

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

বিজ্ঞপ্তি

তারিখ ২৮ জানুয়ারি ২০২৪

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন) এর ধারা ২৪ এর উপ-ধারা (১) এ প্রদত্ত ক্ষমতাবলে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন এতদ্বারা “Bangladesh Securities and Exchange Commission (Real Estate Investment Trust Fund) Rules, 2024” এর খসড়া বিধিমালার উপর সংশ্লিষ্ট সকলের মতামত, পরামর্শ বা আপত্তি আহ্বান করিতেছে।

খসড়া বিধিমালার উপর মতামত, পরামর্শ বা আপত্তি উক্ত বিধিমালা কমিশনের ওয়েবসাইট/সংবাদপত্রে প্রকাশিত হইবার ২(দুই) সপ্তাহের মধ্যে নিম্ন ঠিকানায় প্রেরণ করিবার জন্য অনুরোধ করা হইলো। উল্লেখ্য যে, উক্ত খসড়া বিধিমালা নিম্নোক্ত ওয়েব লিংকে এবং QR code স্ক্যান করিবার মাধ্যমে পাওয়া যাইবেঃ

* খসড়া বিধিমালা ডাউনলোড করিবার ওয়েব লিংক:

[https://sec.gov.bd/crequest/Draft_on_the_BSEC_\(REIT\)_Rules_28.01.2024.pdf](https://sec.gov.bd/crequest/Draft_on_the_BSEC_(REIT)_Rules_28.01.2024.pdf)

* খসড়া বিধিমালা প্রাপ্তির QR code:



মতামত, পরামর্শ বা আপত্তি প্রেরণের ঠিকানা:

চেয়ারম্যান

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

সিকিউরিটিজ কমিশন ভবন

ই-৬/সি, আগারগাঁও

শের-ই-বাংলা নগর প্রশাসনিক এলাকা

ঢাকা-১২০৭

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Bangladesh Securities and Exchange Commission (Real Estate Investment Trust Fund) Rules, 2024

BANGLADESH SECURITIES AND EXCHANGE COMMISSION

NOTIFICATION

.....2024

No. BSEC/CMRRCD/.....- Whereas the Commission is entrusted with the responsibility to register, regulate and control the activities related to collective investment scheme under দফা (গ) of উপ-ধারা (২) of ধারা ৮ of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন);

Whereas for the development of the securities market, it is expedient to introduce real estate investment trusts fund as collective investment scheme to finance real estate sector and to create scope for investment in such fund;

Now, therefore, in exercise of the powers conferred by উপ-ধারা (১) of ধারা ২৪, read with দফা (গ) of উপ-ধারা (২) of ধারা ৮ of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন) Bangladesh Securities and Exchange Commission hereby makes, after prior publication, the following rules, namely: -

CHAPTER I PRELIMINARY

1. Short title and commencement. –

- (1) These rules may be called the “Bangladesh Securities and Exchange Commission (Real Estate Investment Trust Fund) Rules, 2024”.
- (2) These rules shall be applicable for registration, regulation and supervision of the real estate investment trust fund as the collective investment scheme and for matters connected therewith and incidental thereto.

2. Definitions. -

(1) In these rules, unless there is anything repugnant in the context or subject-

- (1) “Act” means the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন);
- (2) “asset manager” means a ‘সম্পদ ব্যবস্থাপক’ as defined in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১;

- (3) “capital call” means the demand made by a manager of the fund for payment of all or part of the remaining amount of the subscription committed by the investors of a fund;
- (4) “committed fund” means the total amount of commitments received from the investors to invest in the fund as per the scheme declared in the prospectus or constitutive document;
- (5) “constitutive documents” means the principal documents and agreements governing the formation of a REIT fund including the trust deed, prospectus, subscription agreement, investment management agreement and all other related material documents;
- (6) “corpus” or “fund corpus” means the total amount realized from and committed by the investors to a REIT fund as on a particular date;
- (7) “Deed” or “Trust Deed” or “Agreement” means the deed of trust executed between the sponsor(s) and the trustee;
- (8) “depository” means any depository established under the ডিপজিটরি আইন, ১৯৯৯ (১৯৯৯ সনের ৬ নং আইন);
- (9) “direct investment” means investment in any income generating real estate directly in the name of the REIT fund;
- (10) “eligible investors” or “investors” means the persons defined at clause (12) of sub-rule (1) of rule 2 of the Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015.
- (11) “indirect investment” means investment in debt securities, asset backed securities (ABS) or Islami shari’ah based securities (ISBS) of any investee to support the income generating real estate project;
- (12) “infrastructure investment” means such investment made by a REIT fund, where it invests in any infrastructure directly or indirectly;
- (13) “investee” means any issuer of debt securities, asset backed securities or Islami shari’ah based securities (ISBS); where a REIT fund has option to make investment in such securities;
- (14) “investible fund” means realized fund at a given time net off estimated administrative and management expenses of the fund;

- (15) “investment management agreement” or “IMA” means an agreement between REIT manager and Trustee depicting details procedure of management of a REIT fund;
- (16) “investment committee” means a committee to approve investments of the fund comprising at least 03 (three) members;
- (17) “Ordinance” means the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969);
- (18) “prospectus” means an offer document, containing information and disclosures specified in Schedule ‘E’ of these rules, inviting investors to invest in units of the fund;
- (19) “property manager” means an eligible firm or company to be appointed by REIT manager for any contractual services related to property management;
- (20) “property development activities” means an activity which involves construction or development or extension or modernization of a real estate, which results the fund being unable to receive or be entitled to any rental income from that real estate during the period of construction or development or extension or modernization;
- (21) “private offer” means an offer of units to the eligible investors in a way other than public offer;
- (22) “public offer” means an initial offer or repeat offer of units made to the public;
- (23) “real estate” means land and all things or assets or resources, includes; (i) all attachments above the land; (ii) all things that form a natural part of the land; (iii) all things that are developed or installed, including buildings and site improvements; and (iv) all permanent building attachments such as plumbing, heating and cooling systems, electrical wiring and built-in items such as elevators, etc. and all rights, benefits and interests therein, whether it is freehold or leasehold, and whether the purpose or use thereof is residential, commercial or industrial, but excludes mineral, oil, gas or other natural assets and resources;
- (24) “real estate investment trust (REIT)” means a trust established under the Trust Act, 1882 (Act No. II of 1882), on whose name a REIT fund is formed with the approval of the Commission under these rules to invest or propose to invest primarily in income-generating real estate;

- (25) “REIT manager (RM)” means a company registered under these rules for managing the REIT fund;
- (26) “REIT fund” or “fund” means any fund established or constituted in Bangladesh in the form of trust, which is to:
- (i) collect subscription fund from eligible investors by way of public or private offer;
 - (i) invest directly or indirectly in the real estate in accordance with a defined investment policy for the benefits of its unit holders;
 - (ii) be formed with or without specific tenure.
 - (iv) be formed after raising subscription through the issuance of units under any approved REIT fund scheme;
- (27) “NAV per unit” means NAV of a fund divided by total number of units outstanding at a given time;
- (28) “net asset value” or “NAV” means total assets of a fund excluding total liabilities at a given time;
- (29) “realized fund” means the total amount of fund paid-up by the unit holders out of the fund corpus;
- (30) “Schedule” means the Schedule annexed to these Rules;
- (31) “scheme” means the business plan and fund-raising propositions for each fund under a prospectus or constitutive documents;
- (32) “shari’ah based fund” means a fund which invests in any income-generating real estate directly or indirectly under any shari’ah mode;
- (33) “shariah board” means a council or board for any shari’ah based REIT, which is responsible to validate the the structure of the fund and related deeds, agreements in light of the shari’ah as being shariah-compliant.
- (34) “sponsor” means one or more eligible institutional investor(s) subscribing initially to form a REIT fund, singly or jointly;
- (35) “subscription agreement” means an agreement, between the REIT manager and the eligible investor(s) to subscribe the fund;
- (36) “Trustee” means a company registered with the Commssion, appointed in respect of any REIT fund established under these rules;

- (37) “trust deed” means the deed executed under the Trust Act, 1882 between the sponsor(s) and the Trustee in respect to the REIT fund;
- (38) “unit” means a portion of beneficial interest of the investors in the REIT fund;
- (39) “unit holder” means any investor, who is the legal owner of one or more units of the fund and whose name appears in the register of REIT fund;
- (2) Unless otherwise repugnant for any purpose, words and expressions used herein and not defined, but defined in the Trust Act, 1882 (Act No. II of 1882), the Registration Act, 1908 (Act No. XVI of 1908), the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), ব্যাংক-কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন), বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন), আর্থিক প্রতিষ্ঠান আইন, ১৯৯৩ (১৯৯৩ সনের ২৭ নং আইন), কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন), ডিপজিটরি আইন, ১৯৯৯ (১৯৯৯ সনের ৬ নং আইন), বীমা আইন, ২০১০ (২০১০ সনের ১৩ নং আইন) and Rules and Regulations made under the above Acts and Ordinances shall have the same meanings respectively assigned to them in the said Acts and Ordinances.

