



HOUSE OF REPRESENTATIVES

H. No. 7525

BY REPRESENTATIVES RODRIGUEZ (R.), VALMAYOR AND DALIPE, PER COMMITTEE REPORT NO. 414

AN ACT
PROVIDING FOR A REINVESTMENT FRAMEWORK FOR REAL ESTATE INVESTMENT TRUST (REIT) SPONSORS OR PROMOTERS, AMENDING FOR THE PURPOSE SECTIONS 3, 8, AND 9 OF REPUBLIC ACT NO. 9856, OTHERWISE KNOWN AS “THE REAL ESTATE INVESTMENT TRUST (REIT) ACT OF 2009”

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SEC. 1.** Section 3 of Republic Act No. 9856, otherwise known as “The Real Estate Investment
2 Trust (REIT) Act of 2009”, is hereby amended to read as follows:

3
4 **“Section 3.** Definition of Terms. – For the purposes of this Act, the term:

5 xxx

6 **(GG) “REINVESTMENT PLAN” REFERS TO A SWORN STATEMENT, DULY**
7 **RECEIVED BY THE EXCHANGE AND THE COMMISSION, SIGNED BY THE**
8 **SPONSOR OR PROMOTER AND THE PRINCIPAL SHAREHOLDER OF THE**
9 **REIT FIRMLY UNDERTAKING, AT THE MINIMUM, TO REINVEST (I) ANY**
10 **PROCEEDS REALIZED BY THE SPONSOR OR PROMOTER FROM THE SALE**
11 **OF REIT SHARES OR OTHER SECURITIES ISSUED IN EXCHANGE FOR**
12 **INCOME-GENERATING REAL ESTATE TRANSFERRED TO THE REIT AND**
13 **(II) ANY MONEY RAISED BY THE SPONSOR OR PROMOTER FROM THE**
14 **SALE OF ANY OF ITS INCOME-GENERATING REAL ESTATE TO THE REIT,**
15 **IN ANY REAL ESTATE, INCLUDING ANY REDEVELOPMENT THEREOF, OR**
16 **INFRASTRUCTURE PROJECTS IN THE PHILIPPINES, WITHIN ONE (1) YEAR**
17 **FROM THE DATE OF RECEIPT OF PROCEEDS OR MONEY BY THE**
18 **SPONSOR OR PROMOTER.”**

19 [(gg)] **(HH)** “Related Corporation” xxx

20 [(hh)] **(II)** “Relate Part” xxx

21 [(ii)] **(JJ)** “Securities Regulation Code” xxx

22 [(jj)] **(KK)** “Sponsor/Promoter” xxx

23 [(kk)] **(LL)** “Subsidiary” xxx

24 [(ll)] **(MM)** “Synthetic Investment Products” xxx

25 [(mm)] **(NN)** “Taxable Net Income” xxx

26 xxx

27 **SEC. 2.** Section 8 of Republic Act No. 9856 is hereby amended to read as follows:

28
29 **“Section 8.** Requirements. – Unless the Commission provides otherwise and after
30 public hearing, taking into account public interest, the need to protect investors
31 and develop the country's real estate investment industry to make it globally
32 competitive, the following requirements shall apply:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

xxx

8.19 REINVESTMENT IN THE PHILIPPINES – ANY PROCEEDS REALIZED BY THE SPONSOR OR PROMOTER FROM THE SALE OF REIT SHARES OR OTHER SECURITIES ISSUED IN EXCHANGE FOR INCOME-GENERATING REAL ESTATE TRANSFERRED TO REIT AND ANY MONEY RAISED BY THE SPONSOR OR PROMOTER FROM THE SALE OF ANY OF ITS INCOME-GENERATING REAL ESTATE TO THE REIT, IN ANY REAL ESTATE, INCLUDING ANY REDEVELOPMENT THEREOF, OR INFRASTRUCTURE PROJECTS IN THE PHILIPPINES, MUST BE REINVESTED IN THE PHILIPPINES WITHIN ONE (1) YEAR FROM THE DATE OF RECEIPT OF PROCEEDS OR MONEY BY THE SPONSOR OR PROMOTER.

SEC. 3. Section 9 of Republic Act No. 9856 is hereby amended to read as follows:

“**Section 9.** Reportorial and Disclosure Requirements. –

xxx

9.4 REINVESTMENT PLAN – THE REIT SHALL SUBMIT A REINVESTMENT PLAN TO THE EXCHANGE AND THE COMMISSION UPON REGISTRATION. FURTHER, THE REIT IS REQUIRED TO ANNUALLY SECURE A CERTIFICATION FROM THE COMMISSION THAT IT IS COMPLIANT WITH ITS REINVESTMENT PLAN.

[9.4] **9.5** Failure of Compliance - xxx

SEC. 4. If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 5. All laws, decrees, executive orders, rules and regulations or parts thereof which are contrary to or inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 6. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,