



# REIT Listing Regulations

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# Introduction

The Board of Directors of Dubai Financial Market,

Having reviewed the Federal Law No. (4) of 2000 concerning Emirates Securities and Commodities Authority and Market;

The SCA's Board of Directors Decision No (2/R) of 2000 concerning the Regulations on the Market Membership;

The Council of Ministers' Resolution No. (12) of 2000 concerning the the Listing of Securities and Commodities Regulations;

The SCA's Board of Directors Decision No. (2) of 2001 concerning the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities;

The SCA's Board of Directors Decision No. (3/R) of 2001 concerning the Regulations as to the Functioning of the Market;

The SCA Board of Directors' Decision No. (9/R) of 2016 concerning the Mutual Funds Regulations;

The Emirate of Dubai Decree No. (14) of 2000 concerning the Establishment of the Dubai Financial Market; and

The Regulations, Resolutions and Rules issued by the DFM;

It is hereby resolved as follows:

## Article (1) Definitions

The following words and expressions shall have the meaning assigned thereto hereunder, unless the context otherwise requires:

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<b>State</b>	The United Arab Emirates.
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<b>Authority</b>	Securities and Commodities Authority in the State.
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<b>Market</b>	Dubai Financial Market
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<b>Foreign Market</b>	A market licensed outside the State by a similar regulator to the authority, or in a free zone within the State.
<b>Real Estate Investment Trust (“REIT/Trust”)</b>	A financial pool engaged in the activity of accumulating funds from investors for the purpose of investing in real estate properties or in securities issued by real estate establishments, against the issue of “REIT Units” of equal value.
<b>Public REIT</b>	A real estate investment trust established in the State (open-ended or closed-end) and targets all investors.
<b>Private REIT</b>	A real estate investment trust established in the State (open-ended or closed-end) and targets qualified investors and for their own account.
<b>Foreign REIT</b>	A real estate investment trust established outside the State or in a free financial zone within the State.
<b>Representative of Foreign REIT</b>	The Market or a company operating in the field of securities and subject to the supervision and control of the SCA; excluding the Brokerage Firm and the clearing member of the Brokerage Firm.
<b>Applicant</b>	A management company, an investment manager, or a Representative of a Foreign REIT.
<b>Similar Regulator</b>	A supervisory authority, which is an ordinary member or associate member of the International Organization of Securities Commissions (IOSCO).

## Article (2) General Provisions

1. REIT units may not be listed or traded in the Market, unless an approval is obtained from the SCA and in accordance with the provisions herein. All transactions of REIT units in violation of these provisions shall be null and void.
2. The closed-end Public REIT units shall be listed and traded in the Market in accordance with the provisions of these regulations.
3. The open-ended Public REIT units, Private REIT units, and Foreign REIT units may be listed and traded in the Market in accordance with the provisions of these Regulations.
4. The Public REIT units and Private REIT units may be listed and traded outside the State in accordance with the provisions of these Regulations.



### **Article (3)** **Public and Private REIT Units Listing Requirements**

The following conditions shall be satisfied for Listing Public and Private REIT units for trading on the Market:

1. The Trust shall be licensed by the authority.
2. The listing shall be stated in the Trust's Prospectus.
3. The Trust shall comply with the technical listing requirements in the Market.
4. The Public and Private open-ended REIT shall appoint at least one liquidity provider approved by the market.
5. The SCA's registration fees of AED 5,000 and the Market's listing fees shall be paid.

### **Article (4)** **Foreign REIT Units Listing Requirements**

The following conditions shall be satisfied for Listing Foreign REIT units for trading on the Market:

#### **First: General Conditions:**

1. The foreign REIT shall be subject to the supervision of a Regulatory body similar to the authority, and not exempted from any of regulatory or supervisory measures, or from the requirements related to the preparation and issuance of periodic reports at its place of establishment.
2. The Trust or the regulatory body at its place of establishment shall have no restrictions or objections as to listing the units on the Market.
3. The Trust units shall guarantee equal rights for unitholders within the relevant category.
4. The capital of the Trust shall be fully paid.
5. The net asset value of the Trust (the number of existing units x net unit value) shall not be less than AED 40,000,000 at the time of the listing application.
6. A Representative of the Foreign REIT shall be appointed.
7. The Public Foreign open-ended REIT shall appoint at least one liquidity provider approved by the Market.
8. The SCA's registration fee of AED 10,000 and the Market's listing fees shall be paid.



