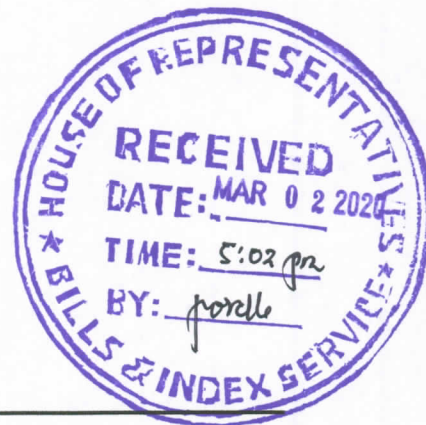


Republic of the Philippines
House of Representatives
Quezon City

Eighteenth Congress
First Regular Session



COMMITTEE REPORT NO. 250

Submitted by the Committee on Economic Affairs on MAR 02 2020

Re: House Bill No. 6430

Recommending its approval in substitution of House Bills Numbered 6163 and 6291

Sponsor: Representatives Sharon S. Garin and Rufus B. Rodriguez

Mr. Speaker:

The Committee on Economic Affairs to which were referred House Bill No. 6163, introduced by Representative Sharon S. Garin, entitled:

"AN ACT AMENDING SECTIONS 3, 8, AND 9 OF REPUBLIC ACT NO. 9856, OTHERWISE KNOWN AS THE REAL ESTATE INVESTMENT TRUST (REIT) ACT OF 2009", and

House Bill No. 6291, introduced by Representative Rufus B. Rodriguez, entitled:

"AN ACT AMENDING SECTIONS 3, 8, AND 9 OF REPUBLIC ACT NO. 9856, OTHERWISE KNOWN AS THE REAL ESTATE INVESTMENT TRUST (REIT) ACT OF 2009"

has considered the same and recommends the approval of House Bill No. 6430 entitled:

"AN ACT PROVIDING FOR THE REIT SPONSOR'S REINVESTMENT PLAN, AMENDING SECTIONS 3, 8, AND 9 OF REPUBLIC ACT NO. 9856, OTHERWISE KNOWN AS THE REAL ESTATE INVESTMENT TRUST (REIT) ACT OF 2009"

in substitution to House Bills Numbered 6163 and 6291 with Representatives Sharon S. Garin, Rufus B. Rodriguez, Robert Ace S. Barbers, Wes Gatchalian, Michael Edgar Y. Aglipay, and Jericho Jonas B. Nograles as authors thereof.

Respectfully submitted,

REP. SHARON S. GARIN
Chairperson
Committee on Economic Affairs

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6430

(In substitution to House Bills 6163 and 6291)

Introduced by Representative Sharon S. Garin, Rufus B. Rodriguez, Robert Ace S. Barbers, Wes Gatchalian, Michael Edgar Y. Aglipay, and Jericho Jonas B. Nograles

AN ACT
PROVIDING FOR A REINVESTMENT FRAMEWORK FOR REAL ESTATE INVESTMENT TRUST (REIT) SPONSORS, AMENDING 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:

SECTION 1. Section 3 of Republic Act No. 9856, otherwise known as the "Real Estate Investment Trust (REIT) Act", is hereby amended to read as follows:

"SEC. 3. *Definition of Terms.* - For the purposes of this Act, the term:

"xxx

(FF-1) "REINVESTMENT PLAN" REFERS TO A SWORN STATEMENT, DULY RECEIVED BY THE EXCHANGE AND THE COMMISSION, SIGNED BY THE SPONSOR OR PROMOTER AND THE PRINCIPAL SHAREHOLDER OF A REIT WITH A FIRM COMMITMENT TO REINVEST (I) ANY PROCEEDS REALIZED BY

1 THE SPONSOR OR PROMOTER FROM THE SALE OF REIT
2 SHARES OR OTHER SECURITIES ISSUED TO REPLACE
3 INCOME-GENERATING REAL ESTATE TRANSFERRED TO THE
4 REIT, AND (II) ANY MONEY RAISED BY THE SPONSOR OR
5 PROMOTER FROM THE SALE OF ANY OF ITS INCOME-
6 GENERATING REAL ESTATE TO THE REIT, IN ANY REAL
7 ESTATE, INCLUDING ANY REDEVELOPMENT THEREOF, AND/OR
8 INFRASTRUCTURE PROJECTS IN THE PHILIPPINES, WITHIN
9 ONE (1) YEAR FROM THE DATE OF RECEIPT OF PROCEEDS OR
10 MONEY BY THE SPONSOR OR PROMOTER.”

