

Islamic REITs can perform better globally with standardised regulations, forum told

KUALA LUMPUR: Islamic real estate investment trusts (IREITs) can perform much better in global markets if there are standard syariah regulations among the countries involved in Islamic finance, a global conference on Islamic finance here was told.

Axis REIT Managers Bhd chief executive officer Stewart LaBrooy said there were lots of properties globally that could be tapped if the international Islamic finance regulatory environment could be standardised.

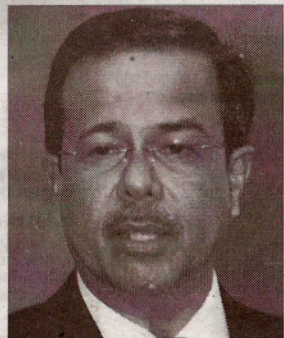
"Malaysia is the only country that comes out with syariah rules and guidelines for IREITs but for the global market, there is no proper regulation yet," he said yesterday during a session on IREITs at the IFN 2009 Issuers & Investors Asia Forum.

IREITs had the potential to attract big Islamic institutional investors such as Tabung Haji, he added.

"We at Axis REIT Managers have

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STEWART LABROOY



converted our REITs to IREITs and we managed to do that as our investment focus is the commercial office space that comply with syariah law," LaBrooy said, adding that he hoped to see standard syariah rules governing IREITs globally.

Another panelist, Abdul Raman

Saad & Associates partner Zain Azra'i Abd Samad, noted that to convert conventional properties into IREITs, a lot of work needed to be done to comply with syariah rules.

"Hotels for example must not serve liquor as this is against syariah compliance," he said.