

Deal Report

Hengeler advises on legislative proceedings for REIT implementation

The legislative proceedings for implementing Real Estate Investment Trusts (REITs) in Germany were concluded on 30 March 2007 after the German *Bundesrat*, the second chamber of the German parliament, gave its consent to the Draft Act resolved by the *Bundestag* a week earlier. A new capital markets instrument for the indirect investment in real property has thus been introduced also in Germany with retroactive effect to 1 January 2007.

The REIT law required the development of complex and innovative tax rules, with due regard to the legal framework obtaining under capital markets and constitutional law. On behalf of the “*Initiative Finanzstandort Deutschland*” (IFD – an action group for the German financial and insurance sectors), Hengeler Mueller provided advice material to these fields of law in the legislative proceedings. Advice was provided by partners Friedhelm Jacob (Lead Partner, Tax Law, especially International and Tax Treaty Law), Ernst-Thomas Kraft (Tax and Accounting Law), Wolfgang Gross (Corporate Law; Capital Markets) and Wolfgang Spoerr (Constitutional Law).

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