

## PART II

### Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

### SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

#### NOTIFICATIONS

*Islamabad the 16th April, 2015*

**S.R.O. 328(I)/2015.-** In exercise of the powers conferred by sub-section (2) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984), the Securities and Exchange Commission of Pakistan hereby makes the following Regulations, the same having been previously published for eliciting public opinion on the website of the Commission, namely:-

#### Chapter - I Preliminary

**1. Short title and commencement.** - (1) These Regulations shall be called the Real Estate Investment Trust Regulations, 2015.

(2) They shall come into force at once.

**2. Definitions.** - (1) In these Regulations, unless there is anything repugnant in the subject or context,-

(ia) “Act” means the Companies Act, 2017(XIX of 2017);

(ib) “Borrowing” for the purpose of these Regulations, means funds received from financial institutions with an obligation to pay back these funds;

<sup>1</sup>[(i) “Business Plan” as required in the case of Non-PPP REITs, includes, -

(a) a document containing the value of the Real Estate as determined by the Valuers applying all the approaches as defined in Schedule VI to these Regulations;

(b) set of detailed workings (principally driven by the project specific cash flows) determining the viability parameters, business, financial, legal aspects, arrangement of capital for implementation of the plan, possible eventualities defining critical stages, risks and exit strategies; and

(c) basis for computing settlement values at various stages of project development and highlighting the percentage of construction cost to be financed through Customer Advances, the amount of Customer Advances, mode of sale or partial sale of property including its timeline along with sales

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<sup>1</sup> Substituted vide SRO 724 (I)/2021 dated June 7, 2021

collection, installment plan which also highlights the amount of the last installment payable at the time of giving possession;]

(ii) “Commission” means the Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 19h97);

<sup>1</sup>[(ia) “Central Depository” means a central depository as defined in the Securities Act, 2015;]

<sup>2</sup>[(ib) “Commercial Operations Date” shall, in the case of each PPP REIT Scheme, be determined in accordance with the Concession Agreement;]

<sup>3</sup>[(ic) Concession Agreement” means an agreement entered into between the Implementing Agency and the PPP REIT Scheme for a PPP Project by whatsoever name called or referred in the applicable PPP laws;]

<sup>4</sup>[(ii) “Customer Advances” means the value to be received by the REIT Scheme in advance against sale/transfer of the Real Estate or Infrastructure, as the case maybe, or a part thereof or any interest therein;]

<sup>5</sup>[(iv) “Developmental REIT Scheme” means a Non-PPP REIT Scheme established for investment in one or more Non-PPP Projects with the object of development, construction, refurbishment, rehabilitation, management and/or operation of such Real Estate for industrial, commercial, residential purpose or a combination thereof;]

(v) “Development Advisor” means a single entity or a consortium of entities (duly registered or licensed with their respective professional body/association/council, etc.) that can undertake the planning, design, costing, scheduling, contract preparation, coordination and supervision of a Developmental REIT Scheme;

<sup>6</sup>[(va) “Financial Close” means: (i) for the purpose of a Non-PPP REIT Scheme, the stage when all investment and financing arrangements have been made and funds have been received as per the Business Plan; and (ii) in the case of a PPP REIT Scheme, means the stage at which all investment and financing arrangements have been executed and all conditions precedent for initial disbursement of funds have been satisfied/waived/deferred and funding for the PPP Project can immediately be disbursed to the PPP REIT Scheme on agreed terms and conditions;]

<sup>7</sup>(vb) Omitted

<sup>8</sup>(vi) Omitted

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<sup>1</sup> Inserted vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Inserted vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Omitted vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Omitted vide SRO 724 (I)/2021 dated June 7, 2021

- <sup>1</sup>[(vii) “Fit and Proper Criteria” means the criteria as provided in Schedule VIII to these Regulations for promoters, directors and Key Executives of an RMC as specified by the Commission from time to time;]
- (viii) “Form” means forms annexed to these Regulations;
- <sup>2</sup>[(ix) “Hybrid REIT Scheme” means a Non-PPP REIT Scheme, which has a developmental component as well as a rental component;]
- (ixa) “Information Memorandum” means a document containing minimum information as specified in Schedule IV-A;
- <sup>3</sup>[(ixaa) “Implementing Agency” means any of the line ministries, divisions, attached departments, executive departments, sub-ordinate offices, body corporate, autonomous body of the Federal Government or Provincial Government, or any organization or corporation owned or controlled by the Federal Government or Provincial Government;]
- <sup>4</sup>[(ixb) “Independent Consultant” means an independent auditor, independent engineer (duly registered or licensed with their respective professional body/association/council, etc.) or such other consultant(s) by whatsoever named called as envisaged in a Concession Agreement or if not provided for in a Concession Agreement, a consultant(s), hired by an RMC for a PPP REIT Scheme;]
- <sup>5</sup>[(ixc) “Infrastructure” includes physical infrastructure having permanent structures, such as bridges, tunnels, roadbeds, railroad tracks, transmission lines, pipelines, storage structures, ports, airports etc. or interest or part of an interest in infrastructure;]
- (x) “IPO” means initial public offering of <sup>6</sup>[Units] of a REIT Scheme;
- (xi) “Key Executives” includes the chief executive officer, chief operating officer, chief financial officer, chief accounting officer, company secretary, internal auditor and the compliance officer irrespective of their designations;
- (xii) “Listed” in relation to securities or Units means securities or Units which have been allowed to be traded on a registered stock exchange in Pakistan;
- (xiii) “NAV of a Unit” means the Net Assets of <sup>7</sup>[a] REIT Scheme divided by the number of [outstanding Units] at any given date;
- (xiv) “NBFC” means a non-banking finance company incorporated and licensed by the Commission;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

- <sup>1</sup>[(xiva) “Non-PPP Project” means a project relating to development, construction, rehabilitation, refurbishment, maintenance and/or operation of any Real Estate situated on a single or multiple site involving exclusive ownership, lease, utilities, and easement rights in accordance with law but excludes any projects undertaken or proposed to be undertaken in the public-private partnership mode pursuant to the PPP Laws;]
- <sup>2</sup>[(xivb) “Non-PPP REIT Scheme” means a closed end trust fund registered under these Regulations for investment in Non-PPP Projects either directly or through Special Purpose Vehicles (but excludes any REIT Scheme set up or proposed to be set up for carrying on a PPP Project;]
- (xv) “Net Assets” means difference between <sup>3</sup>[the] value of assets and liabilities of a REIT Scheme as given in the balance sheet at any given date;
- (xvi) “Offering Document” means a document containing information specified in these Regulations, in order to invite the public to buy Units;
- <sup>4</sup>[(xvii) “Ordinance” means the Companies Ordinance, 1984 (XLVII of 1984);]
- <sup>5</sup>[(xviii) “PPP Laws” means the Public Private Partnership Authority Act, 2017, the Punjab Public Private Partnership Act, 2019, the Sindh Public Private Partnership Act, 2010, the Khyber Pakhtunkhwa Public Private Partnership Act, 2020, and the Balochistan Public Private Partnership Act, 2018, including any rules or Regulations issued thereunder, and the Naya Pakistan Housing and Development Authority (Public Private Partnership) Regulations, 2020, as may be amended or replaced from time to time including any re-enactments thereof;]
- <sup>6</sup> [(xix) “PPP Project” means a project relating to development, construction, rehabilitation, refurbishment, maintenance and/or operation of Infrastructure undertaken under the public-private partnership mode pursuant to, and in accordance with, the applicable PPP Laws and excludes a Non-PPP Project;]
- <sup>7</sup>[(xixa) “PPP Project Agreements” means agreements between the PPP REIT Scheme and other entity or entities for the development, construction, refurbishment, rehabilitation, maintenance and/or operation of the PPP Project and excludes a Non-PPP Project;]
- <sup>8</sup>[(xib) “PPP REIT Scheme” means a closed-end trust fund set up under the applicable trust laws and registered under these Regulations for undertaking a PPP Project;]

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>1</sup>[(xic) “PPP Sponsor(s)” means sponsor(s) that submit the bid for a PPP Project;]

<sup>2</sup>[(xx) “Pre-IPO Investors” for the purpose of these Regulations means:

- (a) financial institutions as defined in the Companies Act, 2017 (XIX of 2017);
- (b) securities broker as defined in the Securities Act, 2015 (III of 2015);
- (c) individuals investing an amount not less than Rupees three (3) million; and/or
- (d) companies whose memorandum allow such investment.”]

<sup>3</sup>[(xxa) “Private Investor”, for the purpose of these Regulations, means a person excluding charitable trusts, societies and not-for-profit organizations, which alone offers a minimum of twenty (20) million rupees for investment in a REIT Scheme and furnishes a declaration to the RMC that it completely understands all the risks of investment in a REIT Scheme;]

<sup>4</sup>[(xxb) “Property Manager” means (in the case of a Rental REIT Scheme or rental portion of a Hybrid REIT Scheme) a person appointed by the RMC to manage and maintain the Real Estate;]

(xxi) “Real Estate” means land and includes; anything fixed, immovable, or permanently attached to it such as buildings, walls, fixtures, improvements, roads, trees, shrubs, fences, sewers, structures, and utility systems, etc. and all rights and interests therein, whether the interests are freehold or leasehold, as specified by the RMC;

(xxia) “REIT Accountant” means an accounting firm appointed by the Trustee, in a Developmental REIT Scheme;

(xxii) “Register” means the register of Unit Holders;

(xxiii) “Regulations” means the Real Estate Investment Trust Regulations, 2015;

<sup>5</sup>[(xxiv) “REIT Assets” means,-

(i) in the case of a Non-PPP REIT Scheme, all Real Estate and other assets moveable or immovable of the REIT Scheme, which include investment in SPV acquired in the name of the Trustee of a REIT scheme; and

(ii) in the case of a PPP REIT Scheme means interest in or right over moveable and/or immovable assets acquired and/or developed in the name of or by a PPP REIT Scheme;]

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>1</sup>[(xxv) “REIT Fund” means,-

- (a) in the case of Rental REIT Scheme, the monetary value of a REIT Scheme, which shall be equal to the value of Real Estate together with all taxes and charges attached with the transfer of such Real Estate plus all preliminary expenses incurred in the process of establishing and registering the REIT Scheme;
- (b) in the case of Developmental REIT Scheme, the monetary value of a REIT Scheme, which shall be comprising of the Real Estate together with all taxes and charges attached with the transfer of such Real Estate plus all preliminary expenses incurred in the process of establishing and registering the REIT Scheme and a percentage of construction costs as determined by RMC and disclosed in the Business Plan;
- (c) in the case of a PPP REIT Scheme, the monetary value of a PPP REIT Scheme, together with all preliminary expenses incurred in the process of establishing and registering the PPP REIT Scheme as well as all costs and expenses relating to development, construction, rehabilitation, refurbishment, maintenance and/or operation of the PPP Project as disclosed in the Concession Agreement, Information Memorandum and/or Offering Document;]

(xxvi) “REIT Management Services” means services provided by an RMC for the management of a REIT Scheme in accordance with these Regulations;

<sup>2</sup>[(xxvii) “REIT Scheme” means a Non-PPP REIT Scheme and a PPP REIT Scheme;]

<sup>3</sup>[(xxviii) “Retail Investor” means any investor who participates in a public offering of Units other than the RMC, any Strategic investor, Private Investor or Pre-IPO Investor;]

(xxix) “Rental REIT Scheme” means a <sup>4</sup>[Non-PPP] REIT Scheme established with the object of making investment in industrial, commercial or residential Real Estate with the purpose of generating rental income from it;

(xxx) “RMC” means a duly incorporated public limited company which has been licensed by the Commission under the Rules to undertake REIT Management Services;

(xxxi) “Rules” mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003;

(xxxii) “Schedule” means the Schedules annexed to these Regulations;

<sup>5</sup>[(xxxiii) “Shariah Advisor” means a shariah advisor as defined in the Shariah Advisors Regulations, 2017 issued by the Commission;]

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>1</sup>[(xxxiiib) “Special Purpose Vehicle” or “SPV” means a limited liability company that a Non-PPP REIT Scheme may invest in or set up in accordance with and subject to the limitations set forth in these Regulations;]

<sup>2</sup>[(xxxiiic) “Special Resolution” has the meaning given to the term in the Act;]

<sup>3</sup>[(xxxiiid) “SPV Management Services Agreement” means an agreement to be entered into between a Special Purpose Vehicle and the RMC for the provision of REIT Management Services by the RMC to the Special Purpose Vehicle in terms of these Regulations;]

<sup>4</sup>[(xxxiii) “Strategic Investor” includes a person or a group of persons (which may include the RMC) who undertake(s) to hold investment, free of encumbrances in a REIT Scheme as specified in these Regulations, till its winding up or transfer of Unit holding to any other strategic investor with prior approval of the Commission;]

<sup>5</sup> [(xxxiiia) “Transaction Advisor” means the financial, technical, legal and other consultants required to be appointed by the RMC for a PPP REIT Scheme;]

(xxxiv) “Trustee” means a company appointed as Trustee of a REIT Scheme in accordance with these Regulations;

<sup>6</sup>[(xxxva) “Trust Deed” means the deed of trust executed between an RMC and a Trustee with respect to a REIT Scheme in accordance with provisions of the applicable trust laws and these Regulations;]

<sup>7</sup>[(xxxvi) “Units” means the instrument of ownership of a REIT Scheme signifying the beneficial interest of the Unit Holders in such REIT Scheme;]

(xxxvii) “Unit Holder” means a person who is the legal owner of one or more Units and whose name appears in the Register of [<sup>8</sup>Omitted] ;

(xxxviii) “Valuation Report” means the report prepared by the Valuer in accordance with Schedule VI annexed to these Regulations; and

(xxxix) “Valuer” means a person appointed to determine the value of the Real Estate under these Regulations and also includes foreign Valuer as approved by the Commission.

[(2) Words and expressions used but not defined in these Regulations shall have the same meaning as assigned to them in the Act or any administered legislation and the rules and regulations made thereunder.]

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Omitted Vide SRO 724 (I)/2021 dated June 7, 2021

**Chapter-II**  
**<sup>1</sup>[RMC Eligibility Requirements and REIT Management Services]**

<sup>2</sup>**3. Eligibility.** - (1) The promoters, directors and Key Executives of an RMC shall comply with the Fit and Proper Criteria as specified in Schedule VIII annexed to these Regulations.

(2) An RMC intending to undertake REIT Management Services shall have paid-up capital of not less than fifty (50) million rupees prior to applying for license and submit evidence that it has equity of at least fifty (50) million rupees before seeking approval of the Commission for the Offering Document or Information Memorandum of the REIT Scheme, as the case may be.]

<sup>3</sup>**(3A). Appointment of a Special Purpose Vehicle by RMC.** (1) An RMC may appoint a Special Purpose Vehicle for provision of REIT Management Services by execution of an SPV Management Services Agreement setting out the terms set forth in Schedule IX.

(2) A draft of the SPV Management Services Agreement shall be submitted by the Non-PPP REIT Scheme to the Commission after the consent of the Trustee, at least fifteen (15) days prior to investment in the Special Purpose Vehicle).

(3) If the Commission is satisfied that the contents of the SPV Management Services Agreement are lawful and none of its objects are inappropriate or deceptive and that all requirements of these Regulations have been complied with, the Commission shall accord its consent:

Provided that no amendments including any modification, alteration and additions/deletions shall be made in the SPV Management Services Agreement without consent of the Trustee, prior approval of the Commission and prior notice of at least seven days to the Unit Holders.]

**Chapter-IIA**  
**Appointment of Trustee**

<sup>4</sup>**3B. Eligibility and Appointment of Trustee.** – (1) The following persons shall be eligible to be considered for appointment as Trustee of a REIT scheme, -

(i) a Scheduled Bank, or development financial institution licensed or notified under the Banking Companies Ordinance, 1962 (LVII of 1962) which has minimum AA-rating from a credit rating agency registered with the Commission;

(ii) a central depository company registered with the Commission; or

(iii) any other entity as the Commission may from time to time specify through a circular.

(2) The Trustee for the REIT Scheme shall be appointed by the RMC subject to the provisions of these Regulations.]

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021



**3C. Trust Deed.** - RMC shall file the draft Trust Deed with the Commission and if the Commission is satisfied that the purpose of REIT Scheme is lawful and none of its objects are inappropriate or deceptive and that all requirements of the applicable laws, rules and regulations have been complied with, the Commission shall accord its consent<sup>1</sup>:

Provided that no amendments including any modification, alteration and additions/deletions shall be made in the Trust Deed without consent of the Trustee, prior approval of the Commission and prior notice of at least seven days to the Unit Holders.]

### **Chapter-III** **<sup>2</sup>[Territorial Limits of REIT Schemes and Approval of Real Estate]**

**<sup>3</sup>4. Territorial Limits.** - (1) A Non-PPP REIT Scheme shall be within the territorial limits of any city within Pakistan.