CHAPTER II REIT SCHEMES AND REIT FUND

3. Formation and Types of REIT Funds. -

- (1) A REIT fund shall be constituted in the form of a trust under the Trust Act, 1882 (Act No. II of 1882) and the trust deed to be registered under the Registration Act, 1908 (Act No. XVI of 1908);
- (2) After being registered under sub-rule (1), the trust shall open a bank account in the name of REIT fund with a minimum contribution by the sponsor(s) of the trust;
- (3) Before registration of the trust under sub-rule (1), the draft trust deed and draft scheme for each REIT fund shall be approved by the Commission
- (4) Each REIT fund is to be registered with the Commission under these rules;
- (5) Each REIT scheme shall include, among others, a business plan alongwith its target projects or investment and its target size, tenure, characteristics, etc.;
- (6) The REIT fund shall be formed primarily with the intent of rental income;
- (7) The fund may be formed with or without specific tenure; and the tenure and nature of any REIT fund shall be disclosed in the draft scheme and constitutive documents:

Provided that the tenure of any fund shall not be less than fifteen (15) years in any case either single tenure or countative tenure.

- (8) A REIT fund shall be formed to make selective type of investment and operate entirely in its respective investment arena as per approved scheme only;

- (9) Minimum 80% of the REIT fund shall be invested directly in real estate and maximum 20% of the REIT fund may be investable through indirect investment in the real estate:

Provided that such fund may be invested in the government securities or at least AA rated bonds or ISBS within the ceiling of indirect investment;

- (10) A REIT fund may be operated as a general fund or a shari'ah based fund;
- (11) A REIT fund shall have the following criteria:
- (a) minimum fund corpus shall be at least Tk.2,000,000,000.00 (taka two billion) and subscription by the sponsors(s), single or jointly, shall not be less than 20% (twenty percent) of the corpus of any REIT fund:

Provided that if the REIT fund is intended to invest exclusively in the real estate projects in the City Corporation area, the minimum fund corpus shall not be less than Tk.30,00,000,000.00 (taka three billion).

- (b) minimum investment by the REIT Manager shall be at least 2% (two percent) of the fund corpus:

Provided that, if the RM acts as a sponsor of any REIT fund, this investment shall be made in addition to its investment as a sponsor of the fund.

- (12) The sponsor(s) of the fund shall subscribe minimum 10% of its total committed subscription to the fund before registration of the fund and shall deposit the subscribed amount to the bank account opened under sub-rule (2):
- (13) The REIT fund is to be formed by collecting subscription by way of private offer or public offer or in combination of both;

- (14) A REIT fund shall declare cash dividend only out of its realized income:

Provided that at least 90% of the realized income on yearly basis shall be distributed as dividend.

- (15) At least 10% of their total investments in a REIT fund by the sponsor (s) and RM shall be locked-in for the full tenure of the REIT fund:

Provided that full investment in REIT fund by the sponsor(s) or REIT manager (RM) shall be locked-in for 03 (three) years from the date of issuance of units.

- (16) The RM along with its connected person(s) and sponsor(s) shall disclose their total investment in the REIT fund to the Trustee when the investment is made and to the investors in the annual reports.

4. Registration of REIT Fund. -

- (1) On and from the commencement of these rules, no REIT fund shall be formed or operated or continued to operate unless it is registered under these Rules;
- (2) The RM and Trustee shall jointly apply for registration of the fund with a draft prospectus or constitutive document alongwith **Schedule A**, with an application fee of Tk. 5,00,000.00 (taka five hundred thousand) only by way of bank draft or payment order issued in favour of the Bangladesh Securities and Exchange Commission.
- (3) The REIT fund shall have the following eligibility criteria for registration, namely:-
 - (a) the fund is formed as a trust and has opened bank account in the name of the REIT Fund having minimum subscription by the sponsor(s);
 - (b) the trust deed permits it to carry on the activities of a REIT fund;
 - (c) the trust deed is prepared in accordance with schedule F;
 - (d) the key investment team of the RM shall have adequate experience, with at least one member, either internal or external, having not less than five years' experience in construction & property management related to real estate;
 - (e) the RM and the Trustee are appointed by the sponsor(s) shall be approved by the Commission under these Rules;
 - (f) the RM may appoint a property manager with necessary experience, infrastructure and manpower to effectively discharge its duties;
 - (g) the investment objective, the target investors, proposed corpus, investment style or strategy and proposed tenure of the fund are clearly described in the application and the prospectus or constitutive documents; and
 - (h) the sole object of the fund is to carry out activities in furtherance of the interest of the unit holders, in accordance with the business plan stated in the constitutive documents;
- (4) On receipt of the application under sub-rule (2), the Commission shall examine it, and if it is satisfied that all the requirements of these Rules are fulfilled, may accord registration to the REIT fund and issue a registration certificate as prayed for as per **Schedule "B"**, within 30 (thirty) days of receipt of the application.
- (5) If the Commission finds that the applicant does not fulfil all the requirements of these Rules or any additional submission is required, it may, within twenty (20) days of receipt of the application, instruct the applicant to fulfil the requirements within such time as the Commission may determine, and the Commission may accord registration, as prayed for, within twenty (20) days of such fulfilment.
- (6) If the Commission finds that the applicant does not fulfil all the requirements of these Rules, or where a direction to fulfil such requirements was given under sub-rule (5) and the applicant fails to fulfil such requirements, the Commission may reject the application, stating the reasons thereof.
- (7) If the Commission decides to award registration to the fund, the RM shall pay, within 15 (fifteen) days of such decision, registration fee @ 0.10% of the fund

corpus only through a bank draft or payment order issued in favour of the Bangladesh Securities and Exchange Commission.

5. Conditions of certificate. -

- (1) The registration certificate granted for any REIT fund under these Rules shall, inter-alia, be subject to the following conditions: -
 - (a) the fund shall abide by the provisions of these Rules and other applicable laws;
 - (b) the fund shall not carry on any other activity other than its permitted activities;
 - (c) the fund shall forthwith inform the Commission in writing, if there is any material change in the information already submitted.
- (2) A fund which has been granted registration for a particular category of investment As per approved scheme, cannot change its scheme subsequent to registration without approval of the Commission.
- (3) A fund may collect partial commitments from the eligible investors under private offer up-to a maximum period of 03 (three) months from the date of its registration and declare the target size in the draft prospectus and other constitutive documents to the Commission:

Provided that maximum 60% of the target size may be collected on commitment basis through private offer.

- (4) The target fund size shall be declared in the constitutive documents alongwith the proportion of private offer and public offer.
- (5) If it collects commitments under the provision of sub-rule (3), the REIT fund shall have to collect 5% of the committed amount from the investors at the time of commitment which may be forfeited by the fund if the committed amount is not paid-up by any investor within two (02) weeks from the date of notice of capital call.
- (6) A fund shall invest within a period of 12 (twelve) months from the date of closure of the subscription:
Provided that upon application of the RM with proper ground, the Commission may extend time for maximum 06 (six) months period, but not exceeding 03 (three) months in a single phase.

6. Annual fee.-

- (1) The fund registered under these Rules shall pay an annual fee @ of 0.05% of year-end NAV of the fund to the Commission through a bank draft or payment order issued in favour of the Bangladesh Securities and Exchange Commission within 01(one) month of end of each financial year.
- (2) If any RM fails to pay the annual fee within the stipulated time, it shall be liable to pay, from the REIT manager's own account, a penalty of

Tk.50,000.00 (taka fifty thousand) only for each month of default or part thereof.

