Public (Umum)



The Approval Process of Real Estate Investment Trusts (REITs) in Malaysia

Updated as at June 2023

Acronyms and Abbreviations

ALD Bursa CMSP ICMD **IPO** NDP REITs SAC SC MIS Ts Td Τp

Authorisation & Licensing Department Bursa Malaysia Securities Berhad Guidelines on the Registration and Conduct of Capital Market Services Providers Islamic Capital Market Development Department Initial Public Offering National Development Policy Real Estate Investment Trusts Shariah Advisory Council Securities Commission Malaysia Managed Investment Schemes Day of submission of REITs application Day of submission of registrable deed Day of submission of registrable prospectus

The Approval Process of Listed REITs in Malaysia

Process Flow	Main activity	Timeline
Adviser conducts pre-submission	 Advisers are encouraged to have pre-submission consultations with SC to discuss potential issues pertaining to the REITs application. 	
Consultation Adviser submits relief application (if any)	 Real estate valuation Asset valuation application must be submitted at least two weeks before submission of REITs application. Review is made to ensure compliance with SC's Asset Valuation Guidelines, Malaysian Valuation Standards and or any other applicable valuation standards. SC may conduct site visits to better understand the proposal. SC may require a second opinion on the valuation of real estate. SC expects a full and complete submission from the Adviser in order for SC to meet its timeline charter of 3 months for consideration of the REITs submission.* Incomplete submissions may cause delays in consideration of the application or can even cause the submissions to be 	Ts
Adviser makes an application for valuation of real estate	 returned. * Where applicable, application must also be made to the Authorisation & Licensing Department for the REIT management company to be licensed for fund management in relation to asset management. The application is reviewed for: 	
Adviser makes a REITs application to the SC* with upfront fees SC evaluates the IPO application	 Compliance with the Listed REIT Guidelines and disclosures of draft prospectus Adequacy of disclosures and compliance with the minimum disclosure requirements under the Prospectus Guidelines for Collective Investment Schemes. SC expects that the REITs prospectus contains information that are not false or misleading and there is no material omission of statement/information, and that the prospectus is sufficient for investors to make informed decisions. Information provided in the prospectus must be disclosed in a true, complete and accurate manner. Corporate governance/adverse records checks are made on the Applicant, promoters and directors and CEO of the Applicant. SC may conduct site visits to better understand the proposal. Queries are sent to the Adviser to seek further clarification on issues identified or to elicit further information (any delays in response may affect overall timelines). Clarification meetings with the Adviser/Applicant may be held to discuss major issues. Compliance with the NDP requirements Review is made of the unit holding structure of the REIT to ensure its compliance with the Bumiputera equity requirement for public listed companies. 	Ts + 3 months
A A ecurities Commission Malaysia	 Disclosure of Draft Deed Review the provisions in the deed to ensure that the minimum covenants required under the CMSA, Listed REITs Guidelines, CMSP and Bursa Listing Requirements are incorporated. 	3

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Process Flow		
	Main activity	Timeline
SC decides on REITs application	 In arriving at a decision: Relevant departments within SC provide inputs in relation to compliance with the relevant regulations and guidelines. For Islamic REITs, the SAC of the SC endorses the Shariah aspects of the REITs application. The Issues Committee comprising different members of the Commission, convenes to deliberate and decide on the REITs application. 	Ts + 3 months
SC informs Adviser of SC's decision*	 The SC issues a decision letter on the REITs application to the Adviser*. In the case of a rejection, SC will conduct a post-decision meeting with the adviser/applicant to convey and discuss the grounds for rejection. The Adviser/Applicant has 30 days from the date of SC's decision letter to make an appeal of the rejection. * A separate decision is made on the licensing application of the REIT management company. 	Ts + 3 months
Adviser submits executed & stamped deed & fees	 The Adviser submits an application to register the deed. The SC registers the deed. The Adviser is required to lodge copies of the deed within 7 days after registration. <i>Where relevant, subject to the adviser addressing all issues satisfactorily in a timely manner.</i> 	Td#
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Process Flow		
B	Main activity	Timeline
Adviser submits registrable prospectus	 Any changes from the latest version of the prospectus provided to the SC immediately prior to the issuance of the REITs application decision letter must be highlighted. Prospectus will be exposed on SC's website for 5 business days to provide an opportunity for the public to view and provide any comments on the information disclosed. 	Тр
SC registers the REITs prospectus	 SC reviews the registration file for completeness and compliance by Adviser/Applicant on approval conditions Upon completion of review, the prospectus is registered by SC. Copies of prospectus is required to be lodged with the SC before its issuance. 	Tp+14 (For registration)
Listing by Bursa	• Adviser to notify when the conditions are fulfilled, where relevant.	Tp+n