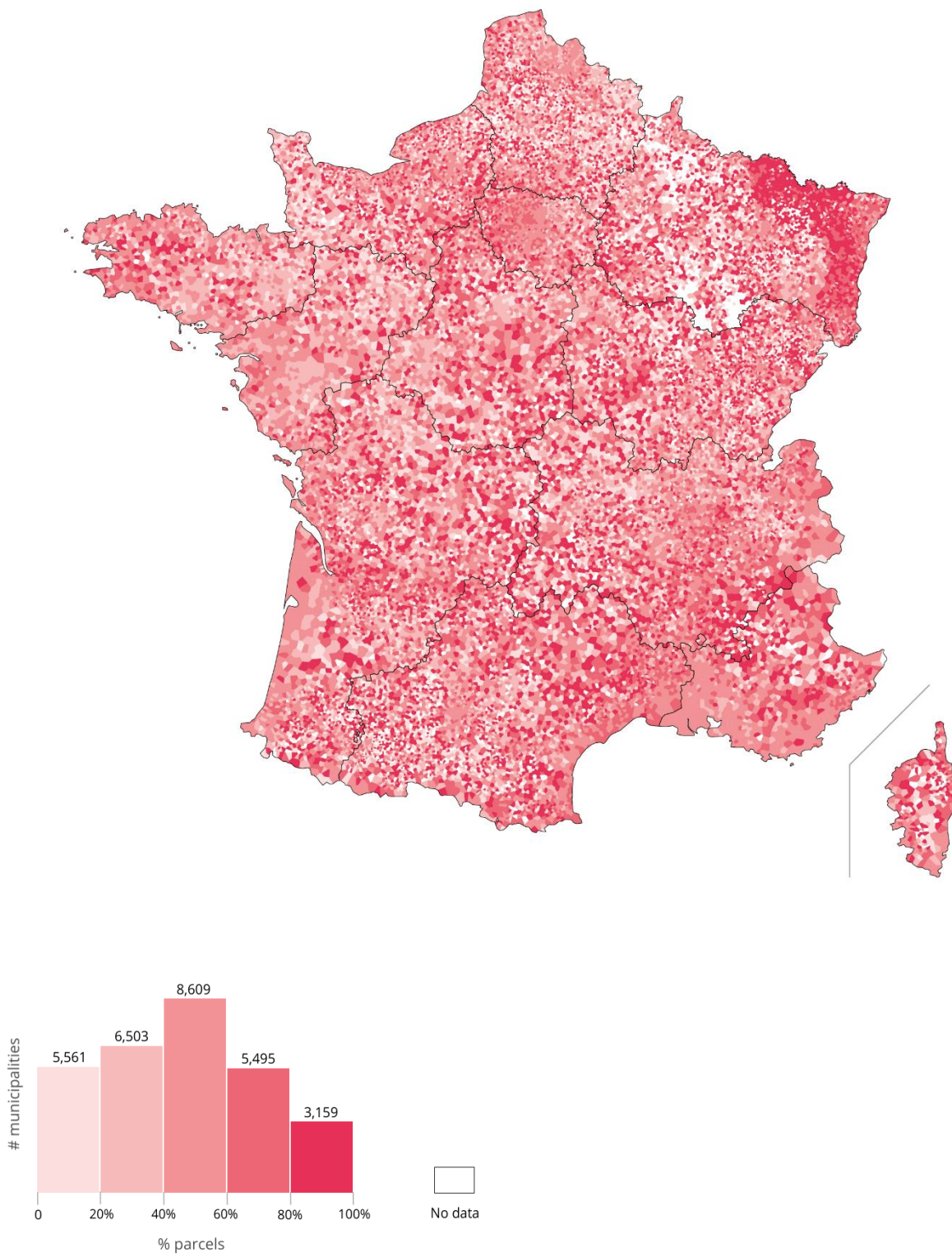


FIGURE 8. SCI-OWNED PARCELS WITH HIDDEN OWNERSHIP



Politically exposed persons (PEPs)

Russia's invasion of Ukraine has intensified public scrutiny of the financial holdings that politically connected Russians own in the West. Governments around the world have frozen assets – such as palaces, yachts and private jets – suspected to have been acquired using the proceeds of corruption or owned by politicians complicit in the war.