(2) A PPP Project may be implemented anywhere within the territorial limits of Pakistan subject to the relevant PPP Laws.

**4A. Transfer of Real Estate.** - (1) An RMC shall, in the case of a Non-PPP REIT Scheme, submit to the Trustee-

(i) documents which show exact location, area along with dimensions of the Real Estate;

(ii) confirmation that the RMC has issued public notice in one issue each of daily newspaper in English and Urdu language having circulation all over Pakistan and specifically in the jurisdiction where the Real Estate is located, seeking objections to the proposed transfer of the Real Estate, and objections received, if any, have been carefully evaluated;

(iii) its due diligence findings dealing with matters connected with title of Real Estate (including encumbrances and encroachment), capacity and authority of sellers to enter into transaction documents, material litigation in connection with the Real Estate and restrictions on transfer of Real Estate, as applicable;

(iv) for lease hold Real Estate, documentary proof confirming that the remaining validity of the lease period is not less than 15 years over and above the life of the proposed REIT Scheme and where life of the REIT Scheme has not been proposed, the remaining lease period shall not less than 30 years:

Provided that the Commission may, on an application made by the RMC, relax the requirement of remaining lease period.

(v) an undertaking confirming that-

(a) there is no litigation and encroachment related to the Real Estate:

(b) no injunctions have been passed against the proposed Real Estate issued by the concerned authorities; and

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<sup>1</sup> Substitution of semi-colon and Insertion of proviso Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

(c) to use the full outstanding debt against the Real Estate only for the purpose of REIT Scheme.

(vi) details of charges created by financial institution(s) against Real Estate along with loan repayment schedule as agreed with the lender(s);

(vii) copies of title documents; and in the case of Rental REIT Scheme, if completion certificate is not available, a certificate/report from National Engineering Services Pakistan (NESPAK) and a consulting engineer duly registered with the Pakistan Engineering Council, confirming structural integrity and rentability of the building/ Real Estate:

Provided that non-availability of completion certificate by the Land Authority in case of Rental REIT Scheme, shall be clearly disclosed in the Offering Document and the Information Memorandum;

(viii) Business Plan; provided that the Business Plan shall be updated whenever there is any material change in underlying assumptions and workings;

(ix) Valuation Report of the proposed Real Estate, prepared by two separate Valuers, appointed by RMC in consultation with the Trustee:

Provided that the requirement of valuation by two separate Valuers is only applicable at the time of acquisition of Real Estate by the REIT Scheme, either directly or through SPV;

(x) the value (along with the rationale) at which the Real Estate shall be transferred to the REIT Scheme; and

(xi) such other documents or information as may be requested by the Trustee.

(2) The Trustee shall, in the case of a Development REIT Scheme seek confirmation from the RMC that-

(i) all requisite approvals and NOCs, from the concerned authorities to effect transfer of the Real Estate to the Non-PPP REIT Scheme, have been procured;

(ii) there are no environmental laws that prohibit the transfer of the Real Estate for the purpose of the Non-PPP Project:

provided that the Non-PPP Project specific approvals may be procured after transfer of Real Estate; and

(iii) in case the Real Estate is protected as a special and heritage property, an NOC for transfer or proposed use of such Real Estate from the concerned competent authority is duly procured.

(3) The Trustee shall, in the case of a Rental REIT Scheme, seek confirmation that:

(i) the Real Estate, if vacant, has not been illegally possessed or sieged, and does not have any structural defects;

(ii) if the Real Estate has occupancy, -

(a) the tenancies are backed by signed lease agreements, the record of which is verifiable from a bank statement and books of accounts wherever applicable; and

(b) relevant documents including tenant lease agreements are provided.

(iii) for vacant or partially occupied Real Estate, proper rationale for existing vacancies and future occupancy plan is stated in the Business Plan.

(4) If the RMC intends to convert a Developmental REIT Scheme into a Rental REIT Scheme, the RMC shall submit revised Business Plan duly approved by the Unit Holders through a Special Resolution.

(5) An RMC, through utilization of surplus funds, right issue or borrowing may acquire additional Real Estate in an existing Non-PPP REIT Scheme:

Provided that RMC must ensure that:

(i) prior approval is obtained through Special Resolution from Unit Holders and the Special Resolution also allows for consequent amendments in the Business Plan, Trust Deed, Offering Document and Information Memorandum;

(ii) the risk profile of the REIT Scheme should not be adversely altered/affected with respect to what is enunciated in its Offering Document;

(iii) for Developmental REIT Scheme additional acquisition may be undertaken as per disclosure in the Offering Document;

(iv) all requirements for the additional real estate as stipulated under this regulation are fulfilled; and

(v) fulfilment of any other requirements as may be specified by the Commission from time to time.]

(6) The RMC shall, following submission of requisite documents and confirmations set forth in this Chapter, acquire/transfer the Real Estate only in the name of the Trustee free from all encumbrances except encumbrances resulting from Borrowing as mentioned in the Business Plan, Information Memorandum or the Offering Document.]

#### **Chapter-IV**

#### **<sup>1</sup>[Registration and Listing of a REIT Scheme]**

<sup>2</sup>[5. **Registration and Listing of a REIT Scheme.** – (1) An RMC shall submit following documents to the Commission for registration of a REIT Scheme:

(i) application along with copy of the registered Trust Deed (where applicable) containing information as provided in Schedule I;

(ii) an affidavit stating that no funds or investments, except Borrowing, have been received from any person on account of the proposed REIT Scheme;

(iii) fee as per Schedule III;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

(iv) an undertaking that the RMC, in the case of a Non-PPP REIT Scheme, shall comply with the requirements relating to identification, acquisition and transfer of Real Estate to such REIT Scheme, as specified in these Regulations;

(v) latest audited balance sheet and profit and loss statement of the RMC, wherever applicable, or an auditor certificate verifying equity of the RMC;

(vi) an undertaking that the RMC itself and/or the Strategic Investor(s) shall hold minimum number of Units of REIT Scheme as specified in these Regulations;

(vii) an affidavit by the Board of Directors of the RMC that they accept responsibility for all submissions to the Commission as being accurate:

Provided that in case of a PPP REIT Scheme, the Board of Directors of the RMC and majority Sponsors of the PPP REIT Scheme (in terms of value) shall submit an affidavit that they accept responsibility for all submissions to the Commission as being accurate; and

(viii) any other document as may be required by the Commission.

(2) The Commission may, if satisfied, register the REIT scheme with or without any conditions:

Provided further that the Commission may, on its own motion, on application by the RMC, or where the RMC fails to launch or make substantial progress regarding launch of the REIT Scheme within two (2) years of the date of approval of registration of the REIT Scheme, cancel the registration of the REIT Scheme after providing an opportunity of hearing to the RMC:

Provided further that in case of a PPP REIT Scheme, registration shall be deemed cancelled if RMC fails to achieve Financial Close as per the terms and conditions of the Concession Agreement.

(3) A Non-PPP REIT Scheme shall be listed on stock exchange within a maximum period of three (3) years from the date of Financial Close.

(4) A PPP REIT Scheme shall be listed on the stock exchange no later than the first anniversary of the Commercial Operations Date. A PPP REIT Scheme may be listed prior to the Commercial Operations Date in accordance with and to the extent provided in the Concession Agreement.

(5) The number of Private Investors shall not exceed fifty (50) before listing of any REIT Scheme on the stock exchange.

(6) Acceptance of any document, information, valuation or projection or any approvals or any permissions granted based on such documents, information, valuation or projection shall not be construed as an endorsement by the Commission of the accuracy of such document, information, valuation or projection.]

## **Chapter-IV-A**

### **Pre-IPO and Offer of Units**

<sup>1</sup>[5A. Offer of Units. - (1) In the case of any Non-PPP REIT Scheme, before accepting funds from any Private Investor or Pre-IPO Investor, the RMC shall,-

(i) submit copy of the Information Memorandum to the Commission fifteen (15) days before such offer; and

(ii) share with the Private Investor or the Pre-IPO Investor (as the case maybe) a copy of the Business Plan, Information Memorandum, and the Valuation Report where applicable and available as per Schedule VI annexed to these Regulations.

(2) In the case of any PPP REIT Scheme, before accepting funds from any Private Investor or Pre-IPO Investor, the RMC shall,-

(i) submit copy of the Information Memorandum to the Commission; and

(ii) share with the Private Investor or the Pre-IPO Investor (as the case maybe) a copy of the Concession Agreement and the Valuation Report where applicable and available as per Schedule VI annexed to these Regulations.

(3) The RMC may not accept funds from Pre IPO investors or Private Investors before registration of the REIT Scheme.

(4) An RMC shall not offer Units of a REIT Scheme for subscription to the public unless the Offering Document has been approved by the Commission and the Commission may approve the Offering Document, with or without any conditions:

Provided that no amendments including any modification, alteration and additions/deletions shall be made in the Offering Document without consent of the Trustee, prior approval of the Commission and prior notice of at least seven (7) days to the Unit Holders.

(5) An RMC shall disclose all material information in the Offering Document or Information Memorandum as specified in Schedule IV or Schedule IVA respectively, including, values of the Real Estate in the case of a Non-PPP REIT Scheme and copy of Concession Agreement in the case of a PPP REIT Scheme.

(6) At the time of listing of the Units of a REIT Scheme, the RMC shall ensure that the size of the REIT Fund and public offer of Units are in line with the requirements prescribed in the listing regulations of the stock exchange unless otherwise exempted in accordance with applicable laws.

(7) Each of a unit of a REIT scheme shall have such par value as may be determined by the RMC.

(8) The Units shall be issued against cash except those issued in lieu of Real Estate, share of SPV or Infrastructure, as applicable.

(9) An RMC shall keep subscription money received from IPO, Pre-IPO or Private Investors in an account in the name of the Trustee.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

(10) Where, in the case of any Non-PPP REIT Scheme, the transfer of Real Estate to such Non-PPP REIT Scheme does not take place for any reason within one hundred and twenty (120) days after the Financial Close, the Trustee shall return the subscription money to the investors along with profit, if any:

Provided that the one hundred and twenty (120) time period may be extended by the Commission up to a maximum of two hundred and forty (240) days, on the written request of the RMC.

(11) Where the Trustee determines that the PPP REIT Scheme has failed to achieve Financial Close as per the Concession Agreement, the money received from investors shall be returned in accordance with the Offering Document/ Information Memorandum.

(12) In case the transfer of Real Estate (in the case of Non-PPP REIT Scheme), or Financial Close (in case of a PPP REIT Scheme), does not take place as referred in sub-regulation (10) or (11), the costs incurred so far shall not be borne by any Retail Investors.]

## Chapter-V

### <sup>1</sup>[Minimum Holding Requirements and Recovery of Expenses]

<sup>2</sup>**6. Minimum Holding by RMC and Strategic Investor.-** (1) In the case of Non-PPP REIT Scheme, RMC shall hold or arrange through Strategic Investor, minimum twenty five (25) per cent Units of the initial size of the REIT Fund, or in the case of a PPP REIT Scheme, any other percentage of Units as may be specified in the Concession Agreement, to be kept in an account marked as blocked throughout the life of the REIT Scheme till its winding up and these Units shall not be sold, transferred or encumbered, provided that the same may be transferred subject to conditions, as specified in these Regulations, or in the case of a PPP REIT Scheme, as provided in the Concession Agreement.

(2) In case, there is more than one Strategic Investor, each one of them shall hold not less than five percent (5%) Units of the REIT Scheme at all times:

Provided that the Strategic Investor and/or the RMC may, transfer 10% of their holding of the REIT Scheme to another Strategic Investor with the approval of the Commission.

Provided further that the Strategic Investor and the RMC may, after three (3) years of listing of REIT Scheme in the case of a Rental REIT Scheme and after completion of project for a Developmental REIT Scheme (unless otherwise provided in the Concession Agreement, in the case of a PPP REIT Scheme), sell/transfer fifteen percent (15%) of their holding of the REIT Scheme with the approval of the Commission.]

<sup>3</sup>[7. Omitted]

<sup>4</sup>[8. Omitted]

<sup>5</sup>[9. Omitted]

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Omitted vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>5</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>1</sup>[10. Omitted]

<sup>2</sup>[11. Omitted]

<sup>3</sup>[12. Omitted]

**13. Recovery of initial expenses.-** (1) Expenses to be incurred in connection with the establishment and registration of the REIT Scheme as well as the offer for sale, allotment and issuance of Units including commission payable to underwriters, if not included in the public offer, shall be borne by an RMC, and shall be reimbursed to the RMC out of REIT Assets after annual audit of the REIT Scheme in equal instalments paid annually over a period of five (5) years or life of a REIT Scheme, whichever is shorter, and the same shall be stated in <sup>4</sup>[the Information Memorandum and the Offering Document.]

(2) Fees and costs which can be charged to the REIT Scheme are specified in Schedule II annexed to these Regulations.

### **Chapter-VIII Obligations of RMC, Trustee and Valuer**

**<sup>5</sup>[14. Obligations of an RMC in case of a Non-PPP REIT Scheme.] –<sup>6</sup>[In the case of a Non-PPP REIT Scheme, an RMC shall]:**

(i) conduct due diligence to certify and ensure that the title to the Real Estate to be acquired for the purposes of the REIT Scheme is free from all defects, encroachments and encumbrances except encumbrances resulting from borrowing as provided in regulation 26 [<sup>7</sup>Omitted], etc. except to the extent specified in these Regulations;

(ii) ensure that the REIT assets are vested in the name of Trustee for the benefit of Unit Holders <sup>8</sup>[Omitted];

<sup>9</sup>[(iii) ensure that the Real Estate transferred to the Non-PPP REIT Scheme or held by a Special Purpose Vehicle meets the requirements specified in these Regulations;]

<sup>10</sup>[(iiia) following submission of requisite documents and confirmations set forth in Chapter IV of these Regulations, arrange transfer of the Real Estate in the name of Trustee or a Special Purpose Vehicle, as the case maybe;]

<sup>11</sup>[(iv) ensure that all material contracts, including agreement for purchase of Real Estate, rental agreements, service providers' agreements entered into for furtherance of the objects of the Non-PPP REIT Scheme are legitimate, valid, binding and enforceable by or on

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<sup>1</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>2</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>3</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>4</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Omitted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Omitted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>9</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>10</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>11</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

behalf of the Trustee or the Special Purpose Vehicle (as the case maybe) in accordance with the stipulated terms of such contracts and agreements;]

<sup>1</sup>[(v) Omitted]

<sup>2</sup>[(vi) manage the Non-PPP REIT Scheme in the best interest of Unit Holders, in accordance with the Trust Deed and all applicable laws, rules, Regulations including notifications, circulars, guidelines and directives issued thereunder;]

(vii) with the consent of the Trustee, appoint a Development Advisor in the case of Developmental REIT and a Property Manager in the case of Rental REIT <sup>3</sup>[Scheme];

<sup>4</sup>[(viii) ensure that the Non-PPP REIT Scheme is dissolved only after the disposal of the Real Estate, or in case of investment in SPV after disposal of shares or winding up of SPV;]

<sup>5</sup>[(ix) ensure that the Trust Deed is in accordance with Schedule I;]

<sup>6</sup>[(x) ensure that profits arising out of the Non-PPP REIT Scheme and the Special Purpose Vehicle are distributed to the Unit Holders as dividends in accordance with Regulation 27;]

<sup>7</sup>[(xi) ensure that Units are listed in accordance with the listing Regulations of the stock exchange;]

(xii) ensure that running bills in respect of payments made on account of the <sup>8</sup>[Non-PPP] are countersigned by the Development Advisor or the Property Manager, as the case may be;

(xiii) carry out all transactions involving the <sup>9</sup>[Non-PPP] REIT Scheme managed by it on an arm's length basis;

<sup>10</sup>[(xiv) ensure that Customer Advances are received in the name of the Trustee or in case of Special Purpose Vehicle in an account operated by Special Purpose Vehicle (as the case maybe);]

(xv) maintain proper record of Customer Advances received for the purposes of the <sup>11</sup>[Non-PPP] REIT Scheme;

(xvi) arrange insurance / Takaful coverage in relation to the Real Estate and comply with all requirements of the Commission in this behalf;

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<sup>1</sup> Omitted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>9</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>10</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>11</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021



<sup>1</sup>[(xvii) be responsible for development, construction, rehabilitation, refurbishment, maintenance, operation, sale and or renting of the Real Estate, as applicable, according to the Business Plan;]

(xviii) obtain written approval of the Commission before issuing <sup>2</sup>[Units] and making a public offer of the Units;

<sup>3</sup>[(xix) issue Units of the REIT Fund under these Regulations;]

<sup>4</sup>[(xx) ensure that the issue and transfer of the Units is carried out, after registration of the Non-PPP REIT Scheme, in accordance with provisions of the Trust Deed, Information Memorandum, and Offering Document and as per any directions, guidelines and circulars issued by the Commission;]

