APREA

12th December 2016

Submitted via email to: ciscode@mas.gov.sg

Views on *Proposed Amendments to the Code on Collective Investment Schemes* Consultation Paper

Dear Sirs,

The Asia Pacific Real Estate Association (APREA) welcomes the opportunity to provide its views on the proposed amendments to *The Code on Collectives Investment Schemes* as outlined in the 10th November 2016 consultation paper.

In making this submission, APREA is representing the views of investors and issuers of REITs listed on the Singapore Exchange (SGX).

We respond to the consultation questions 6, 7, 9-11 sequentially below.

Question 6. MAS seeks comments on the proposal to require a REIT to calculate WALE based on the date of commencement of the leases.

We agree with the proposal to require a REIT to calculate WALE based on the date of commencement of the leases.

Mandating use of the date of lease commencement will help standardise the calculation of WALE to the benefit of investors.

Question 7. MAS seeks comments on the proposed requirement for a REIT to hold its first AGM within 18 months of its authorisation.

We agree with the requirement for a REIT to hold its first AGM within 18 months of its authorisation.

Question 9. MAS seek comments on the proposal to replace the phrase "passing rents of the underlying sub-leases" in the CIS Code with the phrase "market rents of the underlying sub-leases at the time of entry or renewal of the master lease arrangement", where "market rent" is defined using existing valuation standards.

Asia Pacific Real Estate Association Limited
58 Tras Street #02-01 Singapore 078997
Tel +65 6438 1110 Fax +65 6438 5550 www.aprea.asia Reg No 201116215Z

We agree in principal with the proposal to replace the phrase "passing rents of the underlying sub-leases" in the CIS Code with the phrase "market rents of the underlying sub-leases at the time of entry or renewal of the master lease arrangement".

We additionally note that Singapore's capital market has a significant volume of foreign participation. While the Singapore Institute of Surveyors and Valuers' definition of "market rent" presently aligns with global definitions, this may not always be the case. We therefore suggest that the code clarify that "market rent" is defined using local SISV valuation standards.

Question 10. MAS seeks comments on the proposal to allow an SGX-listed REIT to issue summary financial statements to unitholders in place of full financial statements and report.

We agree with the proposal to allow an SGX-listed REIT to issue summary financial statements to unitholders in place of full financial statements and report, on the basis that unitholders would still have the right to request free of charge a copy of the annual reports by notifying the REIT manager.

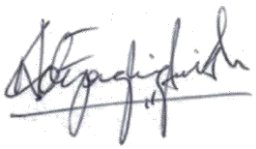
Question 11. MAS seeks comments on the proposals to allow a REIT to also send its accounts and reports to unitholders by electronic means.

We agree with the proposal to allow a REIT to also send its accounts and reports to unitholders by electronic means.

Concluding remarks

APREA welcomes the proactive effort undertaken by MAS in seeking consultation prior to making the amendments to the Code on Collective Investment Schemes. We are available to meet with MAS to discuss these comments in greater detail if required.

Yours sincerely,



Asia Pacific Real Estate Association