

**Appendix 7**

In this appendix underlining indicates new text and striking through indicates deleted text.



---

---

# The DFSA Rulebook

## Islamic Finance Rules

(IFR)

---

---

## **6.11 Islamic Real Estate Investment Trusts (Islamic REITs)**

.....

**6.11.5** A Fund Manager of an Islamic REIT may borrow either directly or through its Special Purpose Vehicle up to 5070% of the ~~total net~~ gross asset value of the Fund ~~and provided that~~ such borrowings are Shari'a compliant.

### **Guidance**

1. The gross asset value of a Fund should be calculated as the total value of the Fund Property based on the most recent valuation under CIR Rule 8.4.1(1), but without making the deductions provided for in the other paragraphs of that Rule.
2. As there are no specific risks that arise by virtue of a Fund being an Islamic Fund, the prudential requirements that apply to a Category 3 firm as set out in the PIB module apply to such Fund Managers. However, if the underlying assets of the Fund are invested in financial products or instruments that are Islamic and have certain features which would raise any prudential risks, it is the responsibility of the Fund Manager to address such risks. The DFSA would provide any additional clarifications regarding such matters upon request.

## **6.12 Islamic Money Market Funds**

**6.12.1** CIR Rules 13.8.1(2) and (3) and 13.8.2 apply to a Fund Manager of an Islamic Fund that is a Money Market Fund as if a reference to:

- (a) a Deposit or a Debenture includes an Islamic financial instrument or product with similar economic characteristics to a Deposit or a Debenture; and
- (b) an interest rate reset date is, in relation to an Islamic financial instrument or product, a reference to the date on which the rate of profit of return for that instrument or product is reset.

### **Guidance**

A Fund Manager of an Islamic Money Market Fund must comply with the overriding obligation in CIR Rule 13.8.1 to ensure that the Fund's investment strategy is consistent with the investment objectives of a Money Market Fund as set out in CIR Rule 3.1.11. It must also comply with other applicable requirements for Money Market Funds such as the requirement to include a warning in the Fund Prospectus under CIR Rule 14.4.7.