<sup>5</sup>[(xxi) ensure that the Offering Document and Information Memorandum contain summary information of the Valuation Report where applicable, along with the Business Plan;]

<sup>6</sup>[(xxii) maintain the Register or appoint an agent for the purpose and comply with Schedule V;]

<sup>7</sup>[(xxiii) obtain the written approval of the Commission before delegating one or more of its functions in relation to the Non-PPP REIT Scheme and comply with Schedule V;]

(xxiv) ensure that in cases where the RMC delegates any of its functions, the delegated person has sufficient experience and financial resources to carry out the delegated function and comply with Schedule V;

(xxv) be responsible for the <sup>8</sup>[remuneration,] acts, omissions, defaults and negligence of all persons, along with resultant losses, to whom it delegates any of its functions;

<sup>9</sup>[(xxvi) maintain at its registered office proper books of account and record of the activities undertaken in connection with the Non-PPP REIT Scheme in order to enable a true and fair view to be formed of the,-:

- (a) REIT Assets and liabilities;
- (b) profit and loss accruing on account of operation of the Non-PPP REIT Scheme;
- (c) transactions undertaken with respect to the Non-PPP REIT Scheme;
- (d) amounts received in respect of issue of Units;
- (e) client wise detail of Customer Advances; and

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Inserted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>9</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

(f) pay-outs, if any, by way of distributions to the Unit Holders;]

<sup>1</sup>[(xxvii) within one hundred and twenty days (120) of close of the financial year prepare, and transmit or make available on its website to the Unit Holders, the Trustee, the Commission, and the securities exchange(s) on which the Units of the Non-PPP REIT Scheme are listed, the balance sheet, profit and loss statement, cash flow statement and statement of the movement in NAV along with the report of the Trustee, the report of the auditor, report of Shariah Adviser (wherever relevant), the Valuation Report and any other document as specified by the Commission and make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested;]

(xxviii) prepare and transmit to the Unit Holders, the Trustee, the Commission and the securities exchange(s) on which the Units are listed, within thirty (30) days of the close of the first and third quarter and two (2) months of the close of second quarter of the financial year of the REIT Scheme, a balance sheet of the <sup>2</sup>[Non-PPP] REIT Scheme as at the end of that quarter along with profit and loss statement, a cash flow statement and a statement of changes in NAV:

Provided that the RMCs may transmit or make available the said quarterly accounts to the Unit Holders by placing them on its website and the RMC shall make the printed copy of the said accounts available to any <sup>3</sup>[Unit Holders], free of cost, as and when requested;]

<sup>4</sup>[(xxix) preserve books of account of the Non-PPP REIT Scheme for at least ten (10) years after the extinguishment or revocation of the REIT Scheme;]

<sup>5</sup>[(xxx) with the consent of the Trustee appoint an auditor for the Non-PPP REIT Scheme; or the Special Purpose Vehicle (as the case maybe);]

<sup>6</sup>[(xxxii) obtain rating for itself and for the Non-PPP REIT Scheme as per the rating criteria of a rating company and such rating shall be updated annually, or at such other time as may be specified by the Commission;]

<sup>7</sup>[(xxxiii) publish rating of RMC and the Non-PPP REIT Scheme in the annual and quarterly accounts and in all advertising and marketing materials of the Non-PPP REIT Scheme;]

<sup>8</sup>[(xxxiiii) furnish in respect of the Non-PPP REIT Scheme, to the Commission and the stock exchange(s) on which the Units are listed, such information within such time as the Commission may specify;]

(xxxiv)ensure that a director immediately vacates his position if he becomes disqualified as per the Fit and Proper Criteria and inform the Commission of such compliance;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Inserted vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>1</sup>[(xxxv) before making any major change in the Business Plan ensure that it has:

- a. informed the Commission in writing; and
- b. obtained approval of the Unit Holders through a Special Resolution, if directed by the Commission;”];]

(xxxvi) cause to happen a determination of the NAV of the REIT Assets on [six monthly] basis;

<sup>2</sup>[(xxxvii) ensure that it conforms to the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019.]

(xxxviii) maintain adequate financial, technical, organizational and human resources, and employ appropriate systems, procedures, processes and personnel to provide REIT Management Services in a proper and efficient manner on an on-going basis;

(xxxix) maintain satisfactory controls and written compliance procedures which address all applicable regulatory requirements;

(xl) pay or arrange to pay such non-refundable application fees as specified in the relevant Schedule III;

<sup>3</sup>(xli) where applicable hold Units acquired as strategic investment as specified in these Regulations or such higher per cent of Units, as the Commission may specify, and such Units shall be held with the Central Depository in an account marked as blocked and shall not be sold, transferred or encumbered throughout the life of the Non-PPP REIT Scheme without prior written approval of the Commission;]

<sup>4</sup>(xlii) appoint Valuer in consultation with the Trustee and inform the Commission within two (2) working days of such appointment;]

<sup>5</sup>[Omitted]

<sup>6</sup>(xliv) arrange transfer of real estate to the REIT Scheme or the SPV (as the case may be) as per binding purchase agreement;]

<sup>7</sup>(xlv) in case of a shariah compliant Non-PPP REIT Scheme, obtain clearance from the Shariah Advisor in respect of all documents, investments, borrowing, Trust Deed, sub-lease deed, binding purchase agreement, tenancy agreements, etc.;

<sup>8</sup>(xlvi) solicit all monies only in the name of Trustee; and]

(xlvii) issue Units for cash consideration only except for the Units issued in lieu of the Real Estate;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

(xlviii) comply with listing regulations of the stock exchange where the Units of the REIT Scheme are listed.

(xlix) not obtain, acquire or takeover the management of another <sup>1</sup>[Non-PPP] REIT Scheme, without prior written approval of the Commission;

(xlx) not solicit Customer Advances before transfer of REITs Assets in the name of Trustee <sup>2</sup>[and

(li) make sufficient arrangements for ensuring prevention of money laundering and terrorist financing, and comply with all laws, directives and circulars as may be issued by the Federal Government or the Commission to safeguard the RMC against involvement in money laundering and terrorist financing activities, including the SECP (Anti-Money Laundering and Countering Financing of Terrorism) Regulations, 2018 and the guidelines issued thereunder.]

<sup>3</sup>[(lii) ensure preparation and transmission to the Unit Holders, the Trustee, and the securities exchange(s) on which the Units of a REIT Scheme are listed, within one hundred and twenty days of close of each financial year of the SPV, the balance sheet of the SPV, profit and loss statement, cash flow statement, the report of the auditor, the valuation report of the Real Estate of the SPV and any other document as specified by the Commission:

Provided that the RMC may transmit or make available the said accounts to the Unit Holders by placing them on its website and the RMC shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested;]

<sup>4</sup>(liii) ensure preparation and transmission to the Unit Holders, the Trustee and the securities exchange(s) on which the Units are listed, within thirty (30) days of the close of the first and third quarter and two (2) months of the close of second quarter of the financial year of the SPV, a balance sheet of the SPV as at the end of that quarter along with profit and loss statement, a cash flow statement and a statement of changes in NAV:

Provided that the RMC may transmit or make available the said quarterly accounts to the Unit Holders by placing them on its website and the RMC shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested; and

<sup>5</sup>(liv) immediately inform the Commission, of any action of the SPV that contravenes the provisions of the Act, the Rules, these Regulations, guidelines, codes, circulars, directives or any other applicable laws.;

<sup>6</sup>[Omitted]

**<sup>7</sup>[14A. Obligations of RMC in case of a PPP REIT Scheme.-** In the case of a PPP REIT Scheme, an RMC shall,-

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>7</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

(i) ensure that the PPP Project is carried out in the name of the PPP REIT Scheme and for the benefit of the Unit Holders;

(ii) ensure that all material contracts, including the Concession Agreement, PPP Project Agreements (if any), service providers' agreements entered into for furtherance of the objectives of the PPP REIT Scheme are legitimate, valid, binding and enforceable by or on behalf of the PPP REIT Scheme in accordance with the stipulated terms of such contracts and agreements;

(iii) take all reasonable steps to ensure that the Concession Agreement is executed between the Trustee and the Implementing Agency and all the conditions in the Concession Agreement are either met to the satisfaction of the Implementing Agency or waived by the Implementing Agency, as may be applicable.

(iv) manage the PPP REIT Scheme in the best interest of Unit Holders, in accordance with the Trust Deed and all applicable laws, rules, Regulations, notifications, circulars, guidelines and directives issued thereunder;

(v) ensure that it appoints the Independent Consultant(s) for the purposes provided for in the Concession Agreement and these Regulations and if not provided for in the Concession Agreement, to approve payments to be made by the PPP REIT Scheme and to manage and oversee the activities of the contractors under the PPP Project Agreements;

(vi) ensure that the PPP REIT Scheme complies with the terms of the Concession Agreement, enters into the PPP Project Agreements on an arms-length basis and makes payments for the development, construction, rehabilitation, refurbishment, maintenance and/or operations and of the Infrastructure after approval of such payments by the Independent Consultant;

(vii) ensure that the PPP REIT Scheme is dissolved only after disposal of all assets of the PPP REIT Scheme;

(viii) ensure that the Trust Deed (where applicable) is in accordance with Schedule I;

(ix) ensure that profits arising out of the PPP REIT Scheme are distributed to the Unit Holders as dividends in accordance with Regulation 25;

(x) ensure that Units are listed in accordance with the listing Regulations of the stock exchange;

(xi) ensure that running bills in respect of payments made on account of a PPP REIT Scheme are countersigned by the relevant Independent Consultant;

(xii) carry out all transactions involving PPP REIT Scheme managed by it on an arm's length basis;

(xiii) arrange or ensure that the PPP REIT Scheme arranges insurance/Takaful coverage in relation to the Infrastructure;

(xiv) obtain written approval of the Commission before issuing Units and making a public offer of the Units;

(xv) issue Units of the PPP REIT Scheme under these Regulations;

(xvi) ensure that the issue and transfer of the Units is carried out, after registration of the PPP REIT Scheme, in accordance with provisions of the Trust Deed and Information Memorandum/Offering Document and as per any directions, guidelines and circulars issued by the Commission;

(xvii) ensure that the Offering Document and Information Memorandum contains summary information of the Concession Agreement and the PPP Project;

(xviii) maintain the Register or appoint an agent for the purpose and comply with Schedule V;

(xix) obtain the written approval of the Commission before delegating one or more of its functions in relation to the PPP REIT Scheme and comply with Schedule V;

(xx) ensure that in cases where the RMC delegates any of its functions, the delegated person has sufficient experience and financial resources to carry out the delegated function and comply with Schedule V;

(xxi) be responsible for the acts, omissions, defaults and negligence of all persons, along with resultant losses, to whom it delegates any of its functions;

(xxii) maintain at its registered office proper books of account and record of the activities undertaken in connection with the PPP REIT Scheme in order to enable a true and fair view to be formed of the:

- (a) PPP REIT Scheme assets and liabilities;
- (b) profit and loss accruing on account of operation of the PPP REIT Scheme;
- (c) Transactions undertaken with respect to the PPP REIT Scheme;
- (d) Amounts received in respect of issue of Units;
- (e) pay-outs, if any, by way of distributions to the Unit Holders.

(xxiii) within one hundred and twenty (120) days of close of the financial year prepare, and transmit or make available on its website to the Unit Holders, the Trustee, the Commission and the stock exchange(s) on which the Units of a PPP REIT Scheme are listed, the balance sheet, profit and loss statement, cash flow statement and statement of the movement in NAV along with the report of the Trustee, the report of the auditor, report of Shariah Adviser (wherever relevant), and any other document as specified by the Commission and make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested;

(xxiv) prepare and transmit to the Unit Holders, the Trustee, the Commission and the stock exchange(s) on which the Units are listed, within thirty (30) days of the close of the first and third quarter and two (2) months of the close of second quarter of the financial year of the PPP REIT Scheme, a balance sheet of the PPP REIT Scheme as at the end of that quarter along with profit and loss statement, a cash flow statement and a statement of changes in NAV:

Provided that the RMC may transmit or make available the said quarterly accounts to the Unit Holders by placing them on its website and the RMC shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested;

(xxv) preserve books of account of the PPP REIT Scheme for at least ten (10) year after the extinguishment or revocation of the PPP REIT Scheme;

(xxvi) with the consent of the Trustee, appoint an auditor for the PPP REIT Scheme;

(xxvii) obtain rating for itself and for the PPP REIT Scheme as per the rating criteria of a rating company and such rating shall be updated annually, or at such other time as may be specified by the Commission;

(xxviii) publish rating of the RMC and PPP REIT Scheme in the annual and quarterly accounts and in all advertising and marketing materials of the PPP REIT Scheme;

(xxix) furnish in respect of a PPP REIT Scheme, to the Commission and the stock exchange(s) on which the Units are listed, such information within such time as the Commission may specify;

(xxx) ensure that a director immediately vacates his position if he becomes disqualified as per the Fit and Proper Criteria and inform the Commission of such compliance;

(xxxi) cause to happen a determination of the NAV of the PPP REIT Scheme on six (6) monthly basis;

(xxxii) ensure that it conforms to the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019;

(xxxiii) maintain adequate financial, technical, organizational and human resources, and employ appropriate systems, procedures, processes and personnel to provide REIT Management Services in a proper and efficient manner on an ongoing basis;

(xxxiv) maintain satisfactory controls and written compliance procedures which address all applicable regulatory requirements;

(xxxv) pay or arrange to pay such non-refundable application fees as specified in the relevant Schedule III;

(xxxvi) where applicable, hold Units acquired as strategic investment as specified in these Regulations or such higher per cent of Units of a PPP REIT Scheme, as the Concession Agreement may specify, and such Units shall be held with the Central Depository in an account marked as blocked and shall not be sold, transferred or encumbered throughout the life of the PPP REIT Scheme without prior written approval of the Commission and in violation of the provisions of the Concession Agreement;

(xxxvii) appoint the Transaction Advisor of the PPP REIT Scheme and inform the Commission of such appointment;

(xxxviii) in case of a shariah compliant PPP REIT Scheme, obtain clearance from the Shariah Advisor in respect of all documents, investments, borrowing, Trust Deed, REIT Management Services Agreement, sub-lease deed, binding purchase agreement, etc.;

(xxxix) solicit all monies only in the name of the Trustee;

(xl) issue Units only for consideration in cash or infrastructure, as applicable;

(xli) comply with the listing Regulations of the stock exchange where the Units are listed;

(xlii) not obtain, acquire or takeover the management of another PPP REIT Scheme, without prior written approval of the Commission;

(xliii) make sufficient arrangements for ensuring prevention of money laundering and terrorist financing, and ensure compliance with all laws, directives and circulars as may be issued by the Federal Government or the Commission to safeguard the RMC against involvement in money laundering and terrorist financing activities, including the SECP (Anti-Money Laundering and Countering Financing of Terrorism) Regulations, 2018 and the guidelines issued thereunder;

(xliv) appoint Independent Consultant(s) of the PPP REIT Scheme and inform the Commission of such appointment; and

(xlv) appoint Valuer in consultation with the Trustee and inform the Commission within two (2) working days of such appointment.]

**15. <sup>1</sup>[Obligations of Trustee in case of a Non-PPP REIT Scheme.]-** (1) <sup>2</sup>[The Trustee, in case of a Non-PPP REIT Scheme, shall:]

<sup>3</sup>[(i) exercise due diligence and vigilance in carrying out its functions and duties under the Trust Deed and these Regulations and all other applicable laws;]

(ii) ensure that the REIT Assets are held by it on behalf of the Unit Holders;

<sup>4</sup>[(iii) either directly or indirectly, acquire/own any Units of a REIT Scheme, on such terms and conditions as determined by the Commission on a case to case basis;]

(iv) ensure that the title to all REIT Assets is lawfully vested in it;

(v) deposit the money received by it in a scheduled bank which has a minimum long term 'AA-' rating;

(vi) confirm to the Commission that the RMC has appointed a Development Advisor or a Property Manager, as the case may be;

(vii) confirm to the Commission that all insurance premiums have been paid by the <sup>5</sup>[Non-PPP REIT Scheme] and the insurance policies are up to date;

(viii) not delegate any of its duties unless the Trust Deed allows for the delegation;

(ix) make payments to the delegatee from its own account, if it has delegated any of its functions;

(x) be liable for any negligent act or omission, on its part or on the part of any of its delegates;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021



- <sup>1</sup>[(xi) carry out the instructions of the RMC unless such instructions are in conflict with the Trust Deed, Information Memorandum, Offering Document, these Regulations, directions, guidelines, circulars or any other applicable laws;]
- (xii) carry out instructions of the RMC with respect to the payments of bills countersigned by RMC and verified by the <sup>2</sup>[Project Accountants] in case of a Developmental REIT Scheme;]
- <sup>3</sup>[(xiii) ensure that the provisions relating to use of the Customer Advances, as set out in these Regulations, the Trust Deed, the Information Memorandum, the Offering Document and the conditions of registration of a REIT Scheme, are complied with;]
- <sup>4</sup>[(xiv) issue a report indicating the level of compliance and the extent of violations, in comparison to Business Plan, which shall be included in quarterly and annual accounts of the Non-PPP REIT Scheme;]
- <sup>5</sup>[(xv) immediately inform the Commission, of any action of the RMC related to the REIT Scheme, reasonably expected to be in the knowledge of the Trustee, that contravenes the Act, the Ordinance, the Rules, these Regulations, guidelines, codes, circulars, directives or any other applicable laws;]
- (xvi) verify the <sup>6</sup>[Offering Document] for correctness and authenticity with regard to acquisition of the REIT Assets and agreements;
- (xvii) ensure that the Valuer <sup>7</sup>[Omitted], prepares and submits <sup>8</sup>[Valuation Reports] as per Regulations.
- (xviii) Ensure that the real estate proposed by an RMC for a REIT scheme meets the requirements of these Regulations.