- 7. Cancellation of registration of a fund.** - The Commission, if thinks fit, may cancel the registration of a fund after informing the trustee and providing the RM and the Trustee an opportunity of being heard, if:
- (1) the Commission determines that such action is necessary in the interest of the unit holders; or
 - (2) the unit holders, through a special resolution, request the Commission on reasonable ground to cancel the registration of the fund; or
 - (3) the Trustee satisfies the Commission, on reasonable grounds that continuation of the fund may be detrimental to the interest of its unit holders; or
 - (4) the RM has kept 70% of the total fund uninvested for more than one (01) year without having any reasonable ground in favour of the unit holders or any force majeure issues:

Provided that on what reasonable ground, the fund may be uninvested which shall be mentioned in the constitutive documents.

8. Effect of cancellation of registration of a fund. -

- (1) Where the Commission decides to cancel the registration of a fund, the Commission shall instruct the Trustee to proceed for winding-up of the fund in terms of these Rules.
- (2) The liquidation of assets and distribution of the fund upon revocation of the trust shall be made by the Trustee in accordance with the winding-up procedure.
- (3) The trust shall stand extinguished after disposal of all assets and distribution of proceeds to the unit holders.

CHAPTER III REIT MANAGER AND ITS ROLE

9. Eligibility of Registration REIT Manager (RM). –

- (1) A REIT manager [hereinafter referred to as (RM)] shall be registered under these Rules and no person shall act as RM to manage any REIT fund without such registration.
- (2) An eligible person shall apply for registration as a REIT manager to the Commission as per **Schedule ‘C’** along with an application fee of Tk. 2,00,000.00 (taka two hundred thousand) only through a bank draft or payment order issued in favour of the Bangladesh Securities and Exchange Commission.

(3) The applicant shall have the following eligibility criteria apply for registration, namely:

- (a) It is a public limited company or statutory organization having paid-up capital of at least Tk 200 (two hundred) million for any local or joint venture applicant, but at least Tk. 300 (three hundred) million for fully-owned foreign company or applicant:

Provided that the Commission may allow an eligible asset manager or fund manager to be registered as a RM having less than paid-up capital of Tk. 200 million with the condition that it has to raise capital at required level within two (02) years of getting registration under these Rules.

- (b) It has minimum net worth of 75% (seventy-five percent) of its total paid up capital;
- (c) It maintains adequate financial, technical, infrastructural and organizational facilities and human resources, and employ appropriate systems, procedures, technologies, processes and personnel to discharge fund management services in a proper and efficient manner on an ongoing basis;
- (d) Neither the applicant, nor any of its directors is a loan defaulter;
- (e) Neither the RM of the fund, nor any of its affiliates or directors has any relation with the respective Trustee to the REIT fund;
- (f) it has no track record of default, negligence or non-compliance with any of the securities laws for discharging its duties, if it is in any way connected with the securities market;
- (g) it maintains satisfactory internal controls & internal audit and written compliance and risk management procedures addressing all applicable regulatory requirements.

(4) On receipt of the application under rule 9(2), the Commission shall examine it, and if it is satisfied that all the requirements of these Rules are fulfilled, the Commission may accord registration as per **Schedule 'D'** to the REIT manager, as sought for, within 30 (thirty) days of receipt of the application.

(5) If the Commission finds that the applicant does not fulfil all the requirements of these Rules or any additional submission is required, it may, within twenty (20) days of receipt of the application, direct the applicant to fulfil the requirements within such time as the Commission may determine, and the

Commission may accord registration as prayed for within twenty (20) days of such fulfilment.

- (6) If the Commission finds that the applicant does not fulfil all the requirements of these Rules, or where a direction to fulfil certain requirements was given under sub-rule (5) and the applicant fails to fulfil such requirements, the Commission may reject the application, stating the reasons thereof.
- (7) If the Commission decides to award registration to the applicant, it shall pay, within fifteen (15) days of such decision, registration fee of Tk. 10,00,000.00 (taka one million) only through a bank draft or payment order issued in favour of the Bangladesh Securities and Exchange Commission.

10. Transfer of management of the funds and surrender of registration certificate of a REIT Manager.

- (1) The RM or the Trustee or the unit holders, if think necessary to do so, may transfer the management of a fund to another RM, subject to approval of at least $\frac{2}{3}$ rd (two-third) majority of the unit holders by value of their investment in the fund in a general meeting, and thereafter get approval of the Commission;
- (2) The RM shall apply to the Commission for cancellation of its registration or appointment, if it transfers the management of all the funds managed by it to other RM(s), within 06 (six) months of the last transfer.

11. Duties and responsibilities of RM. - An RM shall:

- (1) manage the fund in accordance with these Rules as well as the constitutive documents and all applicable laws including notifications, circulars, guidelines and directives issued under those in the interest of unit holders, without gaining any undue advantage for itself or any of its connected persons;
- (2) ensure that in case of a capital call, the investors are given at least two weeks' time in writing to make the payments against such calls;
- (3) carry out all transactions involving the fund on an arm's length basis;
- (4) ensure that the manager, its directors and employees and members of the investment committee do not have any material interest in any investee;
- (5) ensure collection of KYC and other documents from the eligible investors, if applicable;
- (6) collect undertakings from the eligible investors to the effect that they have understood the constitutive documents and fully aware of the risk & return potentials of the investment in the fund;

- (7) prepare a business scheme and an ‘investment and fund management guidelines’ with the approval of the Trustee and ensure strict compliance of the said guidelines;
- (8) ensure that the investments made are properly identified and held for the benefit of the unit holders in accordance with the provisions of the constitutive documents, these Rules and all other applicable laws;
- (9) ensure that all investments are made as per the approved scheme, investment guidelines and also approved by the investment committee:

Provided that the manager shall obtain consent from the Trustee before disbursement of fund to any real estate property or eligible investee;
- (10) closely monitor the status of real estate and also the status of the respective projects;
- (11) not delegate its investment management functions to any other person:
- (12) maintain at its registered office, proper books and records of account and activities undertaken, preferably by using fintech, in order to enable forming a true and fair view of:
 - (a) the assets and liabilities of the fund;
 - (b) profits and losses accruing out of the operation of the fund;
 - (c) transactions undertaken with respect to the fund;
 - (d) amounts received in respect of issue of units;
 - (e) analysis of fund utilization by the investees and real estates projects;
 - (f) investments made out of the investible fund; and
 - (g) pay-outs, if any, by way of distributions to the unit holders;
- (13) maintain books and following records of the fund till five years after winding up of the fund:
 - (a) the assets under the fund;
 - (b) valuation policies and practices;
 - (c) investment strategies;
 - (d) particulars of investors and their contribution;
 - (e) rationale for the investments made;
 - (f) settlement of the fund and payment made to the unit holders; and
 - (g) all constitutive documents of the fund.
- (14) within 90 days of closing of the accounting year of the fund, prepare financial statements of each fund as per the International Financial Reporting Standards (IFRS) and get those audited as per International Standards on Auditing (ISA) by an auditor or audit firm enumerated in the panel of auditors as declared by the Commission from time to time.
- (15) within 15 (fifteen) days of completion of the audit, transmit the following documents certified by the Trustee to the unit holders and the Commission:
 - (a) annual report;

- (b) balance sheet stating details of investments depicting cost and realizable value of such investments;
 - (c) income statement;
 - (d) cash flow statement;
 - (e) auditors' report to the unit holders on the accounts including comments on the investments made by the fund; and
 - (f) statement of movement in NAV per unit of the fund.
- (16) also provide with the annual report, a report to the investors including the following information, as may be applicable to the fund: -
- (a) financial information of the assets invested;
 - (b) investments made to each Real Estate or security and return on such investments;
 - (c) material risks and how they are managed which shall include, among others:
 - i. concentration risk at fund level;
 - ii. foreign exchange risk at fund level;
 - iii. leverage risk at investee levels;
 - iv. liquidation risk (i.e. change in exit environment) of assets and securities;
 - v. strategy risk (i.e. change in or divergence from business strategy) at investee level;
 - vi. reputation risk at investee level;
 - vii. extra-financial risks, including environmental, social and corporate governance risks, at fund and investee level; and
 - viii. transaction with connected person.
- (17) transmit half yearly unaudited financial statements and report of the fund to the unit holders, the Trustee and the Commission in electronic form;
- (18) invest and manage the investible funds in accordance with the approved scheme and objectives depicted in the constitutive documents;
- (19) ensure that no material change in the approved scheme of the fund is made without the approval of the unit holders through a special resolution and the Trustee;
- (20) undertake valuation of assets of the fund as per the valuation methodology at least annually, by an independent valuer appointed by the Trustee, other than statutory auditors of the fund, RM and the Trustee:

Provided that the valuation shall be conducted by an eligible valuer enlisted with the Commission:

Provided further that till the Commission enlist the panel of valuers, an auditor appointed from the panel of auditors of the Commission may conduct the valuation.

