



**SECURITIES AND
FUTURES COMMISSION**
證券及期貨事務監察委員會

Hong Kong REIT regime

October 2025

Securities and Futures Commission

Regulatory regime of Hong Kong REITs

- **Code on Real Estate Investment Trusts (REIT Code)** – sets out authorisation and ongoing requirements on REITs
 - Principles-based, balanced and pragmatic approach
 - Welcome consultation and maintain close dialogue with REIT managers and industry

- **Reference to Listing Rules**
 - Hong Kong REITs are generally regulated with reference to requirements applicable to listed companies under the Listing Rules if there are no specific requirements in the REIT Code
 - Requirements on connected party transactions and notifiable transactions are broadly aligned with the Listing Rules
 - Requirements for bookbuilding and placing activities have also been aligned with the Listing Rules in August 2022

Core requirements and regulatory focus

- Focus on **recurrent income or fee streams** and subject to full disclosure and proper risk warnings:
 - **No profit test** or market capitalisation/revenue/cash flow requirement
 - New properties with **less than 3-year track record** acceptable
 - REIT with **single property** permissible
 - **Connected party transactions** conducted at arm's length and on normal commercial terms allowed (eg. master lease entered into with REIT sponsor of hotel REITs)
 - REIT sponsor may engage in a **competing business** (eg. REIT sponsor may own other investment properties in the same area) provided proper measures are put in place

Core requirements and regulatory focus

- **No restriction on the location or type of property**
 - A wide range of acceptable real estate asset classes
 - Examples: logistics, data centres, hospitals and infrastructure properties

May invest in **infrastructure properties** if the key requirements in the REIT Code can be complied with – including:

- Properties can generate recurrent income or fee streams, e.g. highways, bridges, tunnels, power plants, telecommunication towers, etc.
- The REIT has legal and proper right / concession / mandate to operate the infrastructure properties or projects
- The REIT manager has the necessary experience, technical expertise and resources to manage them

Core requirements and regulatory focus

- **Good marketable legal and beneficial title** in real estate owned by the REIT
 - Duty on REIT manager to conduct due diligence with proper legal advice
 - Properties with immaterial title issues may be acceptable subject to full disclosure and mitigation measures (with reference to Listing Rules requirements and practices)

- Must be managed by an **SFC-licensed REIT manager**
 - SFC may provide preliminary view on a proposed responsible officer's competence in advance of formal licence application
 - SFC may take up the REIT manager's licence application before its capital injection, office setup and submission of related REIT authorisation application to SFC

- **Stapled structure** may be adopted
 - So long as similar governance and investor protection measures are in place and requirements in the REIT Code are complied with in substance