**<sup>9</sup>[15A. Obligations of Trustee in case of PPP REIT Scheme.-** In case of a PPP REIT Scheme, the Trustee (where applicable) shall:

- (i) exercise due diligence and vigilance in carrying out its functions and duties under the Trust Deed, these Regulations and all other applicable laws;
- (ii) ensure that the PPP Project or the interest therein is held by it on behalf of the Unit Holders;
- (iii) not legally or beneficially own, either directly or indirectly, any Units in relation to which it is acting as a Trustee;
- (iv) deposit the money received by it in a scheduled bank;
- (v) confirm to the Commission that the RMC has appointed a Transaction Advisor and an Independent Consultant, as the case may be;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Omitted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>8</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>9</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

- (vi) confirm to the Commission that all insurance premiums have been paid by the PPP REIT Scheme as applicable and the insurance policies are up to date;
- (vii) not delegate any of its duties unless the Trust Deed allows for the delegation;
- (viii) make payments to the delegatee from its own account, if it has delegated any of its functions;
- (ix) be liable for any negligent act or omission, on its part or on the part of any of its delegates;
- (x) carry out the instructions of the RMC unless such instructions are in conflict with the Trust Deed, Information Memorandum, Offering Document, these Regulations, directions, guidelines, circulars or any other applicable laws;
- (xi) carry out instructions of the RMC with respect to the payment of bills countersigned by the relevant Independent Consultant;
- (xii) verify the Information Memorandum/Offering Document for correctness and authenticity with regard to the PPP Project and the Concession Agreement;
- (xiii) comply with the terms of the Concession Agreement and any financing documents for any financing raised by the PPP REIT Scheme for the PPP Project including obligations relating to Unit Holder transfer restrictions;
- (xiv) enter into sponsor support agreements or such other financing documents as required pursuant to the Concession Agreement or as otherwise may be required by the lenders for a PPP REIT Scheme;
- (xv) ensure that the Valuer prepares and submits Valuation Reports as per Regulations; and
- (xvi) immediately inform the Commission, of any action of the RMC related to the REIT Scheme, reasonably expected to be in the knowledge of the Trustee that contravenes the provisions of the Act, the Rules, these Regulations, guidelines, codes, circulars, directives or any other applicable laws.]

## <sup>1</sup>[Chapter VIII-A Valuer

**15B. Qualification of a Valuer.-** The Valuer shall meet the following criteria:

- (i) it is incorporated as a company limited by shares under the Act;
- (ii) it has employed at least three (3) engineers and/or architects who are registered with the Pakistan Engineering Council or the Pakistan Council of Architects and Town Planners, as the case may be, for the purpose of conducting the valuation of the Real Estate;
- (iii) it is on the list of approved Valuers of Panel-I or Panel-II within the unlimited valuations category maintained by Pakistan Banks Association, until such time that specialized panel of Valuers is approved by the Commission; and

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

- (iv) its promoters, directors, or members, shall have never been convicted of any offence involving moral turpitude, or financial embezzlement or any other conditions specified by the Commission.

**15C. Appointment and term of a Valuer.**- (1) The RMC shall, with the consent of Trustee, appoint a Valuer for preparation of Valuation Report in the format prescribed in Schedule VI annexed to these Regulations.

- (2) The RMC, within two (2) working days of appointment of the Valuer shall provide a copy of the contract entered into between the Valuer and the RMC to Trustee and the Commission.
- (3) The Valuer shall be appointed for a period of three (3) years and shall not be re-appointed as a Valuer for that REIT Scheme until lapse of two (2) years from its last retirement.]

**16. Obligations of the Valuer.**- (1) An RMC shall ensure that Valuer shall, -

- (i) at least once in every half year, value the Real Estate (whether held directly or through a Special Purpose Vehicle) in accordance with Schedule VI and produce a Valuation Report on Real Estate belonging to the REIT Scheme:

Provided that in case of a PPP REIT Scheme, valuation of the REIT Assets shall be done at least once in every financial year;

- (ii) ensure that, in the case of Non-PPP REIT Schemes, the valuation methodology adopted by it is in line with best practices prevalent in the real estate industry and in the case of PPP REIT Schemes, the valuation methodology adopted by it is in line with best practices prevalent in the context of PPP Projects;
  - (iii) ensure the valuation is carried objectively and independent of its business or commercial relationships;
  - (iv) immediately inform the RMC and the Trustee of any circumstances or factors that come into the knowledge of the Valuer which can reasonably affect the accuracy of the last Valuation Report submitted by the Valuer;
  - (v) remain impartial while rendering professional services;
  - (vi) at all times perform its obligation with competence, integrity and professionalism;
  - (vii) report immediately if any conflict of interest arises; and
  - (viii) conform to the valuation standards prescribed by International Valuation Standards Council (IVSC) to the extent possible and shall certify the same in the Valuation Report and any departure from said standards shall be fully explained in the Valuation Report.
- (2) The RMC shall ensure that all values determined by Valuer are, where applicable, disclosed in the Information Memorandum and/or the Offering Document.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

- (3) With reference to a PPP REIT Scheme, the RMC shall also ensure that the valuation methodology is documented and disclosed in the Offering Document/Information Memorandum where applicable, specifying how the PPP REIT Scheme is valued and its Units priced.
- (4) The RMC shall ensure that the investment of the REIT Scheme is fairly valued on a regular basis and the frequency of such valuation shall be clearly disclosed in the Offering Document/Information Memorandum and the PPP REIT Scheme is valued at least once in every financial year by a Valuer appointed with the consent of the Trustee.]

**17. Declaration by the Valuer.** - The RMC shall require a Valuer to furnish a declaration to the RMC stating that it meets the requirements specified in these Regulations, at the time of initial appointment and at the end of each year.

**<sup>1</sup>[18. Basis and Assumptions for Valuation.** – Without prejudice to its obligations under Regulation 16, in the case of a Non-PPP REIT Scheme, the Valuer shall:

- (i) determine the value of Real Estate by using all valuation approaches as indicated in the Schedule VI of these Regulations; and
- (ii) clearly state the assumptions used in the valuation in the Valuation Report, which shall be realistic, relevant and adequately substantiated by reference to physical, functional and market factors.]

<sup>2</sup>[Omitted]

## **Chapter IX REIT Accountant**

**<sup>3</sup>[20. Appointment of REIT Accountant.** - The Trustee shall appoint a REIT Accountant within one (1) month of the Financial Close and confirm the same to the Commission.]

**21. Obligations of REIT Accountant.** - (1) The REIT Accountant shall be responsible for authorizing and monitoring all payments including countersigning interim payment certificates and reporting variances to the Trustee after comparing them with the project milestones.

(2) The REIT Accountant may hire any technical/ professional resource necessary for performance of his duties.

**22. Removal of [REIT Accountant].** - The Trustee may remove the REIT Accountant if the Trustee is not satisfied with the performance of the REIT Accountant.

**23. Declaration by Trustee.** - The Trustee shall incorporate a declaration in its report stating that it has appointed a REIT Accountant.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

## **Chapter-X**

### **Investments, Dividend, Borrowing and Customer Advances**

**<sup>1</sup>[24. Investment Policy.-** A Non-PPP REIT Scheme shall primarily invest in Real Estate and may invest any surplus funds in government securities or keep such funds as deposit with scheduled commercial banks having not less than ‘AA (double A)’ Long term rating with stable outlook or money market fund, either directly or by taking investment advice on non-discretionary basis from an investment advisor duly licensed by the Commission.

Provided that the RMC and the investment advisor shall be independent of each other.

(2) The PPP REIT Scheme shall invest in Infrastructure and such other activities pertaining to and incidental to PPP Projects.

(3) A Non-PPP REIT Scheme may make an investment in Real Estate by way of direct ownership or through a shareholding in a Special Purpose Vehicle. Investment through shareholding in a Special Purpose Vehicle may be undertaken subject to fulfilment of the following:

(i) the Special Purpose Vehicle is controlled by the Non-PPP REIT Scheme, provided that, the Non-PPP REIT Scheme, shall invest not less than seventy-five per cent of the total issued share capital of the Special Purpose Vehicle, with the Special Resolution of the Unit Holders;

(ii) eighty per cent (80%) of all assets of the Special Purpose Vehicle are used/engaged for the purposes of holding, developing, refurbishing, rehabilitating, managing and/or operating Real Estate and any other activity incidental thereto;

(iii) once a Non-PPP REIT Scheme has invested in a Special Vehicle in terms of this regulation the Special Purpose Vehicle shall only acquire any additional Real Estate, subject to compliance with inter alia Chapters III (Territorial Limits of a REIT Scheme and Transfer of Real Estate) of these Regulations;

(iv) no shareholder of the Special Purpose Vehicle shall exercise any rights that prevents the Non-PPP REIT Scheme or the RMC from complying with the provisions of these Regulations and an agreement is entered into with such shareholders to that effect prior to investment in the Special Purpose Vehicle:

Provided that the shareholders’ agreement shall provide for an appropriate mechanism for resolution of disputes between the Non-PPP REIT Scheme and the other shareholders in the Special Purpose Vehicle:

Provided further that the provisions of these Regulations shall prevail in case of inconsistencies between such agreement(s) and the obligations cast upon a Non-PPP REIT Scheme or the RMC under these Regulations.

(v) the RMC, in consultation with the Trustee, shall appoint at least such number of nominees on the board of directors of such SPVs, as applicable, which are in proportion to the shareholding or holding interest of the Non-PPP REIT Scheme in the SPV;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

(vi) The Special Purpose Vehicle has been engaged by the RMC for the purposes of REIT Management Services in connection with the holding, developing, refurbishment, rehabilitation, management and/or operation of Real Estate held by the SPV, by execution of a Commission approved SPV Management Services Agreement;

(vii) both the REIT Scheme and the Special Purpose Vehicle shall appoint the same accountant and auditor and adopt the same accounting principles and policies.

(4) The following shall be complied with by a Non-PPP REIT Scheme for the purpose of investment in a Special Purpose Vehicle:

(i) a report made by an auditor shall be prepared on:

(a) the profit and loss of the Special Purpose Vehicle in respect of each of the two financial years (or such shorter period as applicable if the Special Purpose Vehicle has been in operation for less than two years) immediately preceding the transaction; and

(b) the assets and liabilities of the special purpose vehicle as at the last date (which cannot be more than six (6) months old from the date of the report) to which the accounts of the Special Purpose Vehicle were made up.

(i) the report required under (a) shall indicate how the profits and losses of the Special Purpose Vehicle would, in respect of the shares to be acquired, have concerned the scheme, if the Non-PPP REIT Scheme had at all material times held the shares to be acquired.

(ii) a Valuation Report in respect of the Special Purpose Vehicle's interest in Real Estate shall be prepared, and such report shall comply with the requirements set out in these Regulations.]

**25. <sup>1</sup>[Distribution policy.]** - (1) An RMC shall devise <sup>2</sup>[distribution] policy in the best interest of <sup>3</sup>[Unit Holders].

(2) The <sup>4</sup>[distribution] policy shall be in consonance with the provision of applicable tax law.

<sup>5</sup>[(3) The distribution policy shall be stated in the, Information Memorandum and Offering Documents of a REIT Scheme.]

<sup>6</sup>[(4) Dividends shall be paid in such manner as disclosed in the Information Memorandum and Offering Document.]

**<sup>7</sup>[26. Borrowing.-** (1) An RMC shall not receive any funds before registration of a REIT Scheme except Borrowing that has already been obtained against the Real Estate.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>7</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

(2) An RMC shall clearly state policy for Borrowing in the Business Plan, Information Memorandum, and the Offering Document.

(3) An RMC may arrange Borrowing with the approval of its board of directors and consent of the Trustee or the board of directors of the Special Purpose Vehicle, as the case maybe.

(4) An RMC shall, in the case of Non-PPP REIT Scheme, utilize the Borrowing for the purpose of capital expenditure on construction, development, renovation, rehabilitation, refurbishment, acquisition of Real Estate subject to the fulfilment of requirements stipulated in Regulation 8 of these Regulations, any other project related expenses or to meet the shortfall arising out of cost overruns or to increase earning capacity of the Non-PPP REIT Scheme:

Provided that in case of SPV, the RMC shall ensure that the Borrowing is obtained for the purpose of capital expenditure on construction, development, renovation, rehabilitation, refurbishment, acquisition of Real Estate subject to the fulfilment of requirements stipulated in Regulation 8 of these Regulations, any other project related expenses or to meet the shortfall arising out of cost overruns or to increase earning capacity of the Non-PPP REIT Scheme.

(5) At the time of obtaining Borrowing, in the case of Non-PPP REIT Scheme, the RMC shall obtain prior approval of the Unit Holders by way of a Special Resolution for any Borrowing that exceeds twenty-five percent (25%) of the reported total assets of the REIT Scheme.

(6) RMC may arrange unsecured borrowing for a REIT Scheme, if needed.

(7) In case of a PPP REIT Scheme, Borrowing shall be allowed as per the Concession Agreement.

**26A. Customer Advances.** – (1) An RMC shall clearly state policy for Customer Advances in the Business plan, the Offering Document, and the Information Memorandum.

(2) An RMC may seek Customer Advances with the approval of its board of directors.

(3) An RMC shall, in the case of a Non-PPP REIT Scheme, utilize Customer Advances to finance the project related costs as disclosed in the Business Plan, Information Memorandum and Offering Document:

Provided that RMC shall disclose the amount of Customer Advances vis-a-vis completion milestones in the Business Plan, Offering Document and the Information Memorandum.

(4) An RMC shall ensure that all marketing material, advertisements and invitations soliciting Customer Advances by whatever name called must contain the name of Non-PPP REIT Scheme, name of developer, name of concerned development authority, proposed date of completion and shall clearly state that payments are to be made through banking channels in the name of Trustee only.

(5) An RMC shall obtain consent of the Trustee for all marketing material, advertisements and invitations soliciting Customer Advances and shall only accept Customer Advances after obtaining the consent from the Trustee and ensuring compliance with the minimum disclosures as mentioned in sub-regulation (4) and the Trustee shall ensure that such material is not misleading, fictitious or deceptive.

(6) In the case of a PPP REIT Scheme, the RMC shall seek Customer Advances and utilize such Customer Advances in the manner and as authorized under the Concession Agreement.]

**27. Disclosure of Customer Advances and Liabilities.** - An RMC shall disclose customer advances and any other liabilities of a REIT Scheme in quarterly and annual accounts of a REIT Scheme.

<sup>1</sup>**28. Right issue policy.** - REIT scheme may issue right Units with the prior approval of the Unit Holders obtained by way of a Special Resolution.]

## **Chapter-XI**

### **Related Party Transactions and Independence**

<sup>2</sup>**29. Related parties and related party transactions.** – (1) Subject to sub regulation (2) of this Regulation, the persons to be considered “related party” for the purpose of any transaction pertaining to a REIT Scheme shall include the following:

- (i) RMC;
- (ii) Trustee;
- (iii) Valuer;
- (iv) Promoter of RMC;
- (v) PPP Sponsors;
- (vi) Special Purpose Vehicle
- (vii) Connected Person, associated company or associated undertaking, director or Key Executive of any of the entities stated at (i) to (vi) including their close relatives; and
- (viii) Development Advisor or Property Manager, as the case may be, in relation to a REIT Scheme;
- (ix) REIT Accountant;
- (x) Transaction Advisor; and
- (xi) minority shareholders of a Special Purpose Vehicle in which a Non-PPP REIT Scheme has invested in.

(2) The services provided, under these Regulations, the Trust Deed, Offering Document or Information Memorandum, by the RMC, Trustee, Valuers, Development Advisor or Property Manager shall not be deemed related party transaction.]

