

# MRMA: SC regulations should be relaxed for M-REITs to raise extra capital for asset acquisition

**KUCHING:** The Malaysian REIT Managers Association (MRMA), an alliance of nine members of Malaysian REITs (M-REITs) feel that it needs to address certain issues in order to take the M-REIT market to the next level.

Some of the issues include the raising of capital and

proper management of assets of REIT-related investments.

The chairman of MRMA and chief executive officer of Axis REIT Managers Bhd, Stewart LaBrooy said, "Currently, we tend to follow the listed markets' guideline on capital raising. When listed companies go

We think that we are the ones that know our systems best and we are seeking to move away from that ruling.

Stewart LaBrooy, chairman of MRMA and chief executive officer of Axis REIT Managers Bhd.

for capital raising through placements, they are

restricted to 10 per cent in one 12-month period. But,

when you apply it to REITs, it is probably 20 per cent."

Furthermore, he emphasised that when REITs raised capital, it was only for buying more assets.

"Placements are the most effective way of raising capital compared with rights issues which are expensive, take a long time and put too

much risk into the market," LaBrooy stated.

Thus, he said the MRMA was trying to get the Securities Commission (SC) to relax the ruling with regards to the capital-raising activities of REITs.

"On another note, there is a ruling under the Board of Valuers that all publically

listed assets have to be managed by a valuer. However, we think that we are the ones that know our systems best and we are seeking to move away from that ruling," LaBrooy concluded as he shared some insights on the MRMA's opinion in reference to their industry.