Pre-application consultation

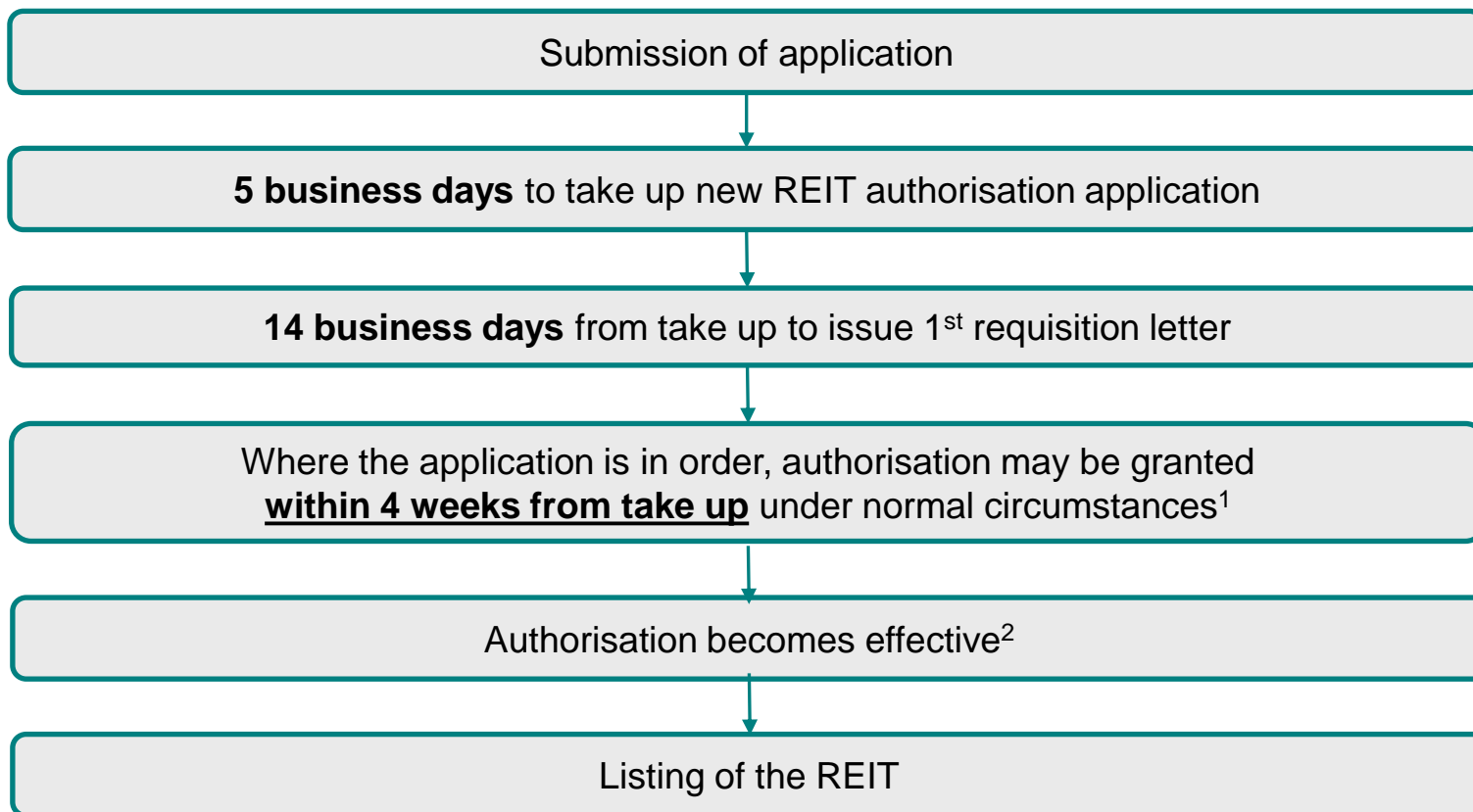
■ REIT Channel

- To enhance prospective REIT applicants' readiness and improve their time-to market-efficiency, the SFC launched a dedicated one-stop consultation channel to facilitate new REIT authorisation applications
- Prospective local and global REIT applicants are welcome to contact the SFC through the REIT Channel via email at REIT_Channel@sfc.hk to consult or seek guidance on specific product or licensing issues regarding their REIT applications on a confidential basis

■ REIT webpage

- For further information regarding the application procedures and key regulatory requirements for REITs, please refer to the dedicated webpage for REITs on the SFC's website at <https://www.sfc.hk/en/Regulatory-functions/Products/Real-estate-investment-trusts>

Transparent authorisation and listing process



Notes:

1. The authorisation timeframe is subject to, for example, whether the application submission is complete and whether the applicant responds to the SFC's questions in a timely manner.
2. The applicant must fulfil and comply with all the conditions as set out in the SFC's authorisation letter (including SEHK in-principle listing approval) generally by (i) the end of 2 months from the date of the authorisation letter; and (ii) the last day on which any of the reports contained in the offering document can remain valid (in other words, not becoming "stale") pursuant to the relevant regulatory requirements, whichever is earlier.

Grant scheme and other recent developments

- The SFC launched the REIT grant scheme funded by the Government for applications on 10 May 2021
- The REIT grant scheme has been extended for another three years until 9 May 2027

Eligible applicants	<ul style="list-style-type: none">• SFC-authorized REITs listed on The Stock Exchange of Hong Kong on or after 10 May 2021 with a minimum market capitalization of \$1.5 billion (or equivalent) at the time of listing
Grant amount	<ul style="list-style-type: none">• Equivalent to 70% of the eligible expenses for each application, subject to a cap of \$5 million per REIT
Eligible expenses	<ul style="list-style-type: none">• Must be expenses paid to Hong Kong-based service providers in relation to the listing of the REIT (e.g. Fees relating to legal services, audit, tax and accounting services, underwriting, valuation, roadshow expenses, listing agents)

Grant scheme and other recent developments

- **Inclusion of REITs in the Stock Connect – REIT Connect**
 - One of the five measures announced by CSRC in April 2024
 - Broaden investor base and enhance market liquidity

- **Stamp duty waiver**
 - Waiver on stamp duty payable on the transfer of REIT units with effect from December 2024

- **Compulsory acquisition and scheme of arrangement mechanism**
 - Legislative amendments being considered, which will facilitate M&A activities

- **Streamlined authorisation process** – launched in October 2025

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Thank you.
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