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<sup>1</sup>Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021



**30. Disclosure of related party transactions.** - (1) An RMC shall disclose related party transaction in the Offering Document and subsequently in annual as well as quarterly accounts of a REIT Scheme, highlighting the following:

- (i) potential conflict of interest of the related party with respect to the REIT Scheme and the measures taken to address such conflicts;
- (ii) beneficial interest of related party in a REIT Scheme and any changes therein; and
- (iii) the amount involved in transactions in respect of each related party for the relevant period.

(2) Where the business of a related party is in competition with the activities of a REIT Scheme, the Offering Document, quarterly and annual accounts of the REIT Scheme shall disclose the business of the related party and its management so as to enable the Unit Holders to assess the nature of their business and the reasons why their business may adversely impact the business of the REIT Scheme.

(3) Where a REIT Scheme acquires, <sup>1</sup>[in case of Non-PPP REIT Scheme], Real Estate from or sells it to a related party, the Offering Document shall disclose the following:

- (i) Valuation report for the Real Estate that the related party has agreed to sell or buy; and
- (ii) the price to be deposited in or paid out of the REIT Assets or the <sup>2</sup>[Units] issued or to be issued out of the REIT Assets as consideration and other terms of the transaction.

**31. Prerequisites with regard to related party transactions.** - (1) An RMC shall, in relation to a REIT scheme, carry out related party transactions with the prior approval of Trustee:

- (i) on arm's length basis;
- (ii) consistent with investment objectives and strategy of a REIT Scheme;
- (iii) in the interest of Unit Holders; and
- (iv) with proper disclosure to Unit Holders.

<sup>3</sup>(2) The RMC, its delegates, the Valuer or any other related parties shall not receive any benefit, monetary or otherwise, from a property agent, Real Estate developer or Real Estate builder in consideration for referring any transaction involving a REIT Scheme to such property agent, Real Estate developer or Real Estate builder.]

(3) Total value and nature of related party transaction and identity of the related party shall be disclosed in the accounts of a REIT Scheme and where no such transaction is conducted

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

during the financial year, an appropriate statement to that effect shall be made in the annual accounts.

(4) If cash is deposited with the Trustee, being a scheduled commercial bank eligible to accept deposits under these Regulations, the return shall be paid to the REIT Scheme on the deposit at a rate not lower than the rate offered by a comparable bank.

<sup>1</sup>**32. RMC, Trustee and the Valuer to be independent.** - The Valuer, Independent Consultant(s), the RMC, the Trustee, and where applicable, the Transaction Advisors, shall not be related to each other in any manner.]

## **Chapter-XII Fees**

**33. Management fee payable to RMC.** –  
<sup>2</sup>[1. Omitted.]

<sup>3</sup>[2. Omitted.]

(3) The management fee shall be payable to RMC quarterly in arrears and shall be chargeable as an expense to the REIT Scheme.

<sup>4</sup>[(4) RMC or its nominee shall be entitled to performance fee computed and paid to the RMC or its nominee as per the mechanism disclosed in the Offering Document, Information Memorandum and the Business Plan.]

(5) An RMC shall be entitled to a management fee which shall be clearly stated in the Offering Document and Information Memorandum along with the basis and quantum of fee to be charged to a REIT scheme and certificate from the auditor of REIT Scheme confirming the management fee has been charged in accordance with Offering Document and Information Memorandum.

**34. Monitoring fee payable to Commission.** - (1) Monitoring fee shall be paid annually to the Commission during the life of a REIT Scheme as per Schedule III annexed to these Regulations.

(2) The monitoring fee shall be paid as arrears within four (4) months of the close of accounting year of a REIT Scheme and shall be chargeable as an expense to the REIT Scheme.

**35. Fee payable to Trustee.** - (1) A Trustee shall be entitled to an annual fee as per relevant Schedule annexed to these Regulations.

(2) The fee payable to Trustee shall be paid as arrears quarterly and shall be chargeable as an expense to the REIT Scheme.

**36. Other Fee.** – (1) The Valuer shall be paid a predetermined amount of fee as determined at the time of his appointment and such fee shall not be contingent upon the value of the Real Estate as determined by the Valuer.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>3</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>1</sup>[(2) The fee payable to Development Advisor, and Property Manager and Independent Consultant, whichever may be applicable, shall be disclosed in the Offering Document, Information Memorandum and in the annual accounts.]

(3) The fee payable to Valuer, Development Advisor, Project Accountant and Property Manager shall be charged as an expense to a REIT Scheme.

### **Chapter-XIII Retirements and Removals**

**37. Transfer of Management Rights of REIT Scheme.** - (1) The management rights of the REIT Scheme may be transferred to another RMC upon the occurrence of any of the following events,-

(i) the RMC goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license; or

<sup>2</sup>[(ii) where the Unit Holders pass a Special Resolution and fulfil the conditions specified therein to pass such a resolution:

Provided that the RMC shall not vote at such meetings and their presence shall not be counted towards requisite voting for Special Resolution;]

(iii) if in the opinion of the Commission further management of REIT Scheme by the existing RMC is detrimental to the interest of the Unit Holders or for any other reason to be recorded in writing:

Provided that the RMC managing the REIT scheme shall be given opportunity of hearing before any action is taken against it under this regulation. However, the Commission shall not be restricted from taking any interim measures in the interest of Unit Holders.

(2) For the purpose of transfer of management right an RMC shall execute a supplemental Trust Deed subject to the approval of the Commission.

**38. Retirement or removal of Trustee.** - (1) The Commission shall remove the Trustee if it goes into liquidation, becomes bankrupt or if a receiver, liquidator or administrator is appointed over its assets and appoint a new Trustee.

(2) The liquidator shall be bound to follow the instructions of the Commission and hand over all necessary records, transfer assets and give effect to the Commission's decision in favour of the new Trustee within three working days.

(3) A Trustee may, subject to prior approval of the Commission, retire from his office on appointment of a new Trustee and the retirement shall take effect at the same time as the new

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

Trustee is appointed with the approval of the Commission or from the date of assumption of assets of the REIT Scheme by the newly appointed Trustee, whichever is later.

(4) An RMC may by giving reasons in writing apply to the Commission for change of the Trustee and propose a new Trustee. The Commission, if satisfied by the reasons given by the RMC and after providing an opportunity of hearing to the Trustee, approve the removal of the existing and the appointment of a new Trustee.

(5) The Commission, after providing a reasonable opportunity of representation to the Trustee, may remove the Trustee; if in the opinion of the Commission,-

- (i) Trustee has been in violation of these Regulations or the Trust Deed or any directives, code or guidelines issued by the Commission or is found guilty of misconduct or failed to discharge its obligation under these Regulations or the Trust Deed; or
- (ii) Trustee is guilty of insider trading or fraud or a criminal offence;

**39. Removal of the Valuer.** - (1) The Commission may direct the RMC to remove the Valuer if:

- (i) the Valuer goes into liquidation, becomes bankrupt or if a receiver, liquidator or administrator is appointed over its assets; or
- (ii) for reasonable cause, the RMC or the Trustee states, in writing, that a change in the Valuer is desirable in the interest of the Unitholders; or
- (iii) the Unit Holders pass a resolution requiring removal of the Valuer; or
- (iv) the Valuer contravenes any provision of the Ordinance, the Rules, these Regulations, or any directives, code or guidelines issued by the Commission<sup>1</sup>[or Pakistan Banks Association:]

Provided that the Valuer shall be given an opportunity to defend itself.

(2) Upon retirement or removal of the Valuer (s), the RMC in consultation with the Trustee shall appoint new Valuer (s) that meet (s) the criteria under these Regulations at least <sup>2</sup>[thirty (30)] days before the next due valuation date.]

#### **Chapter-XIV** **Extinguishment or Revocation of REIT Scheme**

**<sup>3</sup>[40. Extinguishment/Revocation of REIT Scheme.** – A REIT Scheme may be extinguished by the occurrence of any one or combination of the following events, -

- (i) The REIT Scheme has reached end of its life as specified in the Trust Deed;

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

- (ii) where the Unit Holders pass a Special Resolution demanding revocation of the Trust;
- (iii) where the RMC goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license unless the management rights have been transferred in conformity with these Regulations; or
- (iv) in the opinion of the RMC the REIT Scheme is not commercially viable or the purpose of the scheme cannot be accomplished or its objective cannot be achieved and the Unitholders have consented to such an action through a Special Resolution:

Provided that the RMC shall not vote at such meetings and their presence shall not be counted towards requisite voting for Special Resolution;

- (v) where applicable, in the opinion of Trustee and on occurrence of any event or circumstances which, as per Trust Deed, triggers conditions that require the REIT Scheme to be revoked;
- (vi) in case of a PPP REIT Scheme, the Concession Agreement is not executed within one (1) year of registration of the PPP REIT Scheme under these Regulations;
- (vii) the Concession Agreement, in the case of a PPP REIT Scheme, has expired or has been terminated;
- (viii) where, in the case of a Non-PPP REIT Scheme, the Commission deems it necessary to revoke such Non-PPP REIT Scheme and directs so to the Trustee or the RMC in the interest of Unit Holders; or
- (ix) in case the transfer of Real Estate, in the case of Non-PPP REIT Scheme, and Financial Close, in the case of PPP REIT Scheme, does not take place for any reason within the time specified under these Regulations.]

**<sup>1</sup>[41. Procedure and manner of Revocation of REIT Scheme. - (1) Where a REIT scheme is to be revoked, the Trustee shall immediately apply to the Commission and upon approval by Commission shall give notice to the RMC and shall publish such notice in one issue each of daily newspaper in English and Urdu language having circulation all over Pakistan disclosing the circumstances leading to the revocation of the REIT Scheme.**

Provided that the requirement of seeking approval from the Commission shall not apply in case of Regulation 40(i), 40(vi) and 40(viii) above.]

(2) On the date of publication of the notice under sub-regulation (1) of this regulation the affairs of and all information relating to the REIT Scheme shall be transferred to the Trustee till the completion of the final settlement of the affairs of the REIT Scheme.

(3) From the date of publication of the notice the Units of the REIT Scheme shall be delisted, with approval of the Commission, from the relevant Stock Exchange and REIT

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

Scheme shall cease to carry on its business, except so far as may be required for the beneficial revocation thereof.

(4) The RMC, Trustee or any other party as deemed appropriate by the Commission shall be authorized to dispose off the assets of the REIT Scheme in the best interest of the Unit Holders and any sale, settlement or arrangement executed by the Trustee in pursuance of revocation of the REIT Scheme shall be binding on the RMC and Unit Holders of the REIT Scheme.

(5) The Trustee upon the commencement of revocation process shall also submit, in addition to specified statutory reports, quarterly reports to the Commission providing details of the various steps taken by it to finalize settlement of the affairs of the trust.

(6) The proceeds from the sale of the Asset of the REIT Scheme shall be first utilized towards discharge of such liabilities as are due and payable by the REIT Scheme and after making appropriate provision for meeting the expenses connected with such revocation and the balance amount shall be paid to the Unit Holders in proportion to their respective interest in the assets of the REIT Scheme.

(7) On the completion of the revocation process the Trustee shall forward to the Commission and the Unit Holders a report on the revocation process containing particulars such as circumstances leading to the revocation, the steps taken for disposal of assets of the REIT Scheme before revocation, expenses of the fund for revocation, net assets available for distribution to the Unit Holders and a certificate from the auditors of the REIT Scheme.

(8) After the receipt of revocation report by the Trustee, if the Commission is satisfied that all measures for revocation of the REIT Scheme have been complied with, the Commission shall cancel the registration of an REIT Scheme and the REIT Scheme shall cease to exist and Trust shall be extinguished as per applicable laws.

## **Chapter XV**

### **Meeting of the Unit Holders of the REIT Scheme**

**42. Meeting of the Unit Holders.** - (1) The meeting of the Unit Holders shall be held in accordance with the procedure prescribed in Schedule VII to these Regulations for the following purposes:

- (i) Transfer of management rights of REIT Scheme
  - (ii) Extinguishment or revocation of REIT Scheme
  - (iii) Removal of Valuer
- (2) For the purpose of this regulation, the meeting can be called by:-
- (i) RMC or
  - (ii) Trustee or
  - (iii) Commission
    - (a) on its own motion in the interest of REIT Scheme or;

- (b) at the request of Unit Holders having at least <sup>1</sup>[twenty-five percent] (25%) Units in value of the total outstanding Units of the REIT Scheme present either in person or through proxy or represented by Trustee in such meeting;

## **Chapter-XVI Miscellaneous**

**43. Application of the Ordinance to a REIT Scheme.-** <sup>2</sup>[(1) The provisions of the Act governing matters relating to general meetings of a company, notice for meeting to shareholders, issue of right shares, allotment and transfer of shares, prospectus, accounts and audit of listed companies, declaration of dividend, shall as far as may be, mutatis mutandis apply unless specified otherwise in these Regulations to the meetings of the Unit Holders, notice for meeting to Unit Holders, issue of right or bonus Units, allotment and transfer of Units, declaration and payment of dividends, prospectus, accounts and audit of the REIT Scheme.]

(2) International Accounting Standards notified by the Commission for listed companies shall also apply to a REIT Scheme, where relevant.

<sup>3</sup>**[43A. Relaxation/ Exemption from Regulations.** – (1) The Commission may, upon receipt of application and for reasons to be recorded in writing, relax or exempt a REIT Scheme from any provision of these Regulations as it deems fit in the interest of the public and/or to remove any practical difficulties under these Regulations and the PPP Laws.

(2) The Commission may, while granting any relaxation or exemption to the Regulations, impose any other condition as it may deem necessary in the public interest.]

<sup>4</sup>**[43B. Relaxation/ Exemption from Regulations for Green Infrastructure/ Building/ Project.-** (1) The Commission may, upon receipt of application and for reasons to be recorded in writing, grant specific or general relaxation or exemption for green infrastructure/ building/ project, from any provision of these Regulations as it deems fit and/or to remove any practical difficulties under these Regulations.

(2) The Commission may, while granting any relaxation or exemption to the Regulations, impose any other condition as it may deem necessary.]

## **Chapter – XVII Repeals and Savings**

**44. <sup>5</sup>[Repeal.]** - The Real Estate Investment Trust Regulations, 2008 are hereby repealed.

**45. <sup>6</sup>[Savings].** - Save as otherwise specifically provided, nothing in these Regulations shall affect or be deemed to affect anything done, action taken, investigation or proceedings

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

commenced, order, relaxation granted unless withdrawn, appointment, conveyance, mortgage deed, document or agreement made, fee paid or accrued, resolution passed, direction given, proceedings taken or instrument executed or issued, under the repealed Real Estate Investment Trust Regulations, 2008 and any such thing, action, investigation, proceedings, order, appointment, conveyance, mortgage deed, document, agreement, fee, resolution, direction, proceedings or instrument shall if in force at the coming into force of these Regulations and not inconsistent with any of the provisions of these Regulations, continue to be in force, and have effect as if it were respectively done, taken, commenced, made, directed, passed, given, executed or issued under these Regulations.

<sup>1</sup>[Omitted]

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<sup>1</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018



**SCHEDULE I**  
**CONTENTS OF THE TRUST DEED OF REIT SCHEME**

The Trust Deed must *inter alia* contain the following not necessarily in the sequence given:

- (i) Name of Trust.
- (ii) Creation of Trust.
- (iii) Transfer and grant of REIT Assets.
- (iv) Object of the Trust.
- (v) Authorization/approval of the Commission to constitute the Trust.
- (vi) Parties to the Trust Deed identifying the Trustee as well as the beneficiaries.
- (vii) Registered address of the Trustee along with place and date of creation of Trust.
- (viii) Governing law and jurisdiction.
- (ix) Duration and date of extinction of Trust.
- (x) Circumstances for the revocation of the Trust along with the mechanism specifically stating the power of the Commission to revoke the trust.
- (xi) Duties, powers and rights of the RMC in relation to the trust.
- (xii) Rights of the beneficiaries of the Trust.
- (xiii) Duties, powers, rights and obligations of Trustee.
- (xiv) Retirement or removal of Trustee, specifically giving the Commission the power to remove the Trustee.
- (xv) Mechanism for rectification of Trust Deed.
- (xvi) Duties of the Trustee which may be delegated to third parties.
- (xvii) Appointment of the auditor.
- (xviii) Circumstances and procedure for the change of RMC upon the request of the Unit Holders.
- (xix) Procedure for change of Trustee.
- (xx) Policies for borrowings and issuance of Units.
- (xxi) Provisions that Units shall be listed in accordance with the listing regulations of the stock exchange and shall be freely tradable unless restricted under these Regulations
- (xxii) Specification of the size of REIT Fund.
- (xxiii) Investment policy, specifically authorizing the Trustee to invest the REIT Fund.
- <sup>1</sup>[(xxiv) Distribution policy - The distribution policy, indicating the time period for distribution of dividend.]
- (xxv) Accounting period and audit;
- (xxvi) Mechanism for the distribution of REIT Assets, upon the extinction or revocation of the Trust and the manner in which the beneficiaries shall be transferred their

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

proportionate shares of the sale proceeds specifically stating that creditors shall have the first right at the time of distribution of REIT Assets.