**Second:** In addition to the requirements set out in Clause First of this Article, a Foreign REIT wishes to list its units for public trading, shall abide by the following:

1. The Trust shall be established outside the State (except the Trust established in a free zone or a financial free zone outside the State), or in a free financial zone within the State.
2. Its units shall be publicly offered and the ownership of the general public shall not be less than 25% of the total number of units.
3. At the time of the listing application, the number of the trust unitholders shall not be less than 100 investors.
4. The Trust shall have been established for a period of no less than two years and shall have issued financial statements audited by an accredited auditor at its place of establishment for those two years.
5. The Trust's units shall be listed on the main foreign market at its place of establishment and the Trust shall comply with the Regulations applicable in that market.

**Third:** In addition to the requirements set out in Clause First of this Article, a Foreign REIT wishes to list its units for private trading, shall abide by the following:

1. The Trust shall be established outside the State or within the State in a free financial zone.
2. At the time of the listing application, the number of the Trust's unitholders shall not be less than 20 investors.
3. The trading of the Trust's units in the Market shall be limited to the Qualified Investors.

#### **Article (4)**

##### **Foreign REIT Units Listing Requirements**

The listing application shall be submitted by the Applicant to the Market as per the form designated for this purpose together with supporting documents and information; the least of which are the following:

1. A statement that the listing requirements have been satisfied (checklist).
2. Proof that the fees due to the Market have been paid.
3. A copy of the REIT's Memorandum and Articles of Association, if any.
4. A copy of the Trust's prospectus or the Partnership Agreement approved by the authority, or by a Regulatory body similar to the authority in the case of the Foreign REIT, in accordance to the nature of the Trust. The prospectus or the partnership agreement shall be in English for the Foreign REIT together with a summary in Arabic.
5. A copy of the register of holders of units to be listed, if any.
6. A summary of the Trust's investment policy, including methods and criteria of diversifying the Trust's investments and the investment decision-making methodology.



7. The Applicant's information and contact details.
8. The approval of the regulatory body and the market in which the Foreign REIT is listed at its place of establishment for listing the units in the Market.
9. The financial statements audited by the external auditor of the Foreign REIT for the two years preceding the date of submitting the listing application, and the same applies to the Public and Private Investment Trusts in case of availability.
10. The Interim Financial Statements for the period as from the end of the previous financial year until the end of the last quarter preceding the application date, provided that they shall be reviewed by the external auditor of the Foreign REIT. The same applies to the Public and Private REITs in case of availability.
11. A list of persons holding, along with their minor children, or of any other entity holding, jointly with their parent entities or subsidiaries, (5%) or more of the Trust's units.
12. A statement of the Trust's important events from its establishment date until the date on which the listing application is submitted (if any).
13. Clarification of the pricing mechanism of the Trust's units when they are first listed on the Market.
14. Details of the International Classification Number issued to the Trust.
15. The events in which the unitholders of the Trust should be called for a meeting. The powers of the unitholders should be stated according to the type of the meeting.
16. The events in which the Trust's constitutional documents and prospectus should be amended. The methodology of such amendments must be stated.
17. All expenses and financial encumbrances of the Trust, including management fees, administrative services fees and any other fees or charges, shall be listed.
18. The lending arrangements of the Trust's units shall be explained (if any)
19. A summary of the risks associated with investing in the Trust and the risk aversion strategy.
20. A summary of the tax consequences on the holders of the Trust's units (if any).
21. In addition to the above, the following information shall be added in case of the Public and Private REITs and the Foreign Open-ended REIT, :
  - a. Details of the index or the combination of the open-ended Trust.
  - b. Frequency of calculating the indicative net value of the Trust's units.
  - c. Explanation of the steps of issuing and redeeming the units, including the mechanism of converting the Trust's combination into units and vice versa.
  - d. Explanation of the working arrangements of the authorised proxy and liquidity provider.
22. Any such other documents or information as may be requested by the SCA or the Market.



## **Article (6)**

### **Application Review and Decision**

1. After reviewing and approving the application, and verifying that the REIT may be listed and its units may be traded in accordance with the Prospectus and the provisions of these Regulations, the Market shall forward the complete Listing Application to the SCA.
2. The SCA shall make its decision whether to approve or reject the Listing Application in accordance with the requirements of the public interest within a period of no more than (30) days from the date on which the complete application is received.
3. In case the SCA approves the Listing Application, the Market shall, before finalizing the listing procedures, collect the registration fees due to the SCA.
4. The SCA may request any other documents, information or conditions as it may deem necessary.