Using a variety of open-source materials and politically exposed person (PEP) databases, we were able to identify 166 Russian persons of public interest listed in the French beneficial ownership register (out of a total of 4,178 Russians in the database). Most of these individuals have never been reported on in the media and include Russian politicians, prominent businesspeople, bureaucrats, and journalists, as well as their close family relatives. The vast majority listed “Russian” as their nationality, although as discussed previously, 13 individuals listed other nationalities on their forms, often in addition to Russian – such as Maltese, Cypriot or Israeli.

These newly identified Russians were listed as the beneficial owners of 205 unique companies, almost half of which (42 per cent) were *sociétés civiles immobilières* and had been used to purchase real estate properties in France. Importantly, these companies were over twice as likely to be registered at a “mass” address – a key red flag.

In total, these companies own 1,093 parcels of land across the country, from villas in Saint-Tropez to ski chalets in the Alps and luxury apartments in many of Paris's most glamorous *arrondissements*.

CONCLUSIONS AND RECOMMENDATIONS

Despite the public availability of beneficial ownership and real estate data in France, authorities have much work to do to unlock the potential of these powerful transparency tools to expose and deter money laundering and other white-collar crimes.

1. Completeness rate of the French beneficial ownership register

As of June 2023, six years after the establishment of the French beneficial ownership register, 31 per cent of companies had not yet declared any beneficial owner. Our findings differ from the information provided to us by the National Council of the Clerks of the Commercial Courts, who indicated that 17 per cent of legal entities had not declared their beneficial owners by the end of May 2023.

Nevertheless, our analysis shows that non-compliant legal entities share a significant number of red flags that could in many cases indicate suspicious activity.

French authorities should:

- + Ensure adequate implementation of beneficial ownership disclosure rules.
- + Pursue entities in breach of their beneficial ownership disclosure obligations or who have submitted non-compliant filings.
- + Publish up-to-date statistics on legal entities' compliance with beneficial ownership disclosure rules and authorities' enforcement actions – such as the number and types of sanctions imposed per types of companies.

2. Access to the central beneficial ownership register

While the current access to the beneficial ownership register ensures that any member of the public can freely consult the register and search by both legal entities and beneficial owners, access should be improved for more detailed analysis, including for verification purposes, risk analysis and detection of potential misuse of legal entities. Running the present analysis required downloading and scraping over five million individual websites, as no bulk data on beneficial owners had been made available and the API set-up for automating access was nearly unusable at the time the analysis was conducted. Instead, we had to visit and download the webpage text for each company registered as of 15 September 2022 using their unique company identifier. This process took roughly six weeks to complete and required considerable computer resources, creating a significant barrier for civil society and journalists in monitoring the implementation of the beneficial ownership rules. In theory, the new API introduced by the French authorities should simplify this process, but the implementation and limitations of that method still do not allow for bulk access to the data.

French authorities should:

- + Maintain effective and unrestricted access to the central beneficial ownership register for journalists and civil society.
- + Maintain search functions, improving the search algorithm for partial queries.
- + Make beneficial ownership data available in bulk on existing public servers that house other corporate records – such as the newly established National Register of Companies.

3. Adequacy of the data in the register

Both the coverage of the register and the type of information on legal entities and beneficial owners disclosed should be improved. The data is presented in a static manner, providing only current beneficial owners, with no records of changes submitted to the registry over time. There is also no information on the legal owners, making it difficult to understand the full ownership chain and control structure. Finally, during our data collection process, government authorities removed the field containing information on the nationality of beneficial owners. The information has now been restored, but it should be noted that the absence of nationality data significantly hampers investigative efforts to identify suspicious financial flows into the country.

French authorities should:

- + Include both current and historical ownership data in public datasets.
- + Include information on legal owners, including the whole ownership chain.
- + Require companies to disclose the country where they are incorporated.
- + Maintain data on the nationality of beneficial owners in all publicly available datasets.