- (21) disseminate NAV per unit of the fund at least half-yearly to the unit holders, the Trustee and the Commission;

- (22) ensure that the valuation methodology of the fund is prepared in accordance with the international valuation standards (IVS) and IFRS;
- (23) immediately inform the Commission of any special resolution passed by the unit holders;
- (24) ensure that after the extinguishment of the fund, the trust is dissolved and the proceeds are distributed amongst the unit holders;
- (25) copies of the constitutive documents, financial statements and others shall make available in the official website of the REIT manager and trustee for the investors;
- (26) immediately inform the Commission in writing if there is any change in the information already submitted;
- (27) review policies and procedures, and their implementation, on a regular basis, or as a result of business developments, to ensure their continued appropriateness;
- (28) act responsibly in a fiduciary capacity towards the investors and shall disclose to the investors, all conflicts of interests as and when they arise or seem likely to arise;
- (29) establish and implement written policies and procedures to identify, monitor and appropriately mitigate conflicts of interest throughout the scope of business;
- (30) maintain high level principles on avoidance of conflicts of interest with connected persons;
- (31) ensure transparency and disclosure of information to investors, among others, on the following:
 - (a) financial, operational, portfolio, transactional information and risk management regarding fund investments;
 - (b) any fees ascribed to the RM or Trustee; and any expenses charged to the fund;
 - (c) any inquiries/legal actions by legal or regulatory bodies of any jurisdiction, as and when occurred;
 - (d) any material liability arising during the fund's tenure, as and when occurred;
 - (e) any breach of provision of the prospectus or agreements or any other constitutive documents, as and when occurred; change in control of the Trustee, sponsors, RM and investees; and
 - (f) any transaction(s) with connected person(s).
- (32) ensure that any loss or expense resulted from negligence of the RM, its officers or appointed persons is not charged to the fund;
- (33) address all investor complains;
- (34) provide any information sought by the Commission;
- (35) maintain all records as may be specified by the Commission;
- (36) take all reasonable steps to address all sorts of conflict of interests;
- (37) ensure transparency and disclosures as specified in these Rules and the constitutive documents; and

- (38) lay down procedure for settlement of disputes between or among the investors, fund, manager, Trustee or sponsor through arbitration or any such other mechanism as mutually decided between the investors, the Trustee and the manager.
- (39) ensure insurance coverage, fire safety requirement of property or real estate under REIT fund.
- (40) prepare code of conduct for the directors and employees of RM to mitigate conflict of interest.
- (41) conduct annual general meeting of unit holders in each Gregorian Calendar year.

12. Appointment of Property Manager. – (1) The property manager of any fund may be appointed by the REIT Manager, under its discretion, as per the following eligibility criteria, namely:

- (1) the property manager must have at least five (05) years experience in construction, development and management of real estate projects with at least three (03) large projects under its management.
- (2) Where RM has an equity interest in the property manager, the RM shall disclose it to the trustee before appointment and get it approval of the trustee and intimate it to the Commission.
- (3) The property manager may be entitled to a negotiable fee but within a ceiling specified by the Commission time to time:

Provided that the fee to be given to any property manager by the REIT manger, it shall be within the ceiling of fee allocated for the REIT Manager.

13. Fund management fee. -

- (1) The RM shall be entitled to an annual fund management fee of maximum 1% (One percent) of the year-end NAV of the fund for managing a REIT fund:

Provided that if RM performs the role of property manager by itself with its own human resources, the RM shall be entitled to an annual fee of maximum 0.50% of the year-end NAV of the REIT fund;

Provided further that fund management fee including property management fee shall not be more than 1.50% of the year-end NAV of the REIT fund.

- (2) The RM may be entitled to performance fee, if introduced, by the order of the Commission from time to time:

CHAPTER IV APPOINTMENT OF TRUSTEE AND ITS ROLE

- 14. Appointment of the Trustee.** – (1) The Trustee of any REIT Fund shall be appointed by the sponsor with due approval of the Commission under these Rules following the eligibility criteria in the sub -rule (2).
- (2) The Trustee shall have the following eligibility criteria for appointment, namely: -
- (a) Any registered trustee under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ or the Bangladesh Securities and Exchange Commission (Alternative Investment Fund) Rules, 2015 shall have minimum paid-up capital of Tk. 200 million and also maintains minimum total capital as per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019;
 - (c) has adequate experienced manpower in the real estate sector and legal academic qualifications to discharge its duties as a Trustee;
 - (d) has management experience of at least one mutual fund or alternative investment fund or any other fund approved by the Commission;
 - (e) neither the Trustee, nor any of its affiliates or directors have any relation with the RM or connected person of the RM;
 - (f) neither the trustee, nor any of the proposed members of the Board of Trustee of the fund shall have any relation with REIT manager or investees under the fund;
 - (f) neither the Trustee, nor any of its members of the Board of Trustee is a loan defaulter on the basis of latest **CIB report**;
 - (g) do not act as arranger or advisor of the fund nor pursue any investor to or not to invest; and
 - (h) has no track record of default, cancellation from any fund management role by the investors or regulators, negligence or non-compliance with any of the securities laws for discharging its duties, if it is in any way connected with the securities market.
- (3) On fulfilment of the eligibility criteria under sub-rule (2), the Commission shall examine it, and if satisfied that all the requirements of these rules are fulfilled, the Commission may accept the appointment of the Trustee to act as a trustee to the REIT fund.
- (4) If the Commission finds that the applicant does not fulfil all the requirements of these rules or any additional submission is required, it may, within 25 (twenty-five) days of receipt of the application, direct the applicant to fulfil the requirements within such time as the Commission may determine, and the Commission may accept the appointment, as prayed for, within 30 (thirty) days of such fulfilment.
- (5) If the Commission finds that the applicant does not fulfil all the requirements of this Rules, or where a direction to fulfill certain requirements was given under

sub-rule (4) and the applicant fails to fulfil such requirements, the Commission may reject the application of appointment, stating the reason thereof;

15. Duties and responsibilities of the Trustee. –

- (1) The Trustee shall have to perform the following duties and responsibilities in addition to those described in the trust deed concerned, namely: -
- (a) shall act on behalf and for the exclusive interest of the investors or unit holders;
 - (b) shall ensure compliance of all the requirements of these Rules;
 - (c) shall issue units to the investors upon receiving full payment against such units;
 - (d) shall ensure that the issuance of units is carried out in accordance with the provisions of these Rules, the constitutive documents and any directions, guidelines or orders if issued by the Commission;
 - (e) shall maintain the register of unit holders;
 - (f) shall preserve the trust deed and other constitutive documents in its office for observation of the investors and also made available in its official website;
 - (g) shall call the unit holders' meeting and enforce the decisions thereof;
 - (h) shall take adequate steps to redress grievances of the investors within one month from the date of receipt of any complaint and shall keep the Commission informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;
 - (i) shall sue or to be sued on behalf of the unit holders;
 - (j) shall exercise due diligence and vigilance in carrying out its functions and duties under the constitutive documents, these Rules and all other applicable laws;
 - (k) shall ensure that the title to all assets of the fund is lawfully vested in the trust;
 - (l) shall hold the assets of the fund in its custody on behalf of the unit holders in accordance with the provisions of the constitutive documents, these Rules and all other applicable laws:

Provided that for safe custody of securities of the REIT fund, trustee may appoint any custodian registered with the Commission:

Provided further that trustee shall be responsible for safe custody of securities of the REIT fund.