## **Article (7)**

### **Duration and Renewal of the Approval**

1. The duration of the approval shall be for one year and shall expire at the end of December each year. The first approval shall be valid from the date on which the approval is granted until the end of December of the same year.
2. The listing approval shall be renewed by the Applicant at least one month before its expiry date, and after paying the SCA's registration renewal fee of AED 5,000 for the Public and Private REIT, and AED 10,000 for the Foreign REIT as well as the Market's listing fees.
3. After reviewing and approving it, the Market shall send the complete and signed renewal application to the SCA, accompanied by the SCA's registration renewal fees in order for the SCA to make its decision whether to approve or reject the renewal application.



## **Article (8)** **Applicant's Liability**

Applicant shall be liable for:

1. The payment of all fees due to the Market and the SCA on due dates and in accordance with the provisions of these Regulations.
2. The accuracy of the details, information, reports and documents submitted by the Applicant. The fact that the Market or the SCA has reviewed and approved the same in their bulletins shall not be construed as an acknowledgment by them of the accuracy of the contents thereof, or a confirmation of the validity of the actions of any person acting based thereon.
3. Meeting all the technical requirements determined by the market to enable the REIT to fulfill all duties, obligations and disclosures towards the investors.
4. The Representative of the Foreign REIT shall act according to the prudent man rule in examining and selecting the Foreign REIT to be listed on the Market, and verifying the validity of the legal status of the Trust at its place of establishment. The Representative shall assume the duties of listing the units, validate the existence of a mechanism for the distribution of dividends, and receive and deliver reports, documents and information related to the listing and renewal of the Trust and the relevant disclosures.

## **Article (9)** **REIT Units Trading**

**First:** Once the listing of the REIT units on the Market is approved, the Market shall:

1. Grant the Trust a unique ticker symbol and a short name in both Arabic and English, provided that the names are different from those found in the markets.
2. Notify the SCA once the listing process is finalised.
3. Ensure that the ownership of units does not exceed any limits contained in the Trust's Prospectus.
4. Ensure that the market value of the the qualified investor's ownership in the Private REIT units or the Foreign Private REIT units at the time of the first purchase (number of units x market value of the unit at the time of purchase) shall not be less than the minimum investment amount, if any, stated in the Trust's Prospectus, provided that this minimum investment value shall not be less than the following limits according to the nature of the Trust:
  - a. AED 180,000 (one hundred eighty thousand dirhams) for the Private REIT.
  - b. AED 500,000 (five hundred thousand dirhams) for the Private Foreign REIT, with the exception of the Foreign REIT established in a free zone or a free financial zone outside the State.
  - c. AED 1,000,000 (one million dirhams) for the Foreign Private REIT established in a free zone or a free financial zone outside the State.

**Second:** The Market shall oversee the trading of the units of the listed trusts and collect the trading commission in accordance with the SCA's Law and the regulations, resolutions and rules issued pursuant thereto.





## Article (10) Post Listing Obligations

Applicant shall:

1. Continue to meet the listing requirements and take the necessary corrective actions in case of any violation to ensure the Trust's compliance with such requirements.
2. Provide the SCA and the Market with a copy of any amendments to the Prospectus, the Partnership Agreement, or the Articles and Memorandum of Association once such amendments have been adopted.
3. Comply with any requirements set by the Market as to the publishing requirements and any technical requirements for swap-based REITs.
4. Provide the Market with all publications, financial reports issued by the Trust in accordance with the Prospectus, and all publications related to the Unitholders, once issued.
5. Comply with all regulations, resolutions, rules and circulars issued by the SCA and the Market.
6. Disclose the following to the Market:
  - a. Any explanatory information or documents as to the REIT's conditions and activities to ensure the proper trading and to reassure the Unitholders, upon request. Such disclosures must be in the format and the methodology deemed appropriate by the market.
  - b. The Interim (Semi-Annual) Financial Statements which are reviewed by the external auditor of the Trust within 45 days of the end of the specified financial period and signed by the Board of Directors or its equivalent body.
  - c. The Annual Financial Statements which are audited by the external auditor of the Trust within 90 days from the end of the financial year and signed by the Board of Directors or its equivalent body.
  - d. A Semi-Annual Report issued by the real estate appraiser for all assets of the REIT.
  - e. The net value of the unit once it is calculated in accordance with the Trust's Prospectus and the applicable regulations.
7. Include the following in the financial statements of the REIT:
  - a. All the Trust's assets & investments and their market value.
  - b. The credit rating, if any, of the securities in which the Trust invests.
  - c. Disclose the nature, type and location of assets and real estate investments, and indicate the net fair value of the Trust's assets based on the appraiser's report and an annual report including the invested assets, and the proportion of leased properties and non-leased properties.