4. Quality of the data in the register

This analysis shows that improvements could be made to ensure the overall accuracy of the information in the register. The same beneficial owner appears using different variations of their names in the register. In some cases, the same beneficial owner provided different nationalities for the different companies they own. There are also cases where the beneficial owner seems to be the beneficiary of a so-called golden passport.

French authorities should:

- + Establish and publicise a verification mechanism to be followed by the responsible authority to check the information provided by legal entities and beneficial owners, laying out the main outcome that the verification mechanism shall achieve and the key data points that shall be checked.
- + Ensure that the electronic form used to collect information includes as many preconditioned fields as possible, which can serve to validate and constrain responses to be entered (for example, nationality, address, postal code and date of birth).
- + Collect information about all nationalities of beneficial owners.
- + Require the beneficial owner to provide an official document to confirm their identity and ensure that the name of the beneficial owner matches the name in official documents (for example, passport or identity card).
- + Cross-check information against existing government databases and registers (such as tax registers, citizenship registers, and land and vehicle registers) to validate the information provided and identify potential red flags.
- + Conduct further verification which may include manual checks using a risk-based approach, with additional checks being undertaken on higher-risk submissions.
- + Make use of analyses and statistical data on legal entities and beneficial owners to identify areas of high risk and improve domestic policies and enforcement actions.

5. High-risk legal entities

Our analysis shows that the types of legal entities that are considered high risk for money laundering are much more likely to have not declared beneficial ownership information. The analysis found that a high percentage of *sociétés civiles immobilières* (SCI) – 37 per cent – have not declared any beneficial owners. In addition, 73 per cent of all 33,000 *sociétés anonymes* (SA) registered in France do not have information on their beneficial owners in the register – an alarmingly low rate that cannot be only explained by the declaration exemptions for SAs listed on the stock exchange.

French authorities should:

- + Undertake a specific money laundering risk assessment of legal entities and arrangements operating in France, paying particular attention to the risks posed by *sociétés anonymes*, *sociétés civiles immobilières* and *succursale* of foreign-registered companies.
- + Undertake an audit of the information in the INPI register to identify cases of non-compliance, paying particular attention to cases involving *sociétés anonymes*, *sociétés civiles immobilières* and *succursale* of foreign-registered companies, and sanction those who fail to provide information or provided false data.
- + Ensure that *sociétés anonymes*, *sociétés civiles immobilières*, *succursale* of foreign-registered companies and any other corporate vehicles identified as being amenable to money laundering are subject to enhanced checks when declaring their beneficial owners to public authorities.

6. Beneficial ownership definition

In accordance with EU legislation, the beneficial owner can benefit from or control a legal entity in a variety of ways: for example, holding a controlling ownership interest of at least 25 per cent or by exercising control through other means. It is not uncommon that those wishing to hide ownership will try to circumvent the 25 per cent threshold, making it more difficult to identify the real beneficial owner. In cases where the beneficial owner cannot be identified, French rules allow for the legal representative of the legal entity in question to be disclosed instead. We found that in at least 5 per cent of the companies that fulfilled their reporting obligations, only legal representatives had been declared as beneficial owner(s). However, it is not always clear in the data whether a person listed as a beneficial owner is only a representative, so the real figure could be higher.

French authorities should:

- + Consider removing or lowering the beneficial ownership threshold. At a minimum, the ownership threshold should be determined based on an assessment of money laundering risks posed by different types of legal entities. Some sectors or legal vehicles may require a lower threshold to prevent and detect financial crimes.

- + Ensure that in cases where the beneficial owner cannot be identified, senior managers are clearly identified as managers and not as the beneficial owner in the register. A justification should be recorded in the register explaining why the manager is listed.

7. Real estate ownership and money laundering risks

Money launderers target the real estate sector everywhere to inject large amounts of dirty money into the legal economy. France is no exception. While the available data in France theoretically enables journalists, civil society and authorities to identify the real owners of French real estate, non-compliance with beneficial ownership disclosure rules and loopholes in the current framework enable real estate owners to remain anonymous. We were only able to identify the beneficial owners of corporate-owned parcels in 31 per cent of all corporate-owned French parcels.