- (m) shall not delegate any of its duties;
- (n) shall not legally or beneficially own the units of the fund;

- (o) shall receive payments from eligible investors for subscription of units and deposit the money received by the fund in a scheduled bank account maintained entirely for this purpose;
 - (p) shall appoint auditors of the Fund upon its establishment or in the event of any vacancy:
Provided that the auditor so appointed shall be from amongst the list of auditors panel of the Commission and it shall not be the auditors of the RM or the Trustee and auditor shall not be appointed for more than 03 (three) consecutive years;
 - (q) shall appoint an independent valuer for valuation of the fund's investment;
 - (r) shall form an independent Shariah Supervisory Board for a shari'ah based REIT fund;
 - (s) shall monitor the activities of the REIT manager in respect of investments out of the investible fund in accordance with the constitutive documents, these Rules or any other applicable law;
 - (t) shall approve an investment committee for the fund upon recommendation of the RM;
 - (u) shall submit quarterly reports to the Commission on the following matters:
 - i. information on investments and investees;
 - ii. information of income and expenses of the fund and returns paid to investors;
 - iii. information of lock-in;
 - iv. information and status of complaints lodged by the unit holders; and
 - v. any other information as the Commission may require from time to time.
 - (v) shall authorize the RM including signatories to open bank accounts, BO accounts and securities trading accounts in the name of the fund;
 - (w) shall approve person(s) of RM to represent in the board of directors of investees, if required, upon recommendation of the RM; and
 - (x) shall immediately inform the Commission regarding any action of the RM that contravenes any provision of the constitutive documents, these Rules or any other applicable laws.
- (2) the trust deed or appointment of the Trustee cannot be varied or modified without prior approval of the Commission.
- (3) Trustee shall adhere to the duties of custodian of REIT fund's Real assets documents and securities;
- (4) the Trustee shall enter into an investment management agreement with the RM.
- (5) The Trustee shall be entitled to an annual Trustee fee including the custodianship fee of maximum 0.30% of the fund size.

16. Cancellation of appointment of the Trustee and replacement of a new Trustee. —

- (1) The Commission may, considering the appeal of at least $\frac{2}{3}$ rd (two-third) majority of the unit holders by value of their investment in the fund or in the event of negligence of duties of the Trustee or in the public interest, if it thinks fit, cancel registration or appointment of the Trustee and replace the Trustee by a new Trustee:

Provided that before cancellation of registration or appointment, the Trustee shall be given an opportunity of being heard.

- (2) A Trustee can resign with prior approval of the Commission which shall not be effective until appointment of a new Trustee and handing over charges by the resigning Trustee.
- (3) A Trustee shall cease to exist as Trustee of a fund upon full and final redemption of all the units at end of operational life of the fund.
- (4) To replace the Trustee, the unit holders shall appoint a new Trustee by a resolution passed by all unit holders as per the Trust Act, 1882 and submit for approval of the Commission.
- (5) The new Trustee shall meet the qualification requirements of these Rules.
- (6) The Trustee who is replaced shall handover its charges to the new Trustee after it gets approval of the Commission and up to that period the existing Trustee shall carry on its responsibilities as Trustee to the fund.

CHAPTER V

Valuer and Valuation

- 17. Appointment of Valuer.** - (1) The Trustee shall appoint a valuer for each REIT fund from the panel of valuer with the Commission, as per the terms of reference of the valuation of REIT Fund set by the Commission.
- (2) The valuer shall not be appointed for consecutive period exceeding 03 (three) years and may not be re-appointed as a valuer for the REIT fund until the lapse of two years from its last retirement.
 - (3) The trustee shall, appoint a separate valuer for REIT fund other than financial auditor of the fund.
 - (4) The trustee shall within two (2) working days of appointment of the valuer of REIT fund, inform the Commission of such appointment with a copy of the contract entered into with the valuer.

18. Criteria for a Valuer. -

- (1) No person shall be appointed as a valuer unless it fulfils the following criteria:
- (a) registered as eligible valuer with the Financial Reporting Council (FRC), if required, and shall be enlisted in the panel of valuers with the Commission;
 - (b) shall have qualified & experienced technical professionals to conduct technical valuation of real estate property:
Provided that technical professional must be a member of Institute of Engineers of Bangladesh (IEB) or Institute of Architects of Bangladesh (IOAB);
 - (c) The valuer shall have professional experience of conducting valuation of real estate projects for at least 03 (three) Years;
 - (d) The valuer is not denied or disqualified from membership of the recognized professional organization or any sanction, disciplinary proceedings or investigation which might lead to disciplinary action by any relevant regulatory authority or recognized professional organization;
- (2) The valuer in consultation with the technical professional shall conduct the valuation of real estate:
Provided that such valuation report may include report of technical professional, if suggested by the Trustee.
- (3) The valuer must not accept any engagement to conduct valuation for the REIT in such case where there may be an actual or potential conflict of interest.
- (4) the Valuer shall be independent and satisfies the following requirements:
- (i) the RM or the Trustee or any of their directors or key executives are not connected persons with the Valuer;
 - (ii) the valuer does not have any financial, professional or other interests that may affect its ability to render unbiased professional services to the REIT fund; and
 - (iii) its promoters, directors, members or partners, as the case may be, have never been convicted of any offence involving moral turpitude.

19. Roles and responsibilities of the Valuer. – The valuer shall:

- (a) not hold units of the REIT fund for which it has been appointed as a valuer;
- (b) at least once in every year value the Real Estate and produce a Valuation Report on all real state acquired or intended to be acquired, developed or sold by the RM for the REIT fund;
- (c) ensure that the valuation methodology adopted by it is in line with the International Valuation Standard (IVS) as well as global best practices prevalent in the real estate industry;
- (d) to determine the REIT's NAV per unit, a fair and accurate valuation of all assets and liabilities of the REIT must be conducted according to the relevant standards of IFRS and IAS.
- (d) ensure that its opinion and valuation is objective and independent to its business or commercial relationships; and

- (e) immediately inform the RM 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.
 - (f) The valuer must use the appropriate valuation approaches, showing adequate substantiation and in compliance with the relevant valuation standards such as International Valuation Standards or other applicable valuation standards recognized by Financial Reporting Council or other appropriate professional bodies.
 - (g) The valuer must ensure that the data adopted are adequate, verified, correctly analyzed and followed through in arriving at the value conclusion. Adjustments made must be consistent, appropriate, justified and with explanatory notes provided.
 - (h) In the valuation report, the valuer shall confirm the valuation has been undertaken in accordance with IVS and that they have verified that the ownership possession and use of the assets are due to the REIT Fund;
 - (i) The valuer shall follow the requirements or valuation guidelines (General requirements, Disclosure requirements and Ethical principles) issued by the Commission from time to time
- 20. Declaration by the Valuer.** - The valuer, at the time of appointment and at the end of each quarter, shall furnish a declaration to the RM and the Trustee, stating that it meets the requirements specified in rule 19.
- 21. Basis of valuation.** –(1) The definition and source of the basis of value used should be cited. A basis of value is a statement of the fundamental measurement assumptions of a valuation which does not contradict with the applicable valuation and accounting standards.
- (2) Any assumptions used in the valuation shall be clearly stated in the valuation report, and must be realistic, relevant and adequately substantiated by reference to physical, functional and market factors.
 - (3) The valuer shall value the Real Estate on the basis of market value or fair value alongwith considering the technical report on current replacement cost basis:

Provided that in determining the fair value, the valuer shall conduct a market survey in the respective region where the real estate of REIT fund are situated.
- 22. Annual fee of the Valuer.** – The Valuer shall be paid an amount of annual fee as determined by an agreement by the valuer and the trustee with prior approval of the Commission and such annual fee shall not be contingent upon the amount of value of the Real Estate as determined by the Valuer.
- 23. Limitation of approved valuation.** –

- (1) Acceptance by the Commission of any documents enumerating the valuation of real estate or REIT Assets or issuance of any approval or permission based on such documents shall not be construed as an endorsement of accuracy of such valuation by the Commission.
- (2) The valuer shall at all time performs its roles and responsibilities with competence, honesty, integrity and professionalism, and shall remain impartial while rendering professional services.

24. Removal of the Valuer. -

- (1) The Commission may remove any of the valuer if:
 - (a) the valuer goes into liquidation, becomes bankrupt or if a receiver or administrator is appointed over its assets;
 - (b) the RM or the Trustee states in writing showing appropriate reason that change of the valuer is desirable in the interest of the unit holders;
 - (c) the majority unit holders pass a resolution requiring the removal of the valuer; or
 - (d) the valuer contravenes any provision of the Act, these Rules, or any directives, code or guidelines issued by the Commission or any appropriate authority.
- (2) For purposes of clause (c) of sub-rule (1), the Commission may call a meeting of the Unit Holders on a petition of twenty (20) percent unit holders in terms of value of investments; and (ii) the valuer shall be given the opportunity to be present in the meeting and defend himself.
- (3) The Commission shall not remove the valuer under this rule unless it has provided the valuer an opportunity of being heard.
- (4) Upon retirement or removal of the valuer, the trustee shall appoint a new valuer that meets the criteria under these rules and inform the Commission of such appointment or get permission of the Commission, if required.

