When is KYC required in Spanish real estate?

Seller vs Buyer | Legal requirements, practical scenarios & recommended timing

THE RULE

Identify and verify everyone who takes part in the deal — before the relationship starts or the deal is executed. **No KYC, no deal.**

Ley 10/2010 arts. 3, 4 and 7.3

When must you do KYC?

Required by law · Start (best practice) · Not yet · PropComply step

	1 First contact	2 Mandate & viewings	3 Offer	4 Reservation & deposit	5 Purchase agreement	6 Completion
SELLER *Usually your client*	NOT YET No relationship yet.	REQUIRED Verified and screened at signing, before marketing. **Initial KYC done**	REQUIRED Done. Update if anything changes. **Send Full KYC**	REQUIRED Done. Money paid to anyone but the seller = red flag.	REQUIRED * Full CDD: source of wealth, where the proceeds go. **Full KYC done**	REQUIRED Complete. Keep records for 10 years. **Re-screen**
BUYER *Even if not your client*	NOT YET Contact details are enough.	NOT REQUIRED YET You may start. Warning signs: KYC at once. **Optional: Initial KYC**	START KYC Start now — screening hits take time to resolve. **Send Initial KYC**	REQUIRED * Identity verified and screened before signing or paying. **Initial KYC done**	REQUIRED * Full CDD: source of funds, risk rating, EDD if needed. **Full KYC done**	REQUIRED Complete. You stay responsible even if the notary checks. **Re-screen**

WHAT TO FOCUS ON **Buyer:** where does the money come from? **Seller:** how was the property acquired — and where do the proceeds go?

INITIAL KYC IS NOT ENOUGH — go straight to Full KYC (and EDD) at the mandate (seller) or before the reservation (buyer) if: the client is a company (art. 4) · PEP, sanctions or high-risk country (arts. 14, 11.1) · third-party or cash payments · warning signs (art. 7.1) · ID cannot be verified (art. 7.3).

** Ley 10/2010 arts. 3.2 and 4.1: identity and beneficial owner must be verified before the relationship starts (seller: the mandate) or the deal is executed (buyer: the law names no stage — reservation/deposit is the latest defensible point). The depth of the remaining checks is risk-based (art. 7.1) and should be complete before the purchase agreement.*

KYC the buyer straight away when…

Even if only the seller is your client

The buyer pays a deposit into your account
Verify before you accept the money.

Someone else pays for the buyer
Identify the payer too — and ask why.

The buyer is a company
Identify the beneficial owner behind it (art. 4).

Someone signs for the buyer
Power of attorney: identify both people.

You draft or manage the reservation
You are part of executing the deal.

The buyer becomes your client
E.g. a property-finder agreement.

Warning signs — even before KYC
Cash, someone else paying, buying unseen, rush or secrecy (art. 7.1).

Legal basis
Art. 3: everyone who takes part in the deal — not only your client.

Higher risk? Go deeper.

National Risk Assessment 2026: real estate is rated a substantial ML risk. Private buyers and sellers never qualify for simplified CDD (RD 304/2014 arts. 15–16).

PEPs and EU high-risk countries: enhanced checks are mandatory (arts. 14, 11.1). They usually surface only once KYC has started — start early.

Non-resident, foreign funds, companies, high net worth: risk factors, not automatic high risk. Assess each client's combination; go deeper where risk is higher (art. 11.2).

Sanctions: screen both parties — a sanctioned seller's property may be frozen.

Suspicion: review in writing (art. 17), report to SEPBLAC if indications remain (art. 18), do not execute (art. 19), never tip off (art. 24).

The simplest safe rule

KYC both buyer and seller on every deal.

It is the safest reading of today's law — and from 10 July 2027 it is the law: under EU Regulation 2024/1624 both parties are your customers (art. 19(6)(c)). Verify after the seller accepts an offer, always before money or property moves (art. 23(1)).

Two agencies on one deal? You may rely on the other agency's KYC (art. 8) — but you keep full responsibility.

CostaAML Compliance Spanish AML expertise, advisory and regulatory guidance · costaamlcompliance.com

PropComply Digital KYC/CDD and AML workflow infrastructure for Spanish real estate · propcomply.com

Simplify KYC. Strengthen Compliance. Improve the Client Journey.

General guidance based on Ley 10/2010 and RD 304/2014 as in force in November 2026 — not legal advice. Article references: Ley 10/2010 unless stated otherwise.