11 “xxx.

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

14 “SEC. 8. *Requirements.* - Unless the Commission provides otherwise
15 and after public hearing, taking into account public interest, the need to
16 protect investors and develop the country's real estate investment
17 industry to make it globally competitive, the following requirements
18 shall apply:

19 xxx

20 **8.19 REINVESTMENT IN THE PHILIPPINES – ANY PROCEEDS**
21 **REALIZED BY THE SPONSOR OR PROMOTER FROM THE SALE**
22 **OF REIT SHARES OR OTHER SECURITIES ISSUED TO REPLACE**
23 **INCOME-GENERATING REAL ESTATE TRANSFERRED TO REIT**
24 **AND ANY MONEY RAISED BY THE SPONSOR OR PROMOTER**

1 FROM THE SALE OF ANY OF ITS INCOME-GENERATING REAL
2 ESTATE TO THE REIT, ON ANY REAL ESTATE, INCLUDING ANY
3 REDEVELOPMENT THEREOF, OR INFRASTRUCTURE PROJECTS
4 IN THE PHILIPPINES, MUST BE REINVESTED IN THE
5 PHILIPPINES WITHIN ONE (1) YEAR FROM THE DATE OF
6 RECEIPT OF PROCEEDS OR MONEY BY THE SPONSOR OR
7 PROMOTER.

8 "XXX.

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

12 "SEC 9. *Reportorial and Disclosure Requirements.* –

13 XXX

14 **9.3-A REINVESTMENT PLAN – THE REIT SHALL SUBMIT A**
15 **REINVESTMENT PLAN TO THE EXCHANGE AND THE**
16 **COMMISSION UPON REGISTRATION. FURTHER, THE REIT**
17 **MUST ANNUALLY SECURE A CERTIFICATION FROM THE**
18 **COMMISSION THAT IT IS COMPLIANT WITH ITS REINVESTMENT**
19 **PLAN.**

XXX.

20 **SEC. 5. *Separability Clause.*** – If any provision of this Act shall be held
21 unconstitutional or invalid, the other provisions not otherwise affected shall
22 remain in full force and effect.

1 **SEC. 6. *Repealing Clause.*** – All laws, decrees, executive orders, rules and
2 regulations or parts thereof which are contrary to or inconsistent with this Act are
3 hereby repealed, amended or modified accordingly.

4 **SEC. 7. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
5 complete publication either in the *Official Gazette* or in a newspaper of general
6 circulation.

7 Approved,

FACT SHEET

HOUSE BILL No. 6430
(in substitution to House Bills 6163 and 6291)

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

Introduced by: **REPRESENTATIVES SHARON S. GARIN AND RUFUS B. RODRIGUEZ**

Committee Referral: **COMMITTEE ON ECONOMIC AFFAIRS**

Committee Chairperson: **REPRESENTATIVE SHARON S. GARIN**
Committee on Economic Affairs

OBJECTIVES:

- To promote capital market development as an instrument to fund infrastructure projects and further improve the real estate industry
- To ensure that proceeds from the sale of Real Estate Investment Trust (RET) shares are reinvested in the Philippines to secure full domestic participation in the real estate industry

KEY PROVISIONS:

- Amends Section 3 of Republic Act 9856 to include the definition of Reinvestment Plan as item (gg) stated as “Reinvestment Plan” refers to a sworn statement, duly received by the Exchange and the commission, signed by the Sponsor/Promoter and the Principal Shareholder of the REIT firmly undertaking, at the minimum, to reinvest (i) any proceeds realized by the Sponsor/Promoter from the sale of REIT shares or other securities issued in exchange for income-generating real estate transferred to the REIT and (ii) any money raised by the sponsor/promoter from the sale of any of its income-generating real estate to the REIT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines, within one (1) year from the date of receipt of proceeds or money by the sponsor/promoter”
- Amends Section 8 of Republic Act 9856 to include the provision “Reinvestment in the Philippines” as item 8.19, stated as “Reinvestment in the Philippines - Any proceeds realized by the sponsor/promoter from the sale of REIT shares ...must be reinvested in the Philippines within one (1) year from the date of receipt of proceeds or money by the sponsor/promoter”
- Amends Section 9 of Republic Act 9856 to include the provision on “Reinvestment Plan: as item 9.4, stated as “Reinvestment Plan - the REIT shall submit a Reinvestment Plan to the Exchange and the Commission upon registration. Further, the REIT must annually secure a Certification from the Commission that it is compliant with its Reinvestment Plan”