25. Discretion of the Commission to cause valuation. -

- (1) The Commission, if it deems necessary, may cause valuation of REIT fund or any REIT Assets by appointing a valuer.
- (2) The valuation carried out under sub-rule (1) shall be final and binding on all concerned.
- (3) Any fees and costs incurred in this respect shall at first instance be paid by the Commission and shall be reimbursed from the REIT fund.

CHAPTER VI

INVESTMENT CONDITIONS AND RESTRICTIONS

- 26. Investment in a fund. -** The REIT manager (RM) may raise capital for a fund from eligible investors through issuance of units in accordance with the following conditions:

- (1) the fund shall be raised from any eligible investors whether resident or non-resident Bangladeshi or foreign by way of issuance of units upon realization of the subscription;
- (2) the proposed fund corpus shall be disclosed in the constitutive documents;
- (3) the minimum subscription under private offer to the units of a fund shall be Tk. 300,000.00 (taka three lac) by any eligible Institutional Investor and Tk. 50,000 (Fifty thousand) by any other eligible investor:

Provided that minimum subscription under public offer to the unit of a fund shall be Tk. 10,000/= (Taka ten thousand) by each public investor:

Provided further that the Commission may refix the minimum subscription requirement under public or private offer from time to time.

- (4) the offer to the unit of a fund shall be made through a scheme wise prospectus or constitutive documents for subscription through private offer or public offer or both;

27. Investment conditions and restrictions. - All investments from the investible fund shall be made subject to the following conditions: -

- (1) the RM shall make such investments which are in conformity with the investment management agreement and approved business plan;
- (2) the investible fund shall not be invested with a connected person of the RM or the Trustee or the custodian;
- (3) Investment parameters:
 - (a) at least 80% (seventy-five percent) of the fund corpus shall be invested in the income generating real estate and maximum 20% of the fund corpus shall be invested in such debt securities or ISBS of investee which is issued preferably to finance its real estate or infrastructure projects:

Provided that any investment in real estate by the REIT fund shall not be exclusively used for acquisition of land property:

Provided further that the REIT fund shall not be invested in acquisition of any real estate property which is mortgaged or charge created against any loan obligation:

Provided further that investment in real estate shall not be for trading intent, rather it shall be for long term investment

- (b) such investment under clause (a) in real estate projects shall be made at least after completion of two-third portion of the property development activities in the respective real estate under business plan or at least after

incurring of two-third portion of total project cost as described in the corresponding business plan.

- (c) In case of delay in fulfilling the requirement of investment under clause (a), the unused portion of realized fund may be invested only in government securities or money market instruments as recognized by Bangladesh Bank up-to a period of maximum 01 (one) year:

Provided further that out of the maximum ceiling mentioned at clause (a) for other than real estate, the unused portion of realized fund may also be investable in government securities or AA rated debt securities or ISBS issued by any issuer;

- (d) Investment in any single real estate under clause (a) shall be for minimum ten (10) years period, which will be reported at deed value:

Provided that the deed value shall also include the legal & ancillary expenses related to registration & acquisition of real estate or property.

- (e) investment in a single real estate project or debt securities or ISBS of a single investee shall not exceed 25% (twenty-five percent) of the fund corpus:

Provided that in a special case, the Commission may allow maximum 40% (forty percent) of the fund corpus in any single real estate, or debt securities including ISBS of a single investee which is issued to support its real estate project:

Provided further that if the REIT fund holds the controlling interest of the project, then the above provision may be waived by the Commission on special recommendation of the trustee;

- (f) no fund shall invest in any real estate or in any securities of any non-listed real estate portfolio company other than approved business plan:

Provided that for investment in any securities of listed real estate projects, it does not require to include in the business plan component wise;

- (g) The above investment restrictions shall not be applicable in case of buyouts of a real estate project or investee by a fund;

- (4) in compliance of sub-rule (3), investment of a fund under indirect investment in any non-listed securities shall be made fully in pure debt securities including ISBS;

- (5) no fund shall borrow funds directly or indirectly and engage in leverage activities;

- (6) in case of an Islamic fund, the activities of the investees must be Shariah compliant and in determining the Shariah compliance status of the investee and investments, the REIT manager shall disclose the Shariah screening methodology prepared by the Shariah Supervisory Board for such issue in the constitutive documents;
- (7) investment by an Shari'ah based REIT fund shall be made in such mode or projects or securities, which are Shariah compliant;
- (8) the fund may enter into joint investment in any real estate projects or securities of investee with other same kind of REIT funds.
- (9) investment by REIT fund either through direct investment or indirect investment must disclose the liquidation plan in the business plan or prospectus or constitutive documents:
Provided that the liquidation plan shall also include the use of investment proceeds in the last year of the fund.
- (10) Investment by REIT fund shall be made on those real estate on which are developed by any REHAB member.

28. Listing and transfer of investments. -

- (1) The units of a REIT fund shall be listed on any stock exchange.
- (2) Any investee in which any REIT fund has made investment at least 25% in debt securities including ISBS issued by such investee, shall not apply for listing of those securities with any stock exchange within 02 (two) years from the date of last investment made in it by a REIT fund.

29. Life of the fund. –

- (1) A fund shall be established for a minimum period of fifteen (15) years period or for a period more than 15 years, and shall be disclosed in the constitutive documents.
- (2) If a REIT fund is initially formed with a closed-end nature with a specific tenure, and if allowed by initially approved constitutive documents, the tenure of the fund may be extended for a period of maximum 05 (five) years beyond its disclosed tenure:

Provided that if a REIT fund is initially formed with an open-end nature without having any specific tenure, and if allowed by the initially approved constitutive documents, the fund may be fixed at specific tenure:

Provided that initial life period may be extended or shortened or changed, subject to approval of at least 2/3rd (two-third) majority of the unit holders by value of their investment in the fund, in a general meeting to be held at least 6 (six) months before maturity of the fund and subsequent approval of the Commission.

- (3) The commission may give order for winding up of the fund in such circumstances where the investors' interest is hampered, or suspected to be hampered

CHAPTER VII MISCELLANEOUS

30. Inspection and Enquiry. -

- (1) The Commission may, on its own motion or upon receipt of any information or complaint, appoint one or more persons as enquiry or inspection officer to undertake enquiry on any matter or inspection of the books of account, records and documents relating to a real estate investment fund, the REIT manager, the Trustee or any other person for any of the following reasons, namely: -
 - (a) to ensure that the books of accounts, records and documents are being maintained in the manner specified in these Rules;
 - (b) to enquire or inspect complaints received from unit holders, investors or any other person, on any matter having a bearing on the activities of the real estate investment fund or any other person related to it;
 - (c) to ascertain whether the provisions of the Act, the Ordinance and these Rules are being complied with by the real estate investment fund, the REIT manager and the Trustee;
 - (d) to enquire or inspect the affairs of a real estate investment fund, the REIT manager and the Trustee in the interest of the securities market or the investors.
- (2) The enquiry or inspection shall be made in accordance with the relevant provisions of the Act.

31. Allowable expenses. -

- (1) The REIT manager is entitled to charge the following expenses to the fund:
 - (a) Expenses relating to formation and floatation of the fund;
 - (b) Fees payable to the Commission;
 - (c) Trustee fee;
 - (d) Fund management fee;
 - (e) Auditors' fee;
 - (f) Valuers' fee;
 - (g) Property management fees; and
 - (h) Other fees related to the fund.
- (2) The total expenses charged not exceeding 3% of the year end NAV of the fund shall be approved by the Trustee and clearly disclosed in the constitutive documents and annual reports of the fund with head wise break-up.

32. Submission of reports to the Commission. –The Commission may at any time call upon the Real Estate Investment Trust Fund, the REIT manager or the Trustee to file such reports, as the Commission may think fit, with respect to the activities of the

Real Estate Investment Trust Fund and the concerned person shall submit such reports as called upon.

33. Call information and documents. -

- (1) The Commission may at any time call for any information and documents from a Real Estate Investment Trust Fund or REIT manager or sponsor or Trustee or unit holders with respect to any matter relating to the fund or for the assessment of risk or prevention of fraud.
- (2) Where information and documents are called for under sub-rule (1) it shall be furnished within the time specified by the Commission.