This is particularly concerning because our analysis finds that real estate in areas known to be at high risk of money laundering are more likely to be owned by legal entities. We also found that the preferred type of legal entity used for real estate ownership, the SCI, is also among those most likely to not comply with beneficial ownership disclosure rules. In addition, we also found that foreign companies can acquire real estate directly without complying with beneficial ownership disclosure rules. Finally, for a significant number of parcels, we were not able to find even the corporate owner in the beneficial ownership register, as they appeared to own property without recording their unique identifier (SIREN number).

French authorities should:

- + Publish, on a regular basis, a sectoral risk assessment to identify, analyse and assess the specific risks of money laundering in the real estate sector, making use of available databases, including beneficial ownership data, to better understand risks.
- + Require all foreign companies that own or wish to invest in the French real estate sector to disclose their beneficial owners and report these to a government-administered register, preferably the National Companies Register maintained by INPI so that information is available in one place.

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- + Ensure that the data published in the cadastre includes legal entities' unique identifiers (SIREN numbers), investigating why this information is currently not available for a significant number of legal entities.
 - + Update, on a regular basis, the anti-money laundering guidelines for professionals in the real estate sector by Tracfin and the General Directorate for Competition Policy, Consumer Affairs and Fraud Control (*Direction générale de la concurrence, de la consommation et de la répression des fraudes*, or DGCCRF).⁶⁶
 - + Implement targeted checks by the DGCCRF of real estate agencies located in certain municipalities in the country with a large number of prestigious properties, following the example of the operation carried out in September 2022 in real estate agencies on the French Riviera.

ANNEX

ANNEX 1. DATA PROVIDED BY THE NATIONAL COUNCIL OF COMMERCIAL COURT CLERKS

The National Council of the Clerks of the Commercial Courts stated that the statistics of the commercial court registrars show the following as of 1 May 2023:

- + total entities subject to beneficial ownership disclosure obligation: 4,774,907
- + total entities up to date with their disclosure obligation: 3,827,846
- + national completion rate: 80.2%
- + total entities that have not complied with their disclosure obligation: 947,061

According to the National Council, the breakdown is as follows:

Completeness rate per company types as of 1 June 2022

Commercial companies (sociétés commerciales)	87.4%
Groupements d'intérêt économique	47.4%
Sociétés civiles	72.3%
Total	80.2%

National Council's statistics on the date of 15 September 2022

Total entities subject to beneficial ownership disclosure obligation	4,832,610
Total entities up to date with their disclosure obligation	3,921,042
National completion rate	81.14%

National Council's statistics on the date of 23 May 2023

Total entities subject to beneficial ownership disclosure obligation	4,953,548
Total entities up to date with their disclosure obligation	4,122,641
National completion rate	83.22%

Completeness rate per company types as of 23 May 2023

Commercial companies (sociétés commerciales)	89.54%
Groupements d'intérêt économique	43.8%
Sociétés civiles	74.42%
Total	83.22%

Types of sociétés civiles	# of companies obliged to disclose beneficial owner(s)	# of companies that disclosed beneficial ownership information at least once	Completeness rate
Société civile immobilière	1,523,350	1,152,072	75.63%
Société civile immobilière à capital variable	5,911	4,600	77.82%
Société civile immobilière de construction vente	10,365	8,155	78.68%
Total	1,539,626	1,164,827	75.66%

Types of Limited Liability Companies (sociétés anonymes)	# of companies obliged to disclose beneficial owner(s)	# of companies that disclosed beneficial ownership information at least once	Completeness rate
Société anonyme	13,245	8,442	63.74%
Société anonyme à conseil d'administration	2,438	2,216	90.89%
Société anonyme d'économie mixte	532	496	93.23%
Société anonyme coopérative d'intérêt collectif pour l'accession à la propriété	29	29	100%
Société anonyme à directoire et conseil de surveillance	1,010	945	93.56%
Société anonyme à objet sportif	3	2	66.67%
Société anonyme à participation ouvrière	4	3	75%
Société anonyme d'HLM à conseil d'administration	18	18	100%
Société anonyme d'HLM	40	39	97.5%
Société anonyme d'HLM à directoire et conseil de surveillance	3	3	100%
Société anonyme d'un Etat non-membre de la CE ou non partie à l'accord sur l'Espace économique européen	111	64	57.66%