(xxvii) Arbitration.

(xxviii) Mechanism for change of Trustee

<sup>1</sup>[(xxix) Where applicable, in the case of PPP REIT Schemes, an acknowledgment by the Trustee and the RMC that lenders' step-in rights shall be given effect to in accordance the Concession Agreement/applicable lending agreements.]

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

**SCHEDULE II**  
**COSTS CHARGEABLE TO REIT FUND/ SCHEME**

- (i) Management fee of RMC.
- (ii) Reimbursements of expenses to RMC which have been borne by the RMC for setting up the REIT Scheme.
- (iii) Fee to be paid to Trustee.
- (iv) Fee payable to Commission.
- (v) Auditors' fees.
- (vi) Listing fee for the REIT Scheme, including renewals payable to stock exchange;
- (vii) Legal fee, tax, accounting, financial charges and other relating expenses of the REIT Scheme.
- (viii) Underwriting commission and take-up commission.
- (ix) Commissions to the banker to the issue.
- (x) Remuneration of service providers e.g. letting agents, security etc.
- (xi) Fees and charges of the Valuer for valuing REIT Assets.
- (xii) Fees and charges of the civil works contractor, construction and capital refurbishment costs.
- (xiii) Fee payable to Project Accountant
- (xiv) Development Advisor, Property Manager fees.
- (xv) Taxes, fees, duties and other charges applicable to the REIT Scheme.
- (xvi) Bank charges & financial cost with respect to the REIT Scheme.
- (xvii) Any printing costs and related expenses for issuing the REIT Scheme's quarterly, half-yearly and annual accounts, etc.
- (xviii) Shariah advisory fee;
- (xix) Annual Project Health Survey fee;
- (xx) Common Area Maintenance (CAM) Vacancy charges;
- (xxi) REIT Scheme rating fee paid to the Rating Agency;
- (xxii) NCCPL annual and clearing fee,
- (xxiii) CDS fee and insurance premiums
- (xxiv) Fee charges payable as per rules and regulations of local administration/ authorities
- (xxv) Expenses incurred on sale of real estate (plots, built up Units, apartments etc.)
- (xxvi) Any other expenses which are agreed between RMC and Trustee and allowed by the Commission;

**SCHEDULE III  
FEES**

**A) Application Fees under the Regulation**

S#	Form	Subject of application	Amount (RS.)
1	Form I	Application for permission to form an RMC	250,000
2	Form II	Application for license to undertake or carry out an activity or function	500,000
3	Form IV	Application for renewal of licence to carry out an activity or function.	Nil

**B) Application Fees:**

S#	Subject of Application	Amount (RS.)
1	Application for registration of a REIT scheme	500,000/-

*\*Schedules of fee revised as per the direction of Securities and Exchange Policy Board vide S.R.O 1620(I)/2019, dated December 24, 2019.]*

Fee payable by REIT Scheme	Developmental REIT	Rental REIT	<sup>1</sup> [PPP REIT Scheme
<sup>2</sup> [Omitted]			
Annual Monitoring Fee payable to the Commission	Equal to 0.20% of initial REIT Fund per annum	Equal to 0.10% of initial REIT Fund per annum	Equal to 0.10% of initial REIT Fund per annum]
Annual Fee payable to Trustee	<b>As mutually agreed between RMC and Trustee</b>		

Fee for Hybrid REIT Scheme will be a combination of Developmental and Rental portions <sup>3</sup>[proportionately].

<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Omitted Vide SRO 1473 (I)/2018 dated December 4, 2018

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

**SCHEDULE IV**  
**INFORMATION TO BE DISCLOSED IN THE**  
**OFFERING DOCUMENT BY THE REIT SCHEME**

<sup>1</sup>[*Note*: - No Offering Document shall be issued to the public unless summarized versions of Valuation Report of the Real Estate, and the Business Plan (in the case of a Non-PPP REIT Scheme) and Concession Agreement (in the case of a PPP REIT Scheme) is attached to it.]

<sup>2</sup>[The Offering Document shall in addition to the requirements contained in the Securities Act, 2015 Ordinance and any applicable rules, regulations or guidelines made thereunder also contain the following information:]

1. Date of publication of the Offering Document.
2. Stock Exchange's clearance for the Offering Document.
3. Commission's approval for the Offering Document.
4. REIT Scheme
  - (a) Name and registered address of the REIT Scheme.
  - (b) Date and registration number of REIT Scheme.
  - (c) Name and registered address of Trustee.
  - (d) Abridged version of the latest audited accounts of the Trustee <sup>3</sup> [(where applicable)] not older than six months failing which a certificate from the auditor evidencing the net worth of the company;
  - (e) Summary of the entire REIT Scheme highlighting potential benefits and risks involved.
  - (f) Name of the directors of Trustee.
  - (g) Duration and date of termination of the REIT Scheme.
  - (h) Summary of the substantive provisions of the Trust Deed.
  - (i) Commission's approval of the Real Estate where applicable under these Regulations.
  - (j) Beneficial interest of the related parties, if any, with respect to the REIT Scheme.
  - (k) Potential conflicts of interest of the related party, if any, with respect to the REIT Scheme.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

- (l) A description of the business of the related party and its management so as to enable the Unit Holders to assess the nature, scope and size of their business and the reasons as to how their business may be in competition with the Project and activities of the REIT Scheme.
- (m) Costs of advertisements relating to the REIT Scheme.
- <sup>1</sup>[(n) Fee negotiated with the Development Advisor, Property Manager, Valuer, Project Accountant, Independent Consultant etc.]

## 5. RMC

- (a) Name and Registered address of the RMC.
- (b) Incorporation certificate of the RMC.
- (c) Abridged version of audited balance sheet and profit and loss statement of the RMC not older than six months failing which a certificate from the auditor evidencing the net worth of the company.
- (d) Board of directors, chief executive and company secretary of the RMC and their profile/particulars.
- (e) Names of shareholders along with their shareholding in the RMC.
- (f) Duties and powers of the RMC.
- (g) Certificate from the RMC that the related party is capable of performing its duty in relation to the REIT Scheme independent of its other business, if any.

## 6. Corporate Directory

The names, registered addresses and contact numbers of the following parties, where applicable:

- (a) Valuer;
- (b) Development Advisor
- (c) Property Manager;
- (d) Consulting engineer/design firm or architect;
- (e) Civil works contractor;
- (f) Auditor of the REIT Scheme;
- (g) Underwriter;
- (h) Bankers to the issue;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

- (i) Registrar of the REIT Scheme;
- <sup>1</sup>[(j) Legal adviser of the REIT Scheme;]
- <sup>2</sup>[(k) Relevant regulatory authorities;]
- (l) Project Accountant;
- <sup>3</sup>[(m) Independent Consultant(s);]
- <sup>4</sup>[(n) Transaction Advisor; and]
- <sup>5</sup>[(o) Special Purpose Vehicle (along with details of minority shareholders) (where applicable).]
- <sup>6</sup>[7. REIT Assets as may be applicable,-
- (a) In case of Non-PPP REIT Schemes:
  - (i) Location map with address of Real Estate along with name of concerned authority/jurisdiction;
  - (ii) Photographs and drawings of the Real Estate along with accessibility map;
  - (iii) Type of Real Estate, whether lease hold or free hold;
  - (iv) Date and value at which the Real Estate has been transferred to Trustee;
  - (v) Valuation Report of the Real Estate;
  - (vi) Copy of the certificate from the auditor of REIT Scheme that Real Estate has been transferred in the name of Trustee;
  - (vii) In case of Rental REIT Scheme, certificate from auditor of the REIT Scheme that RMC has entered into a binding purchase agreement with the seller of the Real Estate;
  - (viii) Material information regarding the acquisition of Real Estate in the case of a REIT Scheme or execution of a purchase agreement in the case of a Rental REIT Scheme, if any;
- (b) Approval for the PPP Project or the Non-PPP Project (as applicable) from the concerned regulatory authorities;
- (c) Major terms and conditions of the Concession Agreement and any other related documents with regard to Infrastructure and PPP REIT Scheme.]

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>5</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>6</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>1</sup>[8. Fund size

- (a) Total size of the REIT Fund.
- (b) Units taken up by the RMC, Private Investors and/or Pre-IPO investors, if any.
- (c) Names and addresses of the Private Investor and/or Pre-IPO investors along with their percentage held.
- (d) In the case of Non-PPP REIT Schemes, certificate from the auditor of REIT Scheme confirming issue of Units in lieu of Real Estate.
- (e) Certificate from auditor of the REIT Scheme stating whether the subscription money from Private Investors and/or Pre-IPO investors has been received in the name of Trustee or not.
- (f) Number of Units offered to the public.]

9. Units

- (a) Face value of Units.
- (b) Lot size of Units.
- (c) Opening and closing date of subscription.

10. Detail of Expenses to be borne by the REIT Scheme

- (a) Management fee of RMC.
- <sup>2</sup>[(b) Amount of expenses which have been borne by the RMC for setting up the Trust., the Special Purpose Vehicle(s) (as applicable).
- <sup>3</sup>(c) Fee to be paid to the Trustee.]
- (d) Fee payable to the Commission.
- <sup>4</sup>[(e) Fee payable to the Central Depository.]
- (f) Auditor' fees of the REIT Scheme.
- (g) Listing fee, including renewals payable to stock exchange for the listing of Units of the REIT Scheme.
- (h) Legal fee and other relating expenses of the REIT Scheme.
- (i) Underwriting commission and take-up commission.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021



- (j) Distribution charges, if any.
- (k) Commissions to the banker to the issue.
- (l) Fees and charges of the Valuer for valuing REIT Assets.
- (m) Fees and charges of the civil works contractor.
- (n) Remuneration of service providers e.g. letting agents, security etc.
- <sup>1</sup>[(o) Fee to be paid to the Development Advisor, Project Accountant, Independent Consultant and Property Manager.]
- (p) Taxes, fees, duties and other charges applicable to the REIT Scheme on its income or its properties.
- (q) Bank charges & financial cost with respect to the REIT Scheme.
- (r) Any printing costs and related expenses for issuing the REIT Scheme's quarterly, half-yearly and annual accounts, etc.
- (s) Any other expenses allowed by Commission time to time.

11. Distribution policy

The distribution policy, indicating the time period for distribution of dividend.

12. Financial Reports and accounts

- (a) The accounting year of the REIT Scheme.
- (b) Particulars and frequency of the financial reports to be sent to the Unit Holders.
- (c) Policy on valuation of the REIT Scheme's assets and determination of the NAV.
- (d) Financial projections including projected balance sheet, profit and loss and cash flow statements.
- (e) Borrowing policy, if any.
- (f) Policy for Customer Advances.
- <sup>2</sup>[(g) Any other policy as per the Concession Agreement.]

13. Extinction of REIT Scheme

- (a) A summary of the circumstances in which the REIT Scheme may be extinguished and the manner in which the beneficiaries shall be transferred their proportionate shares.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

- (b) Rights of creditors, if any.

#### 14. Risks

A statement that investment in the REIT Scheme is subject to risks and an exhaustive description of the risks involved.

#### <sup>1</sup>[15. General information.

- (a) A list of documents concerning the REIT Scheme such as Trust Deed Business Plan (in the case of Non-PPP REIT Scheme) or Concession Agreement (in the case of PPP REIT Scheme), Valuation Report, audited accounts of the RMC and the Trustee, NOCs/approvals etc., shall be placed on the website of the RMC and provided free of cost to the prospective investors.
- (b) A statement that the RMC accepts responsibility for the information contained in the Offering Document as being accurate at the date of publication.
- (c) Construction schedule for the Non-PPP Project or PPP Project (as applicable) indicating deadlines and milestones.]

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

**[SCHEDULE - IVA  
INFORMATION MEMORANDUM**

*Note: - This is not an exhaustive list. The REIT Management Company is bound to disclose any information that may be necessary for Private Investors to make an informed judgment.*

**A. Details of REIT Management Company (“RMC”)**

1. Name of Directors and their profile;
2. Name along with details of Shareholders holding 10% or more shares in RMC;
3. Financial Details of RMC;
4. Details regarding related parties; and
5. Name and address of the auditor

**B. Details of Real Estate <sup>1</sup>[(where available in the case of Non-PPP REIT Schemes)]**

1. Complete Property Details - Location, area, dimensions etc.
2. Details of agreement with present owner, if any;
3. Past, present and projected future rental income from property(s), if applicable;
4. Construction schedule, if applicable;
5. Summary information of the valuation report where applicable
6. Building details/ number of floors/floor to area ratio; and
7. Any other information relevant on account of real estate.

**C. Details of the REIT Scheme <sup>2</sup>[(where available and as may be applicable)]**

1. Name of the proposed REIT Scheme;
2. Investment Policy and Strategy of the REIT Scheme;
3. Borrowing and Customer Advances Policy;
4. Proposed amount of Investible Funds;
5. Financial Projections up to five years along with explanation of key assumptions;
6. Details of commitments by any Investor (s), if any and names and addresses of such Investors; and
7. Name and address of the auditor of the REIT Scheme;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

8. Registered office address;
9. Category of the REIT (i.e. Development or Rental REIT);
10. Key data and overview of REIT Scheme;
11. Summary of the substantive provisions of the Trust Deed;
12. Permitted Investment Avenues and Restrictions, if any;
13. General and Specific Risks;
14. Benchmark of the REIT Scheme;
15. Pricing policy;
- <sup>1</sup>[16. Income Distribution Policy/Dividend Policy;]
17. Management Fee of RMC
18. The accounting year of the REIT Scheme;
19. Details regarding periodic reporting to investors;
20. Frequency of issuance and redemptions of Units;
21. Procedure for subscribing, redeeming or conversion/transfer of Units;
22. Fees and cost to be charged to the REIT Scheme;
23. Detail of Trustee;
24. Names along with obligations and rights of Development Advisor, Property Manager, Investment Advisor, REIT Accountant, Trustee and Unit holders;
25. Rights and liabilities of Unit Holders;
26. An overview of the applicable regulatory framework;
- <sup>2</sup>[27. Circumstances for the revocation of the REIT Scheme;]
28. Mechanism for the distribution of assets of REIT Scheme, upon the extinction or revocation of the Trust and the manner in which the beneficiaries shall be transferred their proportionate shares of the sale proceeds;
- <sup>3</sup>[29. Retirement or removal of Trustee, (where applicable), specifically giving the Commission the power to remove the Trustee;]
30. Circumstances and procedure for the change of REIT Management Company upon the request of the Unit Holders;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

31. A statement that the REIT Management Company accepts responsibility for the information contained in the Information Memorandum as being accurate at the date of publication;
32. Disclosures required under these Regulations; <sup>1</sup>[omitted]
33. Any other information that the Commission may specify from time to time; <sup>2</sup>[and
34. In case of PPP REIT Scheme, summarized contents and details of the Concession Agreement to be provided and copy of Concession Agreement to be annexed to the Information Memorandum.]

**D. DECLARATION BY PRIVATE INVESTOR**

All Private Investors are advised that completion of this declaration form is mandatory to invest in proposed REIT Scheme. I/We hereby acknowledge that:

- i. I/We have examined the Constitutive Documents along with Information Memorandum carefully and I/We understand that investment in this REIT Scheme (i.e. state name of the REIT scheme) may involve risks which I understand and willing to take;
- ii. The Units of the REIT Scheme have not been recommended by the SECP and in making an investment decision, I/We will rely on my/our own judgment of the REIT Scheme and the terms of the offer including the merits and risks involved.

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Name (s) of Private Investor

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Signature of Private Investor or Authorized Person

*In case of authorized person, authorizing instrument shall be enclosed.]*

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<sup>1</sup> Omitted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted and Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

**SCHEDULE V**  
**REQUIREMENTS FOR DELEGATION OF FUNCTIONS BY RMCS IN RELATION**  
**TO REIT SCHEMES**

**A-Definitions**

Service Provider means a company to whom functions related to REIT Scheme are outsourced by an RMC but ultimate responsibility shall remain that of the RMC

**B-General**

- <sup>1</sup>[1. An RMC may delegate to a third party (“Service Provider”) any of its functions in relation to a REIT Scheme under its management, except investment decision making. Provided that a service provider meets the criteria specified and approved by the Board of Directors of the RMC.]
2. An RMC may delegate its function in relation to accounting of a REIT Scheme to a Service Provider provided the Service Provider to which such function is delegated has a Chief Accounting Officer / Chief Financial Officer who is compliant with the criteria specified under rule 7(a)(vi)(c) of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003.
3. An RMC may delegate function(s) to a Service Provider, initially for a period not exceeding three years, and subject to satisfactory performance of such Service Provider, it may extend term of contract for such period as it may deem appropriate. The RMC may cancel a contract earlier as per terms and conditions of the contract.
4. An RMC may delegate function to its associates or group entities provided such associate or group entity has in place systems, infrastructure, manpower, decision making, record keeping, etc. for avoidance of any conflict of interest and to ensure an arm’s length dealing with the RMC and REIT Scheme under its management.

