



Press Release BEAMA

Belgium overhauls its REIT regime

Summary

- Belgian Sicafi/Vastgoedbevaks will have easier access to capital markets and greater flexibility to structure their investment portfolios.
- BEAMA welcomes the new Royal Decree that was published today in the "Belgisch Staatsblad/Moniteur Belge".

The "Belgisch Staatsblad/Moniteur Belge", the Belgian official newspaper of 28 December 2010 publishes a Royal Decree dated 7 December 2010 which allows the Sicafi/Vastgoedbevaks (Real Estate Investment Trusts) an easier access to capital markets and offers them greater flexibility for structuring their investment portfolios. It closer aligns the Belgian REIT with similar foreign REIT regimes.

The Sicafi/Vastgoedbevak regime was initially organised in 1995 as a specialized status for property investment within the law on Collective Investment Undertakings and partly modified in 2001 and 2006. The new Decree replaces the previous ones and includes important new features.

1. Access to capital markets

Whereas capital increases in cash could previously only be carried out in the format of a 3-week right issue the new Decree allows for an accelerated procedure under which a minimum 3-day period will be offered for existing shareholders to subscribe. The subscription right will not be listed and the shareholders should be allocated the whole issue should they all exercise their rights in full.

Under the same procedures the Sicafi/Vastgoedbevaks are henceforth also authorized to issue convertible bonds and financial instruments carrying subscription rights.

They may also now offer to their shareholders the choice between being paid their annual dividends in cash or in new shares. The dividend withholding tax remains due in case the dividend is paid in shares.

2. Structuring of property portfolios

The Sicafi/Vastgoedbevaks are now authorized to set up Belgian unlisted subsidiaries carrying the same regulatory and fiscal regime as the listed parent company. This new possibility is particularly welcome as some Sicafi/Vastgoedbevaks have already adopted a REIT status for their subsidiaries abroad.

The Decree also contains a number of provisions intended to ease the participation of Sicafi/Vastgoedbevaks in Public Private Partnerships with a view to channel more of the public savings to the real estate infrastructure needed for certain government and social purposes.

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The Sicafi/Vastgoedbevaks Working Group of the Belgian Asset Managers Association (BEAMA¹²) which was promoting since a number of years a review of the regulatory framework governing the Belgian REIT and has repeatedly been consulted by representatives of the Belgian Banking and Finance Commission (CBFA) during the preparation of the new Royal Decree welcomes its promulgation which opens the way to a new period of expansion for the Belgian REIT sector.

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¹ **BEAMA**, www.beama.be, the Belgian Asset Managers Association, is the professional association of Belgian fund and asset managers. BEAMA has 78 members (59 effective members - 19 associated members), representing €393 billion in assets under management as at the end of 2009. BEAMA is a member of Febelfin, the Belgian Federation of the Financial Sector.

² **FEBELFIN**, the Belgian Financial Sector Federation, was founded on March 28, 2003. This trade federation consists of five constituent members, i.e. the Belgian Bankers' and Stockbroking Firms' Association (ABB/BVB), the Belgian Asset Managers Association (BEAMA), the Professional Association of Credit Providers (UPC/BVK), the Belgian Association of Stock Exchange Members (BASEM) and the Belgian Leasing Association (BLA), as well as a number of associate members with a special status.

The federation Febelfin, www.febelfin.be, monitors trends and developments and helps its members position themselves accordingly. Together with its members, Febelfin aims to express these values through the messages and viewpoints that the sector communicates: customer service, confidence and transparency, dynamism and proactivity.