ANNEX 2. NATIONALITIES REPRESENTED IN THE FRENCH BENEFICIAL OWNERSHIP REGISTER

Nationality	# of beneficial owners	% of total
France	3,708,477	70.3%
Unknown	709,063	13.44%
Portugal	31,477	0.6%
Algeria	21,137	0.4%
China	19,589	0.37%
Turkey	19,355	0.37%
Italy	19,323	0.37%
Belgium	16,815	0.32%
Tunisia	16,746	0.32%
Morocco	16,567	0.31%
Other	696,941	13.21%

ANNEX 3. COMPLIANCE WITH BENEFICIAL OWNERSHIP DISCLOSURE RULES BY TYPE OF LEGAL ENTITY

Type of legal entity	# of legal entities	# of legal entities that disclosed beneficial owner(s)	# of legal entities that did not disclose beneficial owner(s)	% of companies that disclosed beneficial owner(s)
Société civile immobilière	1,467,785	924,170	543,615	62.96%
Société à responsabilité limitée	1,263,855	858,873	404,982	67.96%
Société par actions simplifiée	946,540	798,848	147,692	84.40%
Société civile	422,133	229,441	192,692	54.35%
Société par actions simplifiée à associé unique	143,597	114,370	29,227	79.65%
Société à responsabilité limitée à associé unique	121,029	88,829	32,200	73.39%
Exploitation agricole à responsabilité limitée	78,869	58,548	20,321	74.23%
Société en nom collectif	71,263	40,545	30,718	56.89%
Groupement agricole d'exploitation en commun	45,773	35,805	9,968	78.22%
Société d'exercice libéral à responsabilité limitée	43,454	36,851	6,603	84.80%
Société civile de moyens	37,424	24,862	12,562	66.43%
Société civile d'exploitation agricole	33,829	25,016	8,813	73.95%
Société anonyme	33,797	9,200	24,597	27.22%
Groupement foncier agricole	30,482	18,310	12,172	60.07%
Société civile de construction vente	17,800	14,470	3,330	81.29%
Coopérative d'utilisation de matériel agricole	10,877	6,414	4,463	58.97%
Groupement d'intérêt économique	10,770	4,105	6,665	38.12%
Société civile immobilière de construction vente	9,950	6,400	3,550	64.32%
Société civile professionnelle	8,972	5,524	3,448	61.57%
Société de droit étranger	7,513	2,176	5,337	28.96%
Other	92,111	62,928	29,183	68.32%

ANNEX 4. TOP 10 DEPARTMENTS BASED ON THE SHARE OF PARCELS THAT INCLUDE REAL ESTATE OWNED BY SCI

Department	# of SCI owning real estate	% of SCI owning real estate without identifiable beneficial owner	# of parcels with real estate owned by SCI	% of all parcels with real estate owned by SCI	% of all parcels with real estate owned by SCI without identifiable beneficial owner
Paris	75,452	51.15%	37,817	48.61%	35.07%
Hauts-de-Seine	28,308	45.74%	19,542	12.34%	7.36%
Seine-Saint-Denis	23,488	45.26%	22,781	9.95%	5.14%
Val-de-Marne	23,189	46.63%	20,508	9.8%	5.47%
Bouches-du-Rhône	50,845	43.63%	69,525	7.42%	3.71%
Var	40,554	48.77%	60,626	6.6%	3.7%
Alpes-Maritimes	41,800	48.36%	45,347	5.78%	3.4%
Vaucluse	16,613	48.38%	41,293	5.13%	2.62%
Rhône/Lyon	38,741	46.47%	47,149	5.03%	2.75%
Val-d'Oise	17,127	54.1%	23,700	4.77%	2.8%

