



# PSE Amended Listing Rules on REITs

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# PH REIT Requirements

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The **PSE Amended Listing Rules on REITs** are in accordance with the requirements under the **REIT Act** and its **Revised IRR**. The **general listing rules** of the Exchange likewise apply.

REITs must have at least **1/3 public float** (*i.e.*, 1/3 of outstanding capital stock owned by at least 1,000 shareholders each owning at least 50 shares). (Sec. 8.1, REIT Act).

Previous industry concerns on **MPO (minimum public ownership)** and **VAT issues** on initial transfer of real properties have been **resolved**.

# PSE Listing and Disclosure Requirements

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**Subject to general listing requirements** (e.g., 3-year track record of profitable operations)

➤ *However, a REIT may only invest in real estate with at least a 3-year track record from date of acquisition.*



**Special Requirements for REITs** under the REIT Listing Rules

➤ *Reinvestment Plan, Documents relating to Fund and Property Managers, etc.*



**Transparency** (i.e., disclosure obligations)



**Dual Regulatory Frameworks** (SEC oversight, with PSE as SRO)

# Reinvestment Policy

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The Reinvestment Policy is now incorporated in the REIT Listing Rules.



“[A] REIT shall not invest in real estate located outside the Philippines without **special authority** from the Securities and Exchange Commission.”



**Period:** The Sponsor reinvestment is required to be implemented within **one (1) year** from the date of receipt of the proceeds.



**Penalties:** Delisting and Mandatory Tender Offer

# Dividend Policy

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Minimum **90% Annual Dividend Declaration**  
Requirement subject to Sec. 42 of the Revised  
Corporation Code



Restriction of distributable dividends must have board  
approval, including the unanimous vote of independent  
directors (IRR, Sec. 4(a))



Dividends treated as **deductions from REIT's gross  
income** (REIT Act, Sec. 3(mm))



**Yield Play** on REIT Securities

# Special Disclosure Obligations for REIT Issuers

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Reinvestment Plan



Reinvestment Reports



Disbursement of Proceeds



Structured Reports include real estate data and the status of the Reinvestment Plan



Change in Fund and Property Managers and Property Valuer

# Broker Eligibility

## Requirements for Application

- Attend a **training session** conducted by the PSE
- Submit a **sworn certification** attesting to its **operational readiness (NOCD)**



TPs that fail to comply with such requirements are restricted from trading REIT shares



20% broker allocation in a REIT IPO shall only be distributed among Eligible Brokers

## Continuing Obligations

- Must, at all times, have a **licensed trader** who is eligible to trade REIT
- Put in place process which continuously serves to facilitate the opening and monitoring of its clients' **NoCD accounts**.



# What is Name on Central Depository (NoCD)?

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## Name on Central Depository

- NoCD is a depository facility of **segregating client holdings** lodged with the PDTC into individual sub-accounts reflecting the names of the clients in the PDTC system.
- Currently, the NoCD facility is used for trading dollar-denominated securities.
- A more in-depth discussion to be conducted by PDTC.

# No Major System Changes

## **XTS XAI (Trading Engine)**

Included under Property sector  
No change to system-generated reports



## **PSE EASy (LSI Platform for IPOs)**

Separate menu item for REIT  
Broker to attest that the client has an NOCD account

## **PSE EDGE (Disclosure System)**

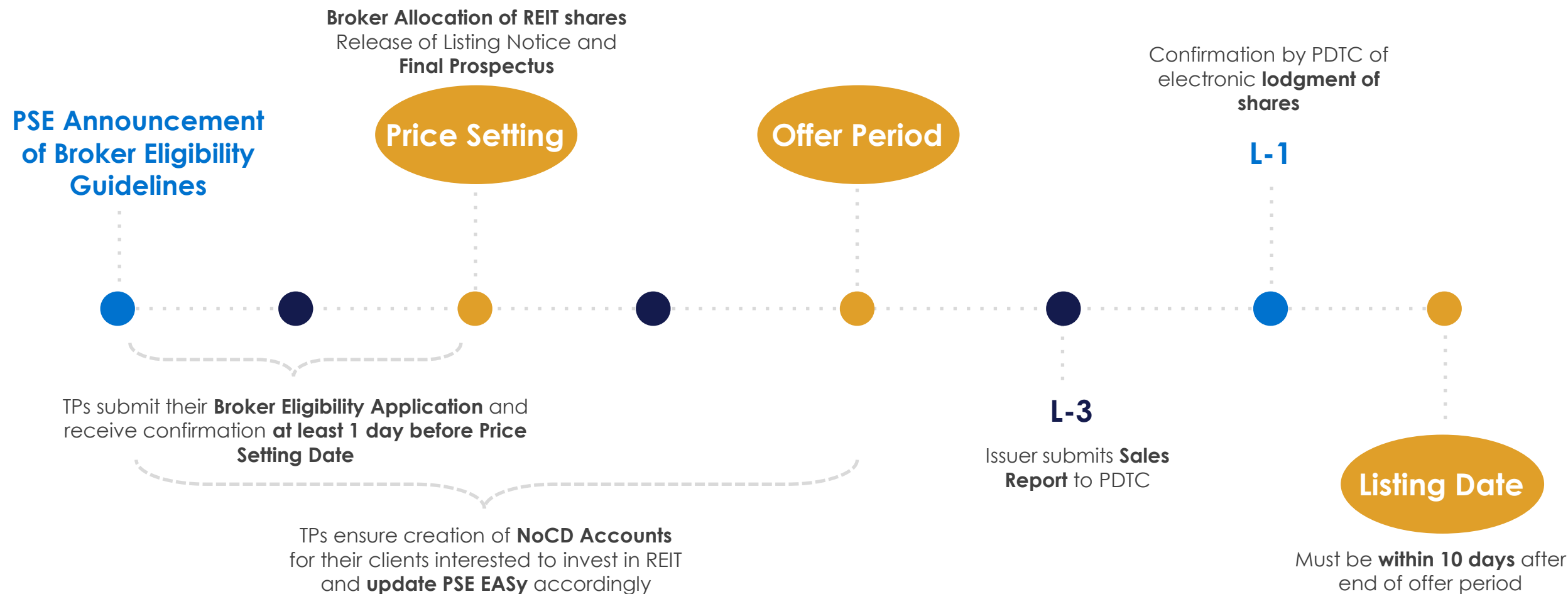
New disclosure templates for the reports specific to REIT



## **REIT Microsite**

Updated REIT information

# REIT Timetable



**L** = Listing Date  
\*Days are counted by Trading Day

# Reminders to Eligible Brokers

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**Communicate with your clients all the requirements in trading REIT securities**

**Ensure that your processes and systems are ready to implement NoCD for those who will trade REIT securities**

**Restrict clients without NoCD account with the PDTC from trading REIT securities**

# Thank you!

## CONTACT US

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