34. Winding up of the fund. -

- (1) **Conditions of winding up:** A REIT fund formed as a trust shall be wound up:
 - (a) when the tenure of the fund as mentioned in the constitutive documents comes to an end; or
 - (b) in the opinion of the Trustee, winding up of the fund is necessary in the interests of the unit holders; or
 - (c) if 66% (sixty-six percent) of the unit holders by value of their investment in the fund pass a resolution at a meeting that the fund be wound up; or
 - (d) if the Commission so directs in the interests of the investors; or
 - (e) if 70% of the fund corpus remain uninvested without any reasonable ground other than any force majeure issue for a period longer than one (01) year; or
 - (f) by order of a competent court.
- (2) **Intimation and notice:**
 - (a) the Trustee of the REIT fund shall inform the Commission of the circumstances leading to the winding up of the fund as soon as those arise;
 - (b) the Commission shall examine the information and if thinks appropriate, instruct the Trustee to proceed for winding-up;
 - (c) the Trustee and REIT manager shall separately send notices intimating investors of the circumstances leading to the winding up of the fund and publish the same in at least one Bangla and one English newspaper.
- (3) **Consequences of the notice:** On and from the date of publication of the notice under sub-rule (2),
 - (a) no further investments shall be made out of the fund;
 - (b) no business activities of the fund shall be carried out;
 - (c) no further fund shall be raised;
 - (d) no further units shall be issued; and
 - (e) no payment shall be made.
- (4) **Process of winding up:**

- (a) within 30 (thirty) days from the date of publication of notice under sub-rule (2), the Trustee shall hold a meeting of unit holders where authorization of 75% (seventy-five percent) of the investors present by value of their investment in the fund shall be required to empower the Trustee to take necessary actions for winding up:

provided that in the events mentioned in sub-rule (a), (c), (d) or (e) of rule 34(1), the said meeting shall not be required;

- (b) the Trustee, if empowered under clause (a), shall proceed for liquidation of the assets of the fund in the best interest of the unit holders, and the proceeds accruing to the unit holders shall be distributed to them in proportion to their respective interest in the assets of the fund as on the date when the decision for winding up was taken, through bank drafts or payment orders, after satisfying all liabilities due under the fund and making appropriate provisions for meeting the expenses in respect of the winding up.

(5) **Reporting regarding winding up:**

- (a) Within 30 (thirty) days from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders, a report on the winding up certified by the auditors of the fund containing particulars such as circumstances leading to the winding up, the steps taken for liquidations of assets of the fund, expenses of winding up, net assets available for distribution to the unit holders, payments made to the unit holders etc.;
- (b) upon receiving the report under clause (a), the Commission shall, if satisfies that all the procedures have been observed appropriately, cancels the registration of the fund.

35. Clarification, instructions. -

- (1) The Commission may provide clarifications of any provision of these Rules in case of arising any confusion; and
- (2) The Commission may issue instructions and guidelines under these Rules.

36. Contravention. – If any Real Estate Investment Fund, REIT manager or Trustee or any other person violates any of the provisions of these Rules, the Act or the Ordinance or furnishes false, incorrect or misleading information or suppresses any information, the Commission may take appropriate actions under the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন) or the Securities and Exchange Ordinance, 1969.

SCHEDULE – A
[See Rule 4(2)]

Application for registration of a REIT Fund

A. Information to be furnished:

- (1) Name of the fund:
- (2) Type of the fund (General/Islamic with specific tenure or without specific tenure):
- (3) Size and tenure of the fund:
- (4) Name and brief description of the sponsor(s) along with amount and percentage of contribution to be made by each of them:
- (5) Name of the REIT manager with registration number & date:
- (6) Name of the Trustee with registration number & date: (with a copy of appointment of trustee of the fund)
- (7) Name of the auditors;
- (8) Description of Shariah council, in case of Islamic funds;
- (9) Name of the Valuer:
- (10) Names of the prospective investors, if any:
- (11) Names of the prospective investees, if any:
- (12) Names of the sectors/industries where the fund intends to invest:

B. Documents to be submitted:

- (1) Structure of the fund;
- (2) Draft REIT scheme;
- (3) Draft Trust Deed;
- (4) Draft Subscription Agreement;
- (5) Draft Investment Management Agreement;
- (6) Estimated Valuation of the real estate;
- (7) Due Diligence Certificate of the REIT manager (as per Schedule ‘G’);
- (8) Due Diligence Certificate of the Trustee (as per Schedule ‘H’);
- (9) Copies of appointment letter and registration certificate of the Trustee;
- (10) Copies of appointment letter and registration certificate of the REIT manager;
- (11) Brief profile of members of the key investment team of the REIT manager;
- (12) Brief profile of members of the investment committee for the fund;
- (13) Brief description of the Shariah council, if applicable;
- (14) Draft valuation methodology; and
- (15) Draft Investment and Fund Management Guidelines.

(Name, signature with date and stamp of the REIT manager)

(Name, signature with date and stamp of the Trustee)

Schedule – B
[See Rule 4(4)]

Certificate of Registration REIT Fund

In exercise of the powers conferred by section 10 of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন) read with rule 4(4) of the Bangladesh Securities and Exchange Commission (Real Estate Investment Trust Fund) Rules, 2024, the Commission hereby grants a certificate of registration to _____, to REIT Fund, subject to the conditions specified in the Act and the Rules or as may be imposed hereafter by the Commission.

Category of the REIT Fund:/Other (specified by the Commission).

Registration number of the REIT Fund is _____.

For and on behalf of
BANGLADESH SECURITIES AND EXCHANGE COMMISSION

Authorized Officer

Seal with logo

SCHEDULE – C
[See Rule 9(2)]

Application for Registration of a REIT Manager

A. Information to be furnished:

- (1) Name:
- (2) Addresses of the registered office and corporate head office with telephone number(s), fax number(s), e-mail address:
- (3) Name, designation, telephone and cell phone numbers and e-mail address of the contact person(s):
- (4) Legal status of the REIT manager (whether company/statutory body):
- (5) Date and place of incorporation/ establishment and date of commencement of business, which applicable:
- (6) Short description of business:
- (7) Other business activities of the REIT manager:
- (8) Capital and shareholding structure:
- (9) Net worth as per latest audited financial statements:
- (10) Names and addresses of the REIT manager's auditors:
- (11) Loan status of the REIT manager and its directors:
- (12) Whether fund manager or any of its directors has any relation with the capital market, if any, details:
- (13) Name, educational qualification and experience of the CEO and compliance officer:
- (14) Name, experience, educational qualification and profession of the directors of the REIT manager:
- (15) Name and experience of other key executives of the REIT manager:
- (16) Organizational structure:
- (17) Description of necessary infrastructure for rendering REIT management services:
- (18) Names and addresses of subsidiary or associate companies of the REIT manager, if any:
- (19) Brief description of funds already managed or formed by the REIT manager with present status, if any:

B. Documents to be submitted:

- (1) Memorandum and Articles of Association or such other constitutive documents;
- (2) Certificate of Incorporation;
- (3) Certificate of Commencement of Business, if applicable;
- (4) Audited financial statements for the latest accounting year;
- (5) Board resolution deciding to work as a REIT manager;
- (6) Bankers' certificate and bank statements evidencing share money deposited against paid-up capital;

- (7) Organizational structure;
- (8) Brief profile of CEO, compliance officer and other key executives;
- (9) Office layout; and
- (10) CIB Undertakings of the REIT manager and its directors.

For and on behalf of the REIT manager

(Name, signature with date and stamp of the applicant)

SCHEDULE – D

[See Rule 9(4)]

Certificate of Registration to Act as REIT Manager

In exercise of the powers conferred by section 10 of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন) read with rule 9(4) of the Bangladesh Securities and Exchange Commission (Real Estate Investment Trust Fund) Rules, 2024, the Commission hereby grants a certificate of registration to _____, to act as a/an REIT Manager, subject to the conditions specified in the Act and the Rules or as may be imposed hereafter by the Commission.

Registration number of the REIT Manager is _____.

For and on behalf of
BANGLADESH SECURITIES AND EXCHANGE COMMISSION

Authorized Officer]

Seal with logo

SCHEDULE – E
[See Rule 2(18)]

Format and contents of the Prospectus

(Notice: - This is not an exhaustive list. The REIT manager is obliged to disclose any other information that may be necessary to enable the eligible investors to make informed decision.)