**C-Responsibilities of Board of Directors and Senior Management**

1. An RMC shall obtain prior written approval of its Board of Directors for entering into any material agreement with the Service Provider for delegation of any functions.
2. An RMC shall conduct due diligence of the Service Provider, prior to engaging it, to assess its capabilities and expertise in performing the functions being delegated. Such an assessment shall inter alia, include the following:
  - a) Capacity of the Service Provider to comply with its obligations under the service level agreement;
  - b) Adequacy of the resources and ability of the Service Provider to efficiently undertake the functions, especially in instances where the Service Provider performs services for multiple entities along with level of concentration of the outsourced arrangements with a single Service Provider;
  - c) Potential conflict of interest especially where the Service Provider operates within the same industry and mechanism to adequately address such conflicts;

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<sup>1</sup> Substituted vide SRO 1473 (I)/2018 dated December 4, 2018

- d) Qualitative and quantitative financial and operational factors;
  - e) Reputation factors;
  - f) Insurance coverage by the Service Provider;
  - g) Ability of the Service Provider to adhere to high standard of care;
3. An RMC's Board of Directors and its management shall be responsible and accountable for effective due diligence and oversight of all delegation decisions, to the regulator, Unit Holders of the REIT Scheme and other stakeholders.

#### **D-Risk Management and Controls**

- 1) An RMC and its Board of Directors shall be responsible for the effective management of any risks arising from delegation of functions and shall at the minimum ensure the following:
  - a) Comprehensive due diligence of the nature, scope and complexity of the delegation of functions to identify key risks along with risk mitigation strategies;
  - b) Delegation is consistent with the overall business strategy and objectives of the RMC;
  - c) Periodic reviews of delegation arrangements and identification of new material outsourcing risks which arise or may arise;
  - d) Analysis of the impact of the arrangement on the overall risk profile of the RMC, and whether adequate internal expertise and resources are available to mitigate the risks identified; and
  - e) Analysis of the potential benefits of delegation against the weaknesses that may arise, including the impact of disruption or unexpected termination of the delegated services.
- 2) An RMC shall put in place adequate procedures to monitor and maintain overall control of the delegation arrangement in accordance with its Board's approved policy and ensure performance of RMC's primary obligation for the functions that are delegated.
- 3) An RMC shall ensure that the outsourcing of services is reviewed by its internal audit function. An RMC shall have in place a contingency plan, approved by its board of directors, to mitigate any adverse impact arising from the discontinuity and disruption to the delegated function(s) in the event the service level agreement or part thereof is terminated, or the function cannot be performed by the service provider for any reason whatsoever. Such plan shall specifically cover detailed review of alternatives (i.e. whether the RMC will perform the function itself or appoint a new service provider).

#### **E-Service Level Agreement (SLA) with Service Provider**

- 1) An RMC shall enter into a written and binding service level agreement with significant Service Providers to formalize and document the delegation arrangement, which explicitly and carefully defines the roles, responsibilities and obligations of the Service Providers and the RMC.

- 2) An RMC shall ensure that the SLA adequately captures the nature and materiality of the delegation arrangement between the RMC and Service Provider and documents all its components. The terms and conditions governing the SLA shall at the minimum cover provisions dealing with:-
  - a) Firm and client confidentiality
  - b) Payment arrangements with Service Provider
  - c) Liability of the Service Provider to the RMC for unsatisfactory performance or other breach of the agreement
  - d) Guarantees and indemnities
  - e) Mechanisms to resolve disputes that might arise under the arrangement
  - f) Business continuity provisions
  - g) Conditions for termination of contract and exit strategies
  - h) Maintenance of books, records and documents for the time period stipulated in the law, rules and guidelines.
- 3) An RMC shall ensure that the SLA stipulates provisions for proper reporting and monitoring mechanisms from the significant Service Provider to the RMC and Trustee of the REIT Scheme, including the RMC's right and access to prompt information and records in relation to the REIT scheme and its delegated functions.
- 4) An RMC shall ensure that the SLA contains appropriate provisions that empower the Commission to have ongoing access to books, records and documents, and it has the right of examination and inspection of the Service Provider, with or without notice.
- 5) An RMC shall endeavour that the material service level contracts are duly reviewed by a competent legal counsel with regards to its legal effect and enforceability.
- 6) An RMC shall ensure that copy of any material service level agreement is shared with the Trustee of REIT Scheme within seven working days of entering into delegation agreement.

#### **F-Confidentiality of Clients**

- 1) An RMC shall procure, from the Service Provider, a written undertaking to maintain the secrecy and confidentiality of the documents and information of clients that the service provider shall have access to, from any intentional or inadvertent disclosure to any unauthorized person(s).
- 2) An RMC shall ensure that any requirements pertaining to the confidentiality of clients' information particularly in terms of the delegated functions, as stipulated under any laws, rules, regulations or guidelines are adhered to at all times.
- 3) An RMC shall review the significant service provider's security policies, procedures and controls to ensure protection of confidentiality and security of clients' information.



## **G-Regulatory Obligations**

- 1) An RMC shall have the primary obligation, accountability and responsibility for complying with any regulatory requirements at all times notwithstanding delegation of any function to a Service Provider.
- 2) An RMC shall ensure that delegation of the functions does not in any way interfere with the ability of the RMC to fulfil its legal and regulatory obligations, or in efficiently performing any of its activities.
- 3) An RMC shall establish internal policies and procedures to ensure compliance with all relevant securities laws, regulations, guidelines, licensing conditions and rules and in this respect shall specifically ensure through service level agreement that the Commission has at all times–
  - a) Access to the books, records and documents of the service provider relating to the outsourced activities;
  - b) Be able to obtain copies of any books, records and documents whether from the RMC or the service provider; and
  - c) Be able to obtain promptly any other information concerning activities that are relevant for the performance of their regulatory oversight or supervisory functions.
  - d) An RMC shall ensure that appropriate measures are in place including specific provisions in the SLA that empower the Commission to:
  - e) Conduct examination and/or inspection at the premises of the Service Provider, by any person appointed in this behalf and to obtain copies of any report and finding made on the service provider in conjunction with the service performed for the market intermediary; and
  - f) Have access to the Service Provider and the RMC’s records and documents, data of or information on transactions, and any other information of the RMC given to, stored at or processed by the service provider, and the right to access any report and finding made on the service provider.
- 4) An RMC shall procure a written undertaking from the Service Provider to the effect that the Commission shall, without any hindrance, reserve the right to conduct examination or inspection at the service provider’s premises, including examining books and documents and having access to and obtain copies of the relevant books, records and documents as and when required.
  - a) The Commission may at any time require or direct an RMC to perform the delegated function(s) itself internally or transfer the function to another Service Provider in the event that the Commission is not satisfied, for any reason whatsoever, with the performance of the service provider or the arrangement between RMC and the Service Provider, without any compensation whatsoever due to the RMC or the service provider.

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**SCHEDULE VI**  
**VALUATION REPORT**

The valuation report shall adequately cover the following and shall be issued within one month of the completion of the valuation assignment:-

1. Name of the Valuer and credentials of the persons who conducted the valuation
2. Date of valuation
3. General Information
  - (a) The Real Estate being valued and the client.
  - (b) The assumptions used.
  - (c) Scope of assignment.
  - (d) Easements associated with the Real Estate.
  - <sup>1</sup>[(e) In case of Developmental, Hybrid and PPP REITs Schemes, the following information provided by the RMC to the Valuer (where available and as may be applicable):]
    - (i) Construction schedule along with milestones and deadlines.
    - (ii) Construction specifications.
    - (iii) Construction drawings.
4. Inspection of the Real Estate
  - (a) The date of inspection, name of the inspector and the site inspected.
  - (b) Details, where inspection of any part of the Real Estate was not possible and its impact on the valuation.
- <sup>2</sup>[5. Description and Details of Real Estate (where available and as may be applicable)]
  - (a) Location map and the address of the Real Estate along with the name of concerned authority/jurisdiction.
  - (b) Photographs and drawings of the Real Estate along with accessibility map.
  - (c) Custodian of the title record e.g. LDA, CDA etc.
  - (d) In the case of Rental REITs, description of improvements and the present condition of the Real Estate.
  - (e) Floor plan, maps, photos, and other visual aid.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

- (f) For properties generating rental income e.g. shopping complex, office building, etc, details of occupancy rate, tenancy schedule, and types of income and operating costs etc. Any hazards / risks observed in the building and surrounding
6. Market and Neighborhood <sup>1</sup>[(if applicable)]
- (a) A description of the surrounding area and developments, if any.
  - (b) Availability of communications, amenities and utilities in the surrounding area.
  - (c) The supply and demand situations affecting the Real Estate to the best possible extent.
7. Approaches of valuation
- (a) In case of Rental REIT Scheme, value of the Real Estate shall be determined using all of the following three approaches,
    - i. Income Capitalization Approach
    - ii. Sales Comparison Approach
    - iii. Cost Approach
  - (b) In case of Developmental REIT Scheme, value of the Real Estate shall be determined using Sales Comparison Approach and Cost Approach.
  - <sup>2</sup>[(b1) In case of PPP REIT Scheme valuation Approach/ Methodology shall be documented and disclosed by the Valuer along with rationale for choosing the particular approach as compared to any other most relevant applicable approaches.]
  - (c) Opinion on Relevant Approach

The Valuer shall provide an explanation of the relative strengths and weaknesses of various approaches and explicitly state the approach that is most appropriate for the REIT Scheme

8. Declaration by the Valuer

A declaration according to the format attached as Annexure “A”.

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

**DECLARATION**

I,.....(Name of the person conducting the valuation) of.....(name of the Valuer company) carried out a valuation of.....(Name and address of the subject Real Estate) and do solemnly and sincerely, to the best of my knowledge and belief declare:

1. That after an inspection of the Real Estate and a study of pertinent factors, including valuation trends and an analysis of neighbourhood data the market value of the subject Real Estate as on .....(date of valuation) is Rupees .....(amount in Rupee in both words and numbers).
2. That the statements of fact contained in this report are true and correct.
3. That I have not withheld any information.
4. That I have no interest in the Real Estate that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
5. That I have not been instructed either by my company or the client to report a predetermined value for the subject Real Estate.
6. That I am neither a director nor an employee of the RMC and do not have any financial interest, direct or indirect, in the RMC.
7. That I have personally inspected the Real Estate that is the subject of this report.

Declared by:

.....  
Name and signature:  
Designation:  
Date:

Witnessed by:

.....  
Name and signature: CEO of the Valuer Company Date:

## **SCHEDULE VII**

### **PROCEDURE FOR CONVENING MEETING OF THE UNIT HOLDERS**

#### **GENERAL**

1. REIT Management Company (RMC) managing the REIT Scheme shall be responsible for conducting and chairing the meeting of the Unit Holders. The Trustee of a REIT Scheme shall attend every meeting of Unit Holders and ensure that all the requirements as specified by the Regulations for convening the meeting of Unit Holders are complied with. The Unit Holders of a REIT Scheme may cast vote on a resolution by physical presence in the meeting or through proxy or by post.

#### **NOTICE OF UNIT HOLDERS' MEETING**

2. An RMC shall send through registered post or courier service, notice of meeting of unitholders to each Unit Holder at his / her registered address along with Proxy Form and a voting paper (Annexure A) at least 7 working days prior to the date of such meeting. Such notice of the meeting shall also be published by the RMC in one issue each of daily newspaper in English and Urdu language having circulation all over Pakistan.
3. In case of joint Unit Holders, the notice shall be sent to the address of the joint holder whose name appears first in the record with the RMC and / or its Registrar / Transfer Agent.
4. The notice of the meeting shall specify complete information about Unit Holders' meeting such as date / time / venue of the meeting, purpose of the meeting (statement of material facts and other pertinent documents) and requirements for attending Unit Holders' meeting and voting mechanism. Notice shall also be sent by the RMC to the Trustee and the Commission.
5. The notice of the meeting shall also include a postage pre-paid envelope for facilitating the communication of the assent / dissent of the Unit Holder(s) to the resolution by post. The self-addressed envelope shall bear the complete address of the Trustee (with the name of the REIT Scheme) as scrutinizer.

#### **PROXY FORMS**

6. Unit holders of REIT scheme shall submit filled and signed Proxy Form to the RMC along with attested copies of their CNICs. Proxy holder may not necessarily need to be a Unit Holder of the concerned REIT Scheme.
7. Proxy Form shall be witnessed by two persons with their names, addresses and CNIC numbers duly mentioned on the proxy form.
8. In case of other than individuals, the resolution of Board of Directors / power of attorney with specimen signature(s) of authorized person shall be submitted to the RMC along with proxy form.
9. Proxy Forms must be received by the RMC one day prior to the meeting.

10. RMC shall affix receiving stamp (mentioning date and time) and signature on each proxy form.
11. Proxy form shall not be accepted in case the Unit Holder has opted to vote by post.

#### **REQUIREMENTS FOR VOTING THROUGH POST**

12. Unit Holder(s) desiring to vote by post, instead of physical presence in the meeting may fill up and complete the voting paper and send it to the Trustee.
13. Voting paper shall be completed and signed by the Unit Holder(s) as per specimen signature(s) provided to the RMC / its Registrar / Transfer Agent.
14. Original voting paper should reach the Trustee of the REIT Scheme not later than one day prior to the meeting to be eligible for consideration by the Trustee.
15. The Trustee shall compile the assent/dissent to the resolution received via post mentioning the particulars, i.e. names, folio numbers, number of Units held by the Unit Holder, etc. The Trustee shall finalize its report before the commencement of the Unit Holders' meeting.

#### **PROCEEDINGS OF UNIT HOLDERS' MEETING**

16. Only those Unit Holders shall be eligible to attend and vote at the meeting whose names appear in the Unit Holders' register of the concerned REIT Scheme on the date immediately preceding the date of the Unit Holders' meeting.
17. An RMC or Registrar / Transfer Agent ("R/TA") shall record attendance of all the Unit Holders / proxy holders present in the meeting with complete list of Unit Holders of the scheme and specimen signatures of Unit Holders or any officer of corporate Unit Holders.
18. After taking attendance, an RMC or its R/TA shall provide one Voting Paper (Annexure-B) to every Unit Holder / Proxy holder for his / her filling and signing to cast his / her vote on the proposal. In case of joint holder(s) only one voting paper shall be issued and in case the meeting is attended by more than one joint holder, then the person whose name appears first in the register of Unit Holders shall be eligible to cast the vote.
19. After completing and signing the voting paper, each Unit Holder shall hand over duly filled and signed voting papers to the concerned person.
20. RMC or its R/TA shall count the voting papers, verify contents on voting paper including unit holding and shall perform signature verification.
21. Trustee shall scrutinize and consolidate the data including the details compiled by it on the basis of the voting papers received through post.
22. The Trustee shall submit its report to chairperson of the meeting. The chairperson shall on the basis of summarized voting results, shall announce the final result of the meeting.

## **CRITERIA FOR REJECTION OF PROXY/VOTING PAPERS**

23. The following are the basic criteria for rejection of Proxy/ Voting Papers in meeting:
- (a) More than one Voting Paper is cast by a single Unit Holder / Proxy holder.
  - (b) Overwriting / cutting on Voting Paper.
  - (c) Unsigned Voting Paper.
  - (d) Signature of Unit Holder affixed on proxy form does not match with the specimen signature available in the RMC or its R/TA records.
  - (e) More than one proxy form is lodged by a Unit Holder in favor of more than one Proxy holder. In this case, all proxies shall stand rejected.
  - (f) More than one proxy form is lodged by a Unit Holder in favor of one Proxy holder. In this case, only one proxy shall be accepted.
  - (g) Photocopy of CNIC is not provided by Proxy holder.
  - (h) Proxy forms are not witnessed by two persons mentioning their names, addresses and CNIC numbers.
  - (i) Proxy form is received after the given time limit, i.e. not one day prior to the meeting.
  - (j) Proxy form submitted by an institutional investor is not supported by the Board of Directors resolution / power of attorney authorizing their representative to attend and vote in the meeting.
  - (k) Overwriting / corrections on Proxy Form which are not supported by Unit Holder's / Proxy holder's signature.

## **OTHERS**

24. Minutes of the meeting of Unit Holders shall be prepared and signed jointly by the Trustee and the RMC of the concerned scheme.
25. Minutes of the meeting duly signed along with Special Resolution passed by majority representing three fourths in value of the total outstanding Units of the concerned REIT Scheme shall be sent by the Trustee to the Commission within seven working days of the meeting.
26. All expenses incurred in convening Unit Holders' meetings shall be charged to the REIT Scheme.
27. Neither the RMC nor the Trustee shall be liable or responsible in any manner in case a voting paper duly dispatched is not received by the Unit Holder (s) or the duly filled and signed voting paper is not received by the Trustee due to delay on part of the postal department or courier service company or due to any other reason beyond the control of the RMC and / or the Trustee.