ENDNOTES

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- ⁴ Freudenthal, E., Guégan, Y., Emmel, C., Pfenniger, K. and Van der Weide, Y. (7 March 2022). Des biens immobiliers d'une valeur de 350 millions d'euros : la belle vie des oligarques russes en France (Le Nouvel Obs). Available at: <https://nouvelobs.com/guerre-en-ukraine/20220307.OBS55397/la-belle-vie-des-oligarques-russes-sur-la-riviera-une-soixante-de-biens-immobiliers-d-une-valeur-de-350-millions-d-euros.html>
- ⁵ See, for example, Freudenthal, E. et al. (7 July 2022). After having cross-analysed the *Fichiers des locaux et des parcelles des personnes morales* and the beneficial ownership register, journalists identified real estate properties owned by foreign politically exposed persons. They compared their findings with various datasets, such as Interpol red notices, for wanted persons and US sanction lists. Then investigated people appearing on both lists and demonstrated that, in some cases, money used to buy real estate was of dubious origin.
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- ⁷ Romain, M., Vaudano, M., El Drissi, A., Sénécot, A. and Michel, A. (5 January 2023). Transparence financière: la France suspend discrètement son registre des bénéficiaires effectifs de sociétés (Le Monde). Available at: https://lemonde.fr/les-decodeurs/article/2023/01/05/transparence-financiere-la-france-suspend-en-catimini-son-registre-des-beneficiaires-effectifs-de-societes_6156758_4355770.html
- ⁸ Starting from 1 January 2023, the government has introduced a one-stop shop for all their formalities and a single register recording this information, the National Business Register (in French: Registre National des Entreprises, RNE). Available at: www.formalites.entreprises.gouv.fr
- ⁹ Ministry of Finance of France (19 January 2023). Registre des bénéficiaires effectifs : Maintien de l'accès au grand public. Available at: <https://presse.economie.gouv.fr/19012023/>
- ¹⁰ Fraiha Granjo, A., Martini, M. and Sipos, G. (2023). Beneficial ownership registers in the EU: Progress so far and the way forward (Network of Experts on Beneficial Ownership Transparency Policy Paper 5, Publications Office of the European Union. European Commission, Directorate-General for Financial Stability, Financial Services and Capital Markets Union). Available at: <https://transparency.org/en/projects/civil-society-advancing-beneficial-ownership-transparency/publications-and-resources>
- ¹¹ The INPI portal also includes data on over 1 million individual entrepreneurs (businesspeople or *auto-entrepreneurs*), which we did not analyse in this study. We included all companies that were registered before 15 September 2022.
- ¹² Le site national des adresses (government website). <https://adresse.data.gouv.fr/>
- ¹³ Fichiers des locaux et des parcelles des personnes morales (government website). Available at: <https://www.data.gouv.fr/fr/datasets/fichiers-des-locaux-et-des-parcelles-des-personnes-morales/>
- ¹⁴ The analysis by Open Ownership of the new application programming interface (API) created by the French authorities to facilitate access to company data suggests that not all data stored in the French government is being made available on the INPI website. Besides the data being incomplete, the authors note that the API suffers from a host of other issues, including a daily quota that is too low to make bulk analysis accessible and various bugs that make the API nearly unusable. See: Pugh, S. A. and Howard, E. (2 June 2023). More work needed to make France's beneficial ownership data easy to use, (Open Ownership). Available at: <https://openownership.org/en/blog/more-work-needed-to-make-frances-beneficial-ownership-data-easy-to-use>
- ¹⁵ See the INPI website: <https://data.inpi.fr>. It should be noted that access via the www.infogreffe.fr website has not been restricted and remains open pending the implementation of a specific access procedure based on legitimate interest.