A. Material Information:

- (1) In addition to the information specifically required by these rules, the placement memorandum shall contain all material information necessary to enable the investors to make an informed assessment of the fund, the investment, the REIT manager, the Trustee, the units being offered, the rights and obligations of the unit holders, the REIT manager, the Trustee and all other parties attaching to the fund.
- (2) The Commission may require disclosure of additional information in the placement memorandum as it considers appropriate for a particular fund, which shall be complied with.
- (3) If the Commission requires such disclosure, it shall inform the REIT manager of the additional information in writing.

B. Information to be included in the Placement Memorandum-

- (1) Cover Page of the placement memorandum: On the cover page of the placement memorandum, the following information shall be furnished, namely: -
 - (a) Name and address of the REIT manager:
 - (b) Name and address of the Trustee:
 - (c) Issue date of the placement memorandum:
 - (d) The following statement: “If you have any query about this document, you may consult the REIT manager and the Trustee”:
 - (e) The following statement in bold type:
“APPROVAL OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE OFFER OF UNITS OF THIS FUND UNDER THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (REAL ESTATE INVESTMENT TRUST FUND) RULES, 2024. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE CORRECTNESS OF ANY OF THE INFORMATION AND STATEMENTS MADE OR OPINION EXPRESSED IN THE PROSPECTUS AND OTHER CONSTITUTIVE DOCUMENTS. SUCH RESPONSIBILITY LIES WITH THE REIT MANAGER, ITS DIRECTORS AND OFFICERS, AND THE TRUSTEE. THIS PROSPECTUS IS APPROVED TO OFFER THE UNITS TO THE INVESTORS AND COMPETENT TO UNDERSTAND THE RISK & RETURN POTENTIALS TO INVEST AND COMMIT CAPITAL TO THE FUND. INVESTORS ARE

ADVISED TO MAKE THEIR OWN ANALYSIS REGARDING THE INVESTMENT BEFORE MAKING THE INVESTMENT DECISION."

- (f) A statement that the REIT manager accepts the responsibility for the accurateness and correctness of information contained in the placement memorandum at the date of publication.
- (2) Table of contents.
 - (3) Report to the unit holders.
 - (4) Due diligence certificates.
 - (5) Risk factors and the REIT manager's perception about all risks likely to arise in respect of the fund, the Investments, management of the fund, investees and sectors thereof, business environments, national and international policies and all other related factors are to be clearly disclosed.
 - (6) Details of the REIT manager.
 - (7) Details of the investment committee.
 - (8) Details of the Trustee.
 - (9) Description of Valuer to the fund.
 - (10) Description of Shaiah council, if applicable.
 - (11) Summary of the material clauses of the trust deed.
 - (12) Investment opportunities and investment strategy of the fund.
 - (13) Description of the approved REIT scheme
 - (14) Manner of investment to the units of the fund with terms and conditions.
 - (15) Obligations and rights of the Trustee, REIT manager and eligible investors.
 - (16) Dividend policy
 - (17) Details of fees and charges to be paid by the fund.
 - (18) Description of Auditors to the fund.
 - (19) Accounting year of the fund.
 - (20) Particulars and frequency of the financial reports to be sent to the unit holders.
 - (21) An overview of the applicable regulatory and legal framework.
 - (22) Circumstances and procedure for the revocation of the trust and mechanism for the distribution of assets of fund, upon the extinction or revocation of the trust.
 - (23) Retirement or removal of the Trustee, or REIT Manager.
 - (24) Circumstances and procedure for the change of REIT manager upon the request of the unit holders.
 - (25) Exit procedure of the unit holders.
 - (26) Meetings of the unit holders.
 - (27) Complaints and settlement procedure.
 - (28) Disclosures and declarations required under these Rules.
 - (29) Details of the utilization of proceeds of the fund.
 - (30) Features of the fund, namely: -
 - (a) Basic features of the units;
 - (b) Transferability/Liquidity;
 - (c) Returns to investors.
 - (31) Description of the investees, if ascertained any, among others including the following:-

- (a) Capital structure;
 - (b) Brief financial information;
 - (c) Business;
 - (d) Business prospects;
 - (e) Management;
 - (f) Profile of Directors/Owners of the investee;
 - (g) Description of assets and liabilities/financial position;
- (32) Details of the sectors/industry where the fund is likely to invest, among others, the following factors:
- (a) SWOT Analysis;
 - (b) Details of the key industry players;
 - (c) Entry or exit barriers;
 - (d) Future potentials of the industry; and
 - (e) Government support or fiscal policies about the sector/industry.
- (33) Modus Operandi of the fund including:
- (a) Application procedure;
 - (b) Issuance of unit certificate.
- (33) Any other information that the Commission may specify.
- (34) Application form for allotment of units with KYC of the applicants.

Each page of the draft placement memorandum to be duly signed and stamped by the chief executive officers of the issuer and the Trustee.

SCHEDULE – F
[See Rule 4(3)(c)]

Format and contents of the Trust Deed

The Trust Deed must contain *inter alia* the following clauses:

- (1) Date and place of execution:
- (2) Name and legal status of the parties concerned:
- (3) Objectives of the fund:
- (4) Definitions:
- (5) Relation between the parties:
- (6) Governing Laws:
- (7) Registered address of the Trustee:
- (8) Commencement and termination of the trust:
- (9) Costs involved with the fund and by whom the costs are to be assumed:
- (10) Description of the parties:
- (11) Description of the fund:
- (12) Modus operandi of the fund:
- (13) Rights, duties and obligations of the Trustee:
- (14) Rights, duties and obligation of the REIT Manager
- (15) Rights, duties and obligation of the valuer
- (16) Rights, duties and obligation of the property manager, if appointed
- (17) Rights, duties and obligation of the custodian, if appointed
- (18) Rights and obligations of the sponsors:
- (19) Rights and obligations of the unit holders:
- (20) Accounts and audit thereof:
- (21) Valuation policy of the investments:
- (22) Retirement of the Trustee and appointment of a new Trustee:
- (23) Meetings of unit holders of the fund with power, scope and quorum of the meetings:
- (24) Amendment provisions of the trust deed:
- (25) Any other clauses:

Each page of the trust deed to be duly signed and stamped by the authorized persons of the sponsors and the Trustee.

Schedule – G
[See Schedule A]

Due Diligence Certificate of the Manager of the Fund

Chairman
Bangladesh Securities and Exchange Commission

Sub:(Name of the proposed fund)

We, the under-noted manager to the above mentioned forthcoming real estate investment trust fund, state as follows:

1. We, while act as REIT manager to the above mentioned real estate investment trust fund, declare and certify that the information provided in the application, including that provided in the attached sheets and documents enclosed, is complete and true in all respects;
2. We further certify that we shall inform the Bangladesh Securities and Exchange Commission immediately of any change in the information provided in the application and the documents attached with that; and
3. We warrant that we shall comply with and be bound by the Securities and Exchange Ordinance, 1969, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন), কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন), the Bangladesh Securities and Exchange Commission (Real Estate Investment Trust Fund) Rules, 2024, and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) the draft placement memorandum forwarded to the Commission is in conformity with the documents, materials and papers relevant to the fund;
- b) all the legal requirements connected with the said fund have been duly complied with; and
- c) the disclosures made in the draft prospectus and other constitutive documents are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed fund.

For the Manager of the Fund

(Name, signature with date and stamp of the Chief Executive Officer)

Schedule – H
[See Schedule A]
Due Diligence Certificate of the Trustee

Chairman
Bangladesh Securities and Exchange Commission

Sub: (Name of the proposed fund)

We, the under-noted trustee to the above-mentioned forthcoming fund, state as follows:

1. We, while act as trustee to the above mentioned fund on behalf of the investors, have examined the draft prospectus and other constitutive documents, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the REIT manager and it's officers, and other agencies; independent verification of the statements concerning objects of the fund and the contents of the documents and other materials furnished by the REIT manager: -

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft prospectus, draft trust deed and other constitutive documents forwarded to the Commission have been approved by us;
- (b) we have also collected and examined all other documents relating to the fund;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Real Estate Investmnet Trust Fund) Rules, 2024 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the trust deed to be executed with the sponsors and shall assume the duties and responsibilities as described in the trust deed and other constitutive documents;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Real Estate Investment Trust Fund) Rules, 2024 and conditions imposed by the Commission as regards of the fund;
- (f) we shall act to our best for the benefit and sole interests of the unit holders of the fund; and
- (g) the above declarations are unequivocal and irrevocable.

For Trustee

(Name, signature with date and stamp of the Chief Executive Officer)

By order of the Bangladesh Securities and Exchange Commission

Professor Shibli Rubayat-Ul-Islam
Chairman.