

GRC BULLETIN

OCTOBER - 2024, VOLUME: II

SEBI

Securities and Exchange Board of India (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024

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CORPORATE LAWS

Authority

Securities and
Exchange Board of
India

Circular Date

September 26, 2024

Circular Number

No. SEBI/LAD-
NRO/GN/2024/208

Effective Date

September 26, 2024

SEBI - SECURITIES AND EXCHANGE BOARD OF INDIA (REAL ESTATE INVESTMENT TRUSTS) (THIRD AMENDMENT) REGULATIONS, 2024

Applicability:

Applicable to all REIT managers, trustees, unit holders, and market participants involved in the governance, administration, and decision-making processes of Real Estate Investment Trusts (REITs).

The Securities and Exchange Board of India (SEBI) recently introduced the Real Estate Investment Trusts (Third Amendment) Regulations, 2024, to further streamline governance, enhance transparency, and introduce greater efficiency in operational aspects of REITs. This amendment brings significant changes to distribution timelines, voting mechanisms, and data management requirements, while also modernizing procedures for unit holder meetings with the inclusion of digital participation options. These changes reflect SEBI's ongoing efforts to ensure that regulatory frameworks evolve in line with market practices and technological advancements, benefiting investors and managers alike.

Distribution Timelines:

- Declaration of distribution must now be completed within five working days from the record date (revised from 15 days).
- The record date for the payment of distribution shall be two working days from the date of declaration.

Voting Threshold Adjustments:

- Voting calculations are now based on "unit holders present and voting" instead of just votes cast for or against a resolution.
- Unit holders voting through electronic voting or postal ballot will be counted for determining the quorum.

Meeting Notice Requirements:

- Meetings of unit holders may be called with shorter notice if consent is obtained electronically, provided: For annual meetings: Consent from at least 95% of unit holders entitled to vote.
- For other meetings: Consent from a majority representing at least 95% of voting units by value.

Mandatory Video Conferencing:

- Managers and trustees must offer the option for unit holders to attend meetings via video conferencing or other audio-visual means.



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- Remote electronic voting must also be provided.

Backup Systems and Data Management:

- Adequate backup systems, data storage capacity, and secure data handling mechanisms must be maintained.
- Business continuity plans and disaster recovery sites are now mandatory to ensure data integrity.

Voting Resolution Adjustments:

For various resolutions, votes cast in favour of a resolution must now reach 50% or 60% (depending on the regulation) of the total votes cast, rather than focusing on votes cast against the resolution.

SOURCE: [Click Here for more details](#)



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