



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

PRESS RELEASE

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SECP prioritizes development of real estate investment trusts

Islamabad, June 26: The SECP Chairman, Mr. Farrukh Sabzwari, met with a delegation of ISE Towers REIT Management Company Limited led by its chairman, Mr. Zahid Latif Khan. The meeting deliberated upon a number of measures for the development of real estate investment trusts (REITs). These included measures for ease of doing business, reducing cost of doing business, regulatory and taxation reforms etc.

The meeting discussed issues related to cost associated with transfer of property to a REIT scheme, permissible businesses, listing requirements, tax on dividend from REIT scheme and capital gain tax. Welcoming the suggestions of the delegation, Mr. Sabzwari assured it of the SECP's full support in addressing practical issues that might have been hampering the growth of REITs.

The SECP Chairman also briefed the delegation on various amendments that have already been made to the Real Estate Investment Trust Regulations, 2015, focusing on simplified regulatory requirements, unitholders' protection and industry dynamics. Major amendments to the regulations include the concept of private investors along with eligibility criteria to invest in a REIT scheme, the introduction of a grace period for mandatory listing, enhancing RMC's capacity to borrow and issue right units. He further highlighted that the basic idea behind the said amendments was to promote ease of doing business and reducing the cost of REIT business. The revamped regulatory framework for REITs is likely to help in providing more conducive regulatory environment for the establishment of formal real estate sector in the country coupled with enhanced documentation in the economy.

It is expected that the above-mentioned amendments would help in promoting formal real estate sector in Pakistan in particular and the development of economy in general. The SECP Chairman also proposed holding of a roundtable next month to engage a wider group of stakeholders to seek proposals for the development of REITs.