8. Disclose promptly to the Unitholders and the Market of any undisclosed material information that may affect the price of the Trust's units or the Trust's solvency, including for example:
  - a. Any transaction (purchase, sale, mortgage, or lease of an asset) which value equals to 10% of the Trust's total assets.
  - b. Any losses equal to or exceeding 10% of the net value of the Trust's assets.
  - c. Any change to the composition of the Trust's Board of Directors or its committees.
  - d. Any dispute, action or legal proceedings initiated by or against the Trust, the value of which equals to or exceeds 5% of the net asset value.
  - e. Any increase or decrease in profit or value of assets equalling to or exceeding 10% of the net asset value.
  - f. A change of the Trust's Auditor or Custodian.
  - g. Any change in the capital.
  - h. Any decision or ruling that may affect the ability of the Trust to utilize any part of its assets, the value of which equals to or exceeds 5% of the net asset value.
  - i. A statement of dividends distributed to Unitholders.
  - j. Any material amendment to the Trust's investment policy, provided that the amendment shall be made as per the mechanism set out in the Trust's constitutional documents or prospectus.
  - k. Any decision to liquidate the Trust as per the mechanism set out in the Trust's constitutional documents or prospectus.
9. Quarterly reports shall be sent to Unitholders, including the following:
  - a. The net asset value of the Trust.
  - b. The number and net value of units held by the unit holder.
  - c. A statement of any dividends made at a date later to that of the previous report submitted to the Unitholders.



## **Article (11)**

### **Disclosures as to Open-ended Investment Trust**

In addition to the obligations hereinabove and any other prescribed obligations, the Applicant for the Open-ended REIT shall provide the Market with:

1. A daily statement, before the start of the next day trading session, on the net unit value.
2. A periodic statement - to be agreed upon by the Market and the Representative of the Trust - including:
  - a. Number of units issued or redeemed.
  - b. Any change in the number of existing units and the relevant information.
  - c. Any temporary steps taken to suspend the redemption or issuance of units.
  - d. Any redemption of existing units.
  - e. Date and value of dividends, if any.
  - f. The asset value of the Trust.
  - g. Any change in a combination of the Trust's assets.
  - h. Components of the Trust's asset combination - as per a technical format accepted by the Market - to enable the calculation of the net asset value of the Trust.

## **Article (12)**

### **Listing of Public and Private REITs in the Foreign Market**

The Public or Private REIT may not list its in the foreign market, unless the Market's approval is obtained. The number of units to be listed in the foreign market may not exceed 30% of the Trust's total number of units.



## Article (13)

### Application for Listing in Foreign Market

**First:** The investment manager or the management company of the Public or Private REIT shall apply for the Market's Approval for listing in the foreign market as per form designated for this purpose, together with the supporting documents and statements; the least of which are the following:

1. A technical study including the objective of the listing in the foreign market, its requirements, advantages and potential risks, as well as the measures to be taken by the Trust to averse these risks.
2. A certified statement showing the mechanism to be followed by the Trust in the process of trading and settling its units in the foreign market.
3. An undertaking not to disclose any information to the foreign market prior to or concurrently with disclosing the same to the Market.
4. An undertaking to provide the Market with all disclosure requirements applicable in the foreign market.
5. An undertaking to comply with the regulations in force in the foreign market.
6. An undertaking to immediately inform the Market of any penalties imposed against them in the foreign market or any delisting procedures taken in that market.
7. Any such other documents or information as may be requested by the SCA or the Market.

**Second:** The Market shall make its decision whether to approve or reject the application within a period of not more than (30) days, provided that the SCA shall be notified of the decision within (5) working days of the date thereof.

## Article (14)

### Penalties

Without prejudice to any penalties imposed by the SCA under the Law or the regulations or decisions issued pursuant thereto, in case these regulations are not complied with, the Market may take any of the following measures:

1. To issue a warning upon the non-compliant party requiring it to rectify the violation within the period as may be specified by the Market.
2. To make a recommendation to the SCA to suspend or de-list the REIT units.
3. To refer any non-compliant party to the SCA to consider its violation and decide on the appropriate penalty.


## Article (15)


Any decisions, circulars, regulations, or procedures issued by the Market in contrary to the provisions of these Regulations shall be abrogated.


**H.E. Essa Kazim**  
Chairman of the Board

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