- ¹⁶ Ministry of Finance of France (19 January 2023)
- ¹⁷ Article L. 561-47 of the Monetary and Financial Code of France
- ¹⁸ Article L. 561-47-1, paragraph 1
- ¹⁹ Article L. 561-47-1, paragraph 2
- ²⁰ Article L561-48
- ²¹ Article L.574-5
- ²² Article L.574-6
- ²³ Conseil d'orientation de la lutte contre le blanchiment es capitaux et le financement du terrorisme (COLB) (September 2019). National risk assessment (NRA): pp. 73 ff. Available at: <https://tresor.economie.gouv.fr/Articles/2019/09/20/le-conseil-d-orientation-de-la-lutte-contre-le-blanchiment-de-capitaux-et-le-financement-du-terrorisme-approuve-l-analyse-nationale-des-risques-anr-en-france>
- ²⁴ COLB (January 2023). NRA: pp. 145 ff. Available at: <https://presse.economie.gouv.fr/14022023-publication-de-l-analyse-nationale-des-risques-de-blanchiment-de-capitaux-et-de-financement-du-terrorisme-anr-bc-ft/>
- ²⁵ Articles 561-2 8°, 13° and L.561-15 of the Monetary and Financial Code of France
- ²⁶ Notaries sent to TRACFIN 2,670 reports of suspicions in 2022 – an increase of 45 per cent compared to 2021. Real estate professionals sent to TRACFIN 440 reports of suspicions in 2022 – an increase of 29 per cent compared to 2021. TRACFIN (June 2023). AML/CFT: Reporting entities activity, 2022 review: pp. 35-36 and 49-50. Available at: https://economie.gouv.fr/files/2023-06/TRACFIN_2022_EN_Web.pdf
- ²⁷ TRACFIN (June 2023): p. 14
- ²⁸ TRACFIN (June 2023): pp. 35-36 and 49-50
- ²⁹ TRACFIN (June 2023): pp. 35-36 and 49-50
- ³⁰ Martini, M. and Van der Merwe, T. (18 December 2020). Real Estate Data, Shining a Light on the Corrupt. (Berlin: Transparency international). Available at: <https://www.transparency.org/en/publications/real-estate-data-shining-a-light-on-the-corrupt>
- ³¹ Etalab. Demande de Valeur Foncière. Available at: <https://app.dvf.etalab.gouv.fr>
- ³² See forms 32.33 SD and 32.36 SD. Available at: https://www.impots.gouv.fr/sites/default/files/formulaires/3233-sd/2020/3233-sd_2903.pdf; https://www.impots.gouv.fr/sites/default/files/formulaires/3236-sd/2019/3236-sd_2773.pdf
- ³³ The 41.5 million observations in the data contain real estate in 16.99 million parcels. Based on cadastral data, we estimate that France has approximately 93 million cadastral units in total. Thus, 18.3 per cent of French parcels include real estate owned by legal entities. Once we subset the data to exclude state institutions, we are left with 31.6 million observations in 10.35 million unique parcels, meaning that 11 per cent of French parcels include real estate owned by private companies.
- ³⁴ Forthcoming analysis by Transparency International
- ³⁵ Navalny, A. (21 December 2017). Доказываем, что Песков — коррупционер. Квартира в Париже за 1,7 миллионов евро. Available at: <https://navalny.com/p/5673/>
- ³⁶ See the list of sanctioned individuals by jurisdiction available by the Nowhere to Run campaign: <https://nowheretorun.org>
- ³⁷ See SIRIUS company page on the INPI database under the section “Beneficial owners”: <https://data.inpi.fr/entreprises/820889269?q=820889269#documents>
- ³⁸ See SIRIUS company page on the INPI database under the section “Documents associés”: <https://data.inpi.fr/entreprises/820889269?q=820889269#documents>
- ³⁹ The register of beneficial owners was launched in August 2017. From this date, all newly created companies must fulfil their obligation to declare their beneficial owner. Previously registered companies had until 1 April 2018 to declare their beneficial owners.
- ⁴⁰ The clerks of the commercial courts reported to the FATF evaluators that when France implemented its beneficial ownership register in 2017, they sent information and reminder letters (more than 2.2 million in 2018 and 2019) to the previously registered entities, asking them to formally declare their beneficial owners. By the FATF evaluators’ on-site visit in July 2021, 74.2 per cent of the previously registered companies had completed their new obligations. As noted by the FATF, despite the penalties (fine and imprisonment) for failing to provide the required information to the register, four years after the introduction of the register of beneficial ownership, a quarter of the companies already recorded (excluding natural persons – 1,286,357) still had not transferred or provided information on their beneficial owner under the new registration framework. See: FATF, Mutual Evaluation of France (May 2022): p. 207
- ⁴¹ Pugh, S. A. and Howard, E. (2 June 2023)

