



هيئة تنظيم  
مركز قطر للمال  
QATAR FINANCIAL CENTRE  
REGULATORY AUTHORITY

# Collective Investments Amendments Rules 2019

## QFCRA Rules 2019-5

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The Board of the Qatar Financial Centre Regulatory Authority makes the following rules, and gives the following guidance, under the *Financial Services Regulations*.

Dated 26 June 2019.

Abdulla Bin Saoud Al-Thani  
Chairman

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# Collective Investments Amendments Rules 2019

QFCRA Rules 2019-5

made under the

*Financial Services Regulations*

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**1 Name of rules**

These rules are the *Collective Investments Amendments Rules 2019*.

**2 Commencement**

These rules commence on 1 July 2019.

**3 Amendment**

These rules amend the *Collective Investments Schemes Rules 2010*.

**4 Explanatory notes**

An explanatory note in these rules is not part of these rules.

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## Schedule 1 Amendments

(see rule 3)

### [1.1] Rule 4.1.4 (3), note

*substitute*

*Note* Under GENE, rule 4.1.3, an authorised firm must also advise the Authority of certain significant events.

#### Explanatory note

This amendment fixes a wrong cross reference.

### [1.2] Rule 12.6.2 (1)

*omit*

subrule (2).

*insert*

subrules (2), (2A) and (2C).

#### Explanatory note

This amendment and the next 2 align the Regulatory Authority's rules for the registration of a real estate investment trust with the listing rules of the Qatar Financial Markets Authority.

### [1.3] Rule 12.6.2 (2) (b) and (c)

*substitute*

(b) the fund is listed in the Qatar Stock Exchange or another regulated exchange; and

(c) the fund's constitutional document and prospectus state that:

(i) the fund will not invest in vacant land;

(ii) 75% of the fund's assets will be invested in income-producing immovables; and

(iii) the fund will distribute to unitholders at least 80% of its audited annual net income (adjusted to exclude any fair value capital gains).

#### Guidance

1 For a REIT that holds an immovable through an intermediate holding vehicle or vehicles, the timing of distributions of income may depend on the law of the jurisdiction where the vehicle or vehicles are established.

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2 Nothing in this rule prevents a REIT from distributing more than the percentage stated in its constitutional document and prospectus. If the REIT proposes to distribute less than that percentage, rule 12.6.6 would apply and prior approval from unitholders would be required.

*Note* A REIT must be a QFC collective investment company or a QFC collective investment trust (see rule 12.6.3). A REIT must be primarily aimed at investments in income-producing immovables (see definition of *property fund*).

- (2A) A REIT must provide a guarantee (or similar instrument of assurance) of the fund's income, covering the first 5 years of the fund's operation, from income-producing immovables. The guarantee or instrument must meet the requirements in subrule (2B).
- (2B) A guarantee or instrument meets the requirements of this subrule if it is provided by:
- (a) a banking business firm (within the meaning given by BANK);
  - (b) an Islamic banking business firm (within the meaning given by IBANK);
  - (c) a bank in the State; or
  - (d) another bank that is regulated by a banking regulator, and is acceptable to the Regulatory Authority.
- (2C) If the fund was listed in a regulated exchange other than the Qatar Stock Exchange, then, at the time at which it was listed:
- (a) according to the fund's annual financial statements, any hospitality-based asset of the fund (such as a hotel) had generated operating revenue in each of the previous 7 years;
  - (b) according to the fund's annual financial statements, any other asset of the fund had generated operating revenue in each of the previous 5 years; and
  - (c) all leases of assets of the fund had a weighted unexpired term of at least 5 years.

**Guidance**

The Qatar Stock Exchange's listing rules contain requirements corresponding to those in subrule (2C). However, a REIT that is listed on another regulated exchange can be registered in the QFC (see rule 12.6.2 (2) (b)). The rules of the other exchange might not impose those requirements. Subrule (2C) ensures that those

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requirements apply to a REIT that is registered in the QFC but listed in another regulated exchange.

**[1.4] Rule 12.6.2 (3)**

*omit*

subrule (2),

*insert*

subrule (2), (2A) or (2C),