



MARKETS AND SECURITIES REGULATION DEPARTMENT

NOTICE

The Commission hereby requests all interested parties to comment on the attached **AMENDMENTS TO THE REQUIREMENTS OF A REIT PROPERTY MANAGER UNDER RULE 7 OF THE IMPLEMENTING RULES AND REGULATIONS OF R.A. NO. 9856 OR THE REAL ESTATE INVESTMENT TRUST (REIT) ACT**

Kindly address your comments to the **Markets and Securities Regulation Department (MSRD)**, Ground Floor Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, c/o **Atty. Glory Grace Arugay** not later than **12nn, 4 July 2019**. You may also email your comments to mrd@sec.gov.ph, ggjarugay@sec.gov.ph, jgguiao@sec.gov.ph and gclagonoy@sec.gov.ph.

Issued on 19 June 2019



SEC MEMORANDUM CIRCULAR NO. ____
Series of 2019

TO: ALL SEC REGISTERED DOMESTIC CORPORATIONS

SUBJECT: AMENDMENTS TO THE REQUIREMENTS OF A REIT PROPERTY MANAGER UNDER RULE 7 OF THE IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 9856 OR THE REAL ESTATE INVESTMENT TRUST (REIT) ACTT

RULE 7 - PROPERTY MANAGER

SEC.1. *Property Manager.* A REIT shall appoint a Property Manager who shall be independent of the REIT, its promoter/s or sponsor/s. **To ensure independence of the property manager from the REIT, the following shall be complied with:**

1.1 Majority of the members of the board of the REIT property manager must be independent directors with working knowledge of the real estate industry; and

1.2. The directors (including the independent directors) of the REIT and its Sponsors/Promoters cannot occupy more than 49% of the board of directors of the property manager.

SEC. 2. *Related Party Transactions Committee.* A Related Party Transactions Committee shall be constituted with the task of reviewing related party transactions. **Majority of its members must be independent directors who shall vote unanimously in approving such related party transactions.**

For related party transactions, the Rules prescribed under MC No. 10, series of 2019 shall likewise be complied with.

Section 3. It must comply with the requirements on the number of independent directors, as provided under Sec. 1 hereof and under relevant law or appropriate regulatory authority, such as but not limited to pertinent provisions of the SRC and the Revised Code of Corporate Governance;

3.1 The qualifications and disqualifications of the directors of the Property Manager must comply with the provisions of the Revised Code of Corporate Governance and the fit and proper rule prescribed in this IRR.

3.2 Must comply with the additional requirements or qualifications for a Property Manager in accordance with the Fit and Proper Rule, the Revised Code of Corporate Governance, and such relevant regulations, which the Commission may prescribe from time to time.

SEC. 4. *Minimum Qualifications.* A REIT Property Manager shall comply with the following minimum qualifications:

4.1 It shall possess sufficient human, organizational and technical resources for the proper performance of its duties, including two (2) responsible officers each of whom shall have at least five (5) years track record in property portfolio management, and at least one (1) of the responsible officers shall be available at all times to supervise the business of the Property Manager, including asset and property management.

4.2 It shall maintain satisfactory internal controls and written compliance procedures.

4.3 It shall have sufficient financial resources at its disposal to enable it to conduct its business effectively and meet its liabilities.

FOR THE COMMISSION:

EMILIO B. AQUINO
Chairperson