

CIRCULAR 2/2013

**RULES APPLICABLE FOR SPANISH REAL ESTATE INVESTMENT TRUSTS
(SOCIMIs) WHOSE SHARES ARE ADMITTED TO TRADING ON THE MERCADO
ALTERNATIVO BURSÁTIL**

Law 16/2012 of 27 December instituting tax measures for the consolidation of public finances and the stimulation of economic activity amended the regulations applicable to Spanish Real Estate Investment Trusts (SOCIMIs), which were originally governed by Law 11/2009 of 26 October regulating Spanish Real Estate Investment Trusts and providing for their possible trading in a multilateral trading system.

Given that these companies are governed by specific rules, it has been deemed appropriate to create an *ad hoc* segment in the Mercado Alternativo Bursátil. In the interests of clarity and to simplify compliance monitoring, an effort has been made to ensure the regulations of this new Market segment are as close as possible to the regulations currently in place in the growth companies segment, highlighting only those elements that differ between the two.

This Circular therefore focuses only on aspects requiring specific regulation to enable securities issued by SOCIMIs or by foreign companies of an equivalent nature to be traded on the Mercado Alternativo Bursátil. In all other aspects, reference is made to the rules currently applicable to securities traded in the growth companies segment.

The areas addressed by this Circular are the procedures for admission to trading of SOCIMI securities, trading regulations, information to be submitted to the Market and the application of the rules governing Registered Advisors.

One. Requirements and procedure for the admission to trading on the Mercado Alternativo Bursátil of shares issued by Spanish Real Estate Investment Trusts (SOCIMIs) and foreign companies of an equivalent nature

The Market Circular 5/2010 of 4 January on the requirements and procedures for the admission to and exclusion from trading on the Alternative Stock Market of shares issued by growth companies, shall apply with the following particularities:

1. Point 1 of Section Two on the characteristics of issuers will be applicable, with the following content:

"Shares issued by the following companies may be admitted to trading on the Market:

a.- SOCIMIs that are subject to the regime established in Law 11/2009 of 26 October as amended by Law 16/2012 of 27 December.

b.- Foreign public limited companies whose object and investment regime are analogous to those established for SOCIMIs in Spanish legislation.

The share capital of these companies must be fully paid up and the tradeability and transferability of their shares must not be restricted either by legislation or by their by-laws. The shares shall be represented by book entries.

The accounting regime and the financial information provided by such companies shall comply with the following standards:

a.- If the company is incorporated in a country in the European Economic Area, it may choose between adopting International Financial Reporting Standards (IFRS) or the national accounting standards of its Member State.

b.- If the company is incorporated in a country which is not a member of the European Economic Area, it may choose between IFRS and US GAAP.

The principal shareholders and senior officers must undertake not to sell shares or engage in any transactions analogous to the selling of shares during the first year of the company's listing on the Market, with the exception of any shares made available to a Liquidity Provider."

2. The obligation to notify significant shareholdings provided in the first paragraph of Point 2.1 of Section Two will be 5% instead of 10%.
3. Point 3 of Section Two, which will be entitled "Distribution requirements", will have the following content:

"In order for a company's share to be admitted to trading, shareholders owning less than 5% of the company's share capital must hold a number of shares that is equivalent to or greater than either of the following:

- An estimated market value of two million euros.
- 25% of the total shares issued by the company.

This calculation will include any shares made available to the liquidity provider for the exercise of its designated role."

4. Point 6 is added to Section Two with the header "Independent expert valuation"

and the following content:

"The issuer must submit a valuation performed by an independent expert according to internationally accepted criteria, unless a direct placement or a financial transaction have been effected in the six months prior to the application for admission which may be relied on to set the initial reference price at which the company's shares will be traded.

This valuation may be used as the initial reference price."

5. The following subsections will be added to Section 2 of Annex 1, concerning the outline of the Information Document for Admission on the Mercado Alternativo Bursátil:

"2.6.1. Description of property assets, location and condition, and their depreciation, concession and/or management periods.

2.6.2. Cost of entry into operation due to change of tenancy, if any.

2.6.3. Tax-related information.

2.6.4. Description of the company's investment and asset replacement policies. Description of any non-property-related activities.

2.6.5. Report of valuation performed by an independent expert according to internationally accepted criteria, unless a direct placement or a financial transaction have been effected in the six months prior to the application for admission which may be relied on to set the initial reference price at which the company's shares will be traded.

6. Subsection 2.17 of Annex 1, concerning the outline of the Information Document for Admission on the Mercado Alternativo Bursátil, will have the following content:

"2.17 The number of shareholders, providing specific details of the main shareholders, being understood as those holding more than 5% of the share capital, including the number of shares held and the percentage this represents of the total share capital."

The companies referred to in this Circular will also be subject to Market Circular 1/2011 of 23 May on the requirements and procedure applicable to the capital increases of companies whose shares are listed on the Mercado Alternativo Bursátil.

Two. Trading Rules

The companies provided for in this Circular will be subject to Circular 7/2010 of 4 January establishing the rules for trading shares of growth companies on the Mercado Alternativo Bursátil, Circular 2/2011 of 8 June establishing the rules for trading subscription rights in respect of shares of growth companies listed on the Mercado Alternativo Bursátil, and the Operational Directives implementing their provisions.

Three. Information

Circular 9/2010 of 4 January on the information to be submitted by growth companies admitted to trading on the Mercado Alternativo Bursátil will apply with the following particularities:

- The last paragraph of Point 1.a of Section Two on half-yearly information will have the following content:

Additionally, on a half-yearly basis, the issuer shall report the number of shareholders to the Market and submit a list of all known shareholders with a shareholding equal to or greater than 5%.

- In Point 1 of Section Three on significant shareholdings, the share capital percentage is set at 5%.

Four. Registered Advisor

This segment will be subject to Circular 10/2010 of 4 January on Registered Advisors of the Mercado Alternativo Bursátil.

Five. Charges

This segment will be subject to the charges established in Circular 1/2012 of 27 November on charges applicable in the Mercado Alternativo Bursátil in respect of shares issued by growth companies.

Six. Development of administrative and technical procedures

At the proposal of the Coordination and Admission Committee and the Market's other governing bodies, the Board of Directors of the Market shall establish the necessary administrative and technical procedures to ensure the correct development of the rules and regulations provided by this Circular.

Seven. Date of application

This Circular shall be applicable from the date on which it is announced in an Operational Instruction.

Madrid, 15 February 2013

THE SECRETARY

Ignacio Olivares Blanco