- ⁴² Global Witness (July 2018). The companies we keep: What the UK's open data register actually tells us about company ownership. Available at: <https://globalwitness.org/en/campaigns/corruption-and-money-laundering/anonymous-company-owners/companies-we-keep>
- ⁴³ A large number of individuals not only have expansive ownership portfolios across companies, they also can serve as “representatives” (i.e. officers) of many different firms. For example, our analysis shows that there are 15,866 people who serve as representatives for more than 10 unique companies.
- ⁴⁴ Article R561-1 of the Monetary and Financial Code, this solution applies only when there is no suspicion of money laundering or financing of terrorism related activities.
- ⁴⁵ See Article L.561-45-1.1° of the Monetary and Financial Code of France, which stipulates that branches in France of companies subject to disclosure requirements that comply with EU law or that are subject to equivalent international standards guaranteeing adequate transparency for information relating to ownership of capital are exempt from the obligation to declare their beneficial owners.
- ⁴⁶ Article L. 561-46 of the Financial and Monetary Code of France
- ⁴⁷ Information on share ownership is made public by the companies themselves on their websites and by the Autorité des marchés financiers (AMF) on its Base des Décisions et Informations Financières (BDIF). See: <https://bdif.amf-france.org>
- ⁴⁸ For instance, in 2017, there were 641 French companies listed on the Euronext and Euronext Growth markets. See: Fay, P. (8 February 2018). Bourse : la cote parisienne continue de s'appauvrir (Les Echos). Available at: <https://lesechos.fr/2018/02/bourse-la-cote-parisienne-continue-de-sappauvrir-983974>
- ⁴⁹ Article L.561-46 and article R. 561-3 of the Financial and Monetary Code of France
- ⁵⁰ FATF (May 2022): p. 48
- ⁵¹ FATF and Egmont Group (2018), Concealment of Beneficial Ownership: p. 185. Available at: <https://fatf-gafi.org/en/publications/Methodsand Trends/Concealment-beneficial-ownership.html>
- ⁵² FATF and Egmont Group (2020). Trade-Based Money Laundering – Risk Indicators: p. 3. Available at: <https://www.fatf-gafi.org/en/publications/Methodsand Trends/Trade-based-money-laundering-indicators.html>
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- ⁵⁶ Freigang, V. and Martini, M. (May 2022). Up to the Task? The State of Play in Countries Committed to Freezing and Seizing Russian Dirty Money (Berlin: Transparency international). Available at: <https://transparency.org/en/publications/up-to-the-task-freezing-seizing-russia-dirty-money>
- ⁵⁷ COLB (September 2019): p.73-74 and 76; COLB (January 2023). NRA: p. 146 and 152
- ⁵⁸ Transparency International France. Biens mal acquis (website page). Available at: <https://transparency-france.org/aider-victimes-de-corruption/biens-mal-acquis/>
- ⁵⁹ El Idrissi, A. (1 March 2023). One villa seized and multiple investigations opened: French sanctions against Russian oligarchs begin to bear fruit (Le Monde). Available at: https://www.lemonde.fr/les-decodeurs/article/2023/03/01/une-villa-saisie-et-dix-sept-enquetes-ouvertes-les-sanctions-contre-les-oligarques-russes-commencent-a-porter-leurs-fruits-en-france_6163762_4355770.html
- ⁶⁰ Freudenthal, E. et al. (7 July 2022)
- ⁶¹ Freudenthal, E. et al. (7 March 2022)
- ⁶² Chol, E. (22 August 2005). Grandes chasse entre amis (L'Express). Available at: https://lexpress.fr/economie/grandes-chasses-entre-amis_484803.html
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- ⁶⁴ France Culture (23 September 2022). *Les enjeux territoriaux : Chasse en Sologne : aristocratie et grands patrons se partagent la forêt*
- ⁶⁵ FATF (May 2022): p. 48
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