



PRESS RELEASE

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SECP revamps regulatory framework for real estate investment trusts

ISLAMABAD, December 4: In continuation of its efforts to foster growth of real estate investment trusts (REITs), the SECP has revamped regulatory framework by introducing significant amendments to the Real Estate Investment Trusts Regulations, 2015.

The amendments are aimed at providing more conducive regulatory environment for establishment of formal real estate sector in the country thus promoting documentation of the economy. The Commission approved these amendments following a comprehensive review of the regulations, primarily focusing on simplified regulatory requirements, unitholders' protection and industry dynamics.

The SECP conducted extensive consultations with stakeholders, including REITs management companies, Mutual Funds Association of Pakistan and trustee to revisit the existing regulatory framework for REITs. The proposed amendments were also notified to solicit public comments and the public feedback has been taken into account.

The amendments include the concept of private investors along with eligibility criteria to invest in REIT scheme; introduction of grace period for mandatory listing; requirement of valuation from two separate valuers at the time of transfer of real estate to REIT scheme, enhancing RMCs capacity to borrow and issuance of right units. It is important to mention that in case of major decisions pertaining to REITs, the requirement of unitholders' approval has also been prescribed to protect their interest and enhance their role and participation in the decision making process.

It is expected that the amendments will help promote formal real estate sector in Pakistan in particular and develop economy in general. The amended regulations have been placed on the SECP's website www.secp.gov.pk for public dissemination.