**Sample Voting Paper (through post)**

\_\_\_\_\_ Unit Holder's meeting Date:  
Time:  
Place:

Name of Unit Holder: \_\_\_\_\_  
Folio/Account/CDS Account # of Unit Holder:  
\_\_\_\_\_

**INSTRUCTION FOR VOTING**

PLEASE INDICATE YOUR VOTE BY SIGNING THE RELEVANT BOX OF THE SELECTED OPTION

1.	IN FAVOUR OF RESOLUTION	<input type="checkbox"/>
2.	AGAINST RESOLUTION	<input type="checkbox"/>



**Annexure-B**

**Sample Voting Paper (for physical presence in the meeting)**

<p>_____ Unit Holder's meeting Date:</p> <p>Time: _____</p> <p>Place: _____</p>				
<p>Name of Unit Holder: _____</p> <p>Folio/Account/CDS Account # of Unit Holder: _____</p> <p>Voting in own entitlement: No of Units: _____</p> <p>Voting as proxy: No. of Units: _____</p> <p>Total _____</p> <p style="text-align: center;"><b><u>INSTRUCTION FOR VOTING</u></b></p> <p>PLEASE INDICATE YOUR VOTE BY SIGNING THE RELEVANT BOX OF THE SELECTED OPTION</p> <table style="width: 100%;"><tr><td style="width: 60%;">1. IN FAVOUR OF RESOLUTION</td><td style="width: 40%; text-align: center;"><input style="width: 100%; height: 20px;" type="text"/></td></tr><tr><td>2. AGAINST RESOLUTION</td><td style="text-align: center;"><input style="width: 100%; height: 20px;" type="text"/></td></tr></table>	1. IN FAVOUR OF RESOLUTION	<input style="width: 100%; height: 20px;" type="text"/>	2. AGAINST RESOLUTION	<input style="width: 100%; height: 20px;" type="text"/>
1. IN FAVOUR OF RESOLUTION	<input style="width: 100%; height: 20px;" type="text"/>			
2. AGAINST RESOLUTION	<input style="width: 100%; height: 20px;" type="text"/>			

**Schedule VIII**  
**FIT AND PROPER CRITERIA**

**DEFINITIONS**

"Key Executive" means key executives of the RMC and includes, inter alia, the persons discharging the following functional responsibilities, -

- a. Any executive or officer acting as second to chief executive officer including chief operating officer or by whatever name called;
- b. any person responsible for heading any specific licensed form of business
- c. chief financial officer, head of accounts or head of finance;
- d. head of internal audit;
- e. head of information technology;
- f. head of credit or risk management;
- g. head of human resource;
- h. head of operations;
- i. head of marketing/sales;
- j. head of research;
- k. head of treasury or
- l. chief investment officer;
- m. head of law, company secretary or compliance officer;
- n. fund manager; and
- o. any other functional responsibility which the Commission may include.

**APPLICATION AND SCOPE**

- (1) The Fit and Proper Criteria in relation to an RMC is applicable to the following persons:
  - (a) promoters and major shareholders of the RMC;
  - (b) director of the RMC;
  - (c) chief executive of the RMC;
  - (d) Key Executives of the RMC.
- (2) A proposed director or chief executive of the RMC shall not assume the charge of office until their appointment has been approved by the Commission.
- (3) The application for seeking approval of the Commission under clause (2) shall be submitted by the RMC along with the requisite information required under Annexure "A" and an Affidavit as specified in Annexure "B".
- (4) The appointment of Key Executives of an RMC does not require the approval of the Commission, however an RMC shall ensure at the time of appointing a Key Executive that such person qualifies the Fit and Proper Criteria.
- (5) The fitness and propriety of any person shall be assessed by taking into account all the relevant factors including but not limited to the following:

- (a) Integrity and track record of such person;
- (b) Financial soundness of such a person;
- (c) Competence and capability of the person; and
- (d) Conflict of interest of such person with the business of the RMC.

Provided that 5(c) and (d) may not be considered while assessing the fitness & propriety of promoters and major shareholder of the RMC.

<sup>1</sup>[Provided further that in case the sponsor and major shareholder is a body corporate, in addition to the relevant/ applicable clauses, corporate behavior of the said body corporate and integrity and track record of its sponsor(s) and ultimate beneficial owners of such corporate body shall be duly considered.

Explanation:- Ultimate beneficial owners for the purpose of this clause means natural person or individual who ultimately own 10% or more ownership or control the body corporate.]

- (6) The Fit and Proper Criteria is perpetual in nature and an RMC shall ensure compliance with the provisions of Fit and Proper Criteria.
- (7) The RMC shall within 30 days of the close of each calendar year submit the following documents with regard to its chief executive and directors:
  - (a) Updated resume;
  - (b) CIB reports of the chief executive and directors and the companies, firms, sole proprietorships, etc where they are interested as directors, chief executives, partners or owners; and (c) Latest tax returns.
- (8) All persons subject to Fit and Proper Criteria must submit any change in the submitted information through the company secretary of the RMC to the Commission and shall report any change with reference to their fitness and propriety to the respective RMCs within three business days of such change taking effect and RMCs shall within a period of seven business days from the date of receipt, report the same to the Commission.
- (d) RMC shall monitor whether any change in the status of its chief executive, directors and key executives is contrary to the requirements of the Fit and Proper Criteria. In case of any change in status result in non-compliance with the Fit and Proper Criteria, the RMC shall immediately stop the person from performing his assigned functions, informs the Commission and initiate the process for replacement of the individual with a fit and proper individual.
- (9) Any violations or circumvention of the Fit and Proper Criteria shall be dealt with under the provisions of the Ordinance.

## **ASSESSMENT OF FITNESS AND PROPRIETY**

### **(1) Integrity and Track Record**

A person shall not be considered Fit and Proper if he:

- (i) has been convicted of an offence involving moral turpitude;
- (ii) has been involved in the mismanagement of investments, financial or business misconduct, fraud, etcetera;

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<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

- (iii) has been the subject to adverse findings, after conducting an inquiry, by the Commission or any other regulatory or professional body or government agency;
- (iv) has been actively involved in the management of a company or firm whose registration or license has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to mismanagement of affairs, financial misconduct or malpractices;
 

<sup>1</sup> [Provided that in case of non-executive nominee directors representing institutional interest and who otherwise do not have any personal interest; the Commission after seeking explanation may, if satisfied with the explanation, for reasons to be recorded in writing, relax this requirement on case to case basis subject to such conditions as it may deem fit.]
- (v) is ineligible, under the Ordinance or any other legislation or regulation, from acting as a director or serving in a managerial capacity of an RMC or a company;
- <sup>2</sup>(vi) has entered into a plea bargain arrangement with NAB or a law enforcement agency has initiated a serious investigation against him.]
- (vii) in case of promoters or major shareholder of RMC, does not have the requisite disclosed and verifiable financial resources; and
- <sup>3</sup>(viii) Omitted.

## **(2) Financial soundness**

In determining a person's financial soundness, the following shall be considered:

- (i) whether such person's financial statements or record including wealth statements or income tax returns or assessment orders are available;
- (ii) whether the person has been declared by a court of competent jurisdiction as defaulter in repayment of loan to a financial institution exceeding Rupees one million;
- (iii) whether any instance of overdue or past due payment to a financial institution, irrespective of amount, is appearing in the overdue column of latest CIB report of the person and of the companies, firms, sole proprietorship etc. where the person is a chief executive, director (other than nominee director), owner or partner etc.

Provided that the Commission shall provide an opportunity of making representation to the person in case of overdue or past due payment;

Provided further that the following exceptions may be granted by the Commission for the purpose of this sub-clause in case where:-

- (a) Amount overdue is under litigation and the same is also appearing as amount under litigation in the CIB report; and

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Omitted Vide SRO 724 (I)/2021 dated June 7, 2021

- (b) No overdue payment appearing in the overdue column in the subsequent latest CIB report;]
- (iv) whether any instance of overdue payments or default to a financial institution or
- (v) write-offs by a financial institution are appearing in the latest Credit Information Bureau report of the person and of the companies, firms, sole proprietorships, etc where the person was a chief executive, director (major shareholder/ sponsor), partner, owner, etc
- (vi) whether the person has applied to be adjudicated as an insolvent and his application is pending;
- (vii) whether the person is an un-discharged insolvent; and
- (viii) whether the person has been declared a defaulter by a stock exchange.

### **(3) Competence and Capability**

In determining a person's competence and capability the following shall be considered:

- (i) the directors should be individuals having management or business experience of at least five years at a senior level;  
<sup>1</sup>[Provided that this condition shall not apply in case of sponsor directors, however, conditions mentioned in Schedule I of the NBFC Rules, 2003 shall apply.]
- <sup>2</sup>[(ii) the directors shall have experience and knowledge in any profession such as banking, Collective Investment Scheme, accounting, law, internal audit or information technology, etc.]
- (iii) the chief executive should have a minimum experience of seven to ten years in a senior management position, preferably in the regulated financial services sector;
- (iv) the chief executive should have demonstrated, through his qualification and experience, the capacity to successfully undertake the cognate responsibilities of the position;
- <sup>3</sup>[(iva) Where the Commission is not satisfied with regard to sufficiency of the suitability criteria, it may conduct an interview of the chief executive to assess his/her suitability for the position;]
- (v) the key executives must be qualified professionals possessing relevant experience and certification relating to the job or assignment.

### <sup>4</sup>[(4) **Conflict of interest**

The directors or chief executive of RMC shall not:

- (i) be a director in any other RMC engaged in a similar business in Pakistan:

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>3</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>4</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

Provided that this condition shall not apply to nominees of the Federal or Provincial Governments on the board of any RMC;

- (ii) be a director, chief executive, chief financial officer, chief internal auditor, research analyst or a trader (by whatever name or designation called) in a stock brokerage house or in any company or entity owned and controlled by a securities broker; and
- (iii) be engaged in the business of brokerage or is a spouse of such person who is engaged in the business of brokerage or in control of more than 20% shareholding, directly or indirectly through his close relatives.
- (iv) In case of Key Executives, the RMCs must ensure that no Key Executive shall head more than one functional area that give rise to conflict of interest within the organization. For example, the departments of audit and accounts shall not be headed by the same person. Further, a key executive shall not hold directorship in his or her personal capacity:
  - (a) in a business concern which is also a client of the RMC, and
  - (b) in any other financial institution.]

**Annexure A**

1.	Curriculum Vitae/Resume containing:
a	Name: (former name if any):
b	Father's or Husband Name:
c	C.N.I.C # / Passport # (In case of foreign nationals) -(attach copy)
d	Latest photograph
e	Nationality:
f	Age:
g	Contact details: i) Residential address: ii) Business address: iii) Tel: iv) Mobile: v) Fax: vi) E-mail:
g	National Tax Number:
h	Present occupation:
i	Qualification(s): Details of Academic and Professional Qualifications: (Attach Copy). Board of Directors of RMC shall ensure verification of credentials and degrees of the Chief Executive”;
j	Trainings
K	Experience: (Positions held during the last 10 years along with name and address of company/ institution) (Position held during the last ten years (along with name and address of company/institution/ body where appointment held, nature of the company/institution/body and dates of appointment))
2.	Status of directorship Shareholder <input type="checkbox"/> Nominee <input type="checkbox"/> Name of the shareholders/ Group of shareholders he is representing Nature of directorship Executive <input type="checkbox"/> Non-executive <input type="checkbox"/> Independent <input type="checkbox"/> Non-independent <input type="checkbox"/> Status of directorship Nominee director <input type="checkbox"/> Number of shares subscribed or held Nominated by (name of shareholder) Personal net worth (copy of wealth statement for other than nominee directors of body corporate and independent directors)
3.	Names of companies, firms, sole proprietorships and other organizations of which the proposed person is a chief executive, director, partner, owner, office holder or major shareholder.
4.	CIB report issued by SBP for the companies, firms, sole proprietorships, etc. where the applicant is interested as director (sponsor or major shareholder), chief executive, partner or owner each company of which he has been a director (attach original CIB reports)
	An undertaking providing details of the following: I. Any write off availed from any financial institution during the last five years

	II. Any default of Finance obtained from any financial institution during the last five years.
	<b>III.</b> Placement on ECL during the last five years <b>IV.</b> Any conviction from any Court of Law or any plea bargain with NAB during the last ten years <b>V.</b> Any write off or default by any related or affiliated person or by any company on whom the applicant or anyone closely related to him had an interest as sponsor, major shareholder, director, chief executive, key executives, etc. during the last five years
<b>5.</b>	In the case of appointment of directors the date of board of directors' meeting in which the appointment of proposed director was approved. (Attach copy of the minutes of the meeting of the board of directors. If the director is elected, then attach a copy of the minutes of the general meeting of the company.)
<b>6.</b>	Names of persons on the board of the RMC who are related to the applicant.

**Signature      \*use additional sheets if required**

(2) Information to be provided by a body corporate as promoters and major shareholders of the RMC

- i. Financial statements for the last three years;
- ii. Details of business places;
- <sup>1</sup>[iii. Shareholding details including details of ultimate beneficial owners;]
- iv. CIB report of the company and its directors and sponsors;
- v. Details of any write off availed from any financial institution during the last five years
- vi. Details of any default of Finance obtained from any financial institution during the last five years.
- vii. Details of any rescheduling of Finance obtained from any Financial Institution during the last five years.
- viii. Any substantial adverse verdicts against the Company from any Court of Law during the last ten years
- ix. Details of associated companies and subsidiaries;
- x. Details of any <sup>2</sup>[existing] litigation in the name of the company, its sponsors and directors;
- xi. Details of any inquiry, investigation conducted by the Commission or any other regulatory or professional body or government agency during the last five years; and
- xii. Any other information as may be required by the Commission.]

<sup>1</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021



**Affidavit  
Before the Securities and Exchange Commission of Pakistan**

**(On Stamp Paper of Appropriate Value)**

I, \_\_\_\_\_ son/daughter/wife of \_\_\_\_\_ adult, resident of \_\_\_\_\_ and holding CNIC/ Passport No. \_\_\_\_\_ do hereby state on solemn affirmation as under:-

- <sup>1</sup>[1. That I am eligible for the position of \_\_\_\_\_ according to the Fit and Proper Criteria for the position of \_\_\_\_\_, annexed to the Real Estate Investment Trust Regulations, 2015;]
2. That I hereby confirm that the statements made, undertakings provided and the information given by me including that required under Schedule VIII is correct and that there are no facts which have been concealed.
3. That I have no objection if the Securities and Exchange Commission of Pakistan requests or obtains information about me from any third party.
- <sup>2</sup>[4. That I undertake to bring to the attention of the Securities Exchange Commission of Pakistan any matter which may potentially affect my status for the position of \_\_\_\_\_ as per the Fit and Proper Criteria annexed to the Real Estate Investment Trust Regulations, 2015.]
5. That all the documents provided to Securities Exchange Commission of Pakistan are true copies of the originals and I have compared the copies with their respective originals and certify them to be true copies thereof..

\_\_\_\_\_  
DEPONENT

The Deponent is identified by me

Signature \_\_\_\_\_  
ADVOCATE  
(Name and Seal)

Solemnly affirmed before me on this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ by the Deponent above named who is identified to me by \_\_\_\_\_, Advocate, who is known to me personally.

Signature \_\_\_\_\_  
OATH COMMISSIONER FOR TAKING AFFIDAVIT

<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>2</sup> Substituted Vide SRO 724 (I)/2021 dated June 7, 2021

<sup>1</sup>**[Schedule IX**  
(See Regulations 3A and 3B)  
Content of the SPV Management Services Agreement

The SPV Management Services Agreement must inter alia contain the following not necessarily in the sequence given:

- a) the duties, rights and obligations of the parties;
- b) the management and governance of the SPV;
- c) periodic reporting requirements, accounting period and audit of SPV;
- d) valuation of real estate
- e) appropriate dispute resolution mechanism;
- f) procedure for change of RMC or SPV;
- g) policies for borrowing and issuance of shares;
- h) dividend policy;
- i) the circumstances under which the contract can be revoked:
- j) The contract shall, initially or on renewal, be valid for a period not exceeding the life of Non-PPP REIT Scheme and shall not be renewed or modified unless such renewal or modification has been authorized by the Unit Holders of the Non-PPP REIT Scheme in a general meeting and consent of the Trustee is granted on the same.
- k) The contract shall, inter-alia provides, for the consequential penalty or damages to be borne by the contracting parties in case of violations of any provisions or breach of contract.”]; and

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[File No. SEC/SCD/PW/62]

**(Bilal Rasul)**  
**Secretary to the Commission**

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<sup>1</sup> Inserted Vide SRO 724 (I)/2021 dated June 7, 2021