

Dubai firm plans sukuk tokens to invest in UAE real estate assets

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ASA Ventures joins blockchain investment company IBC Group in plan to introduce sukuk tokens for property in the UAE and Portugal



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By Sam Bridge

Thu 23 May 2019 02:04 PM

Dubai-based venture capital firm ASA Ventures has joined blockchain investment company IBC Group Limited in a plan to introduce sukuk tokens for real estate assets in the UAE and Portugal.

The Gallery Sukuk Token Offering will be issued under the GST Offering Group, soon to be a regulated entity in Malta, a statement said, adding that the joint venture will manage the buy-out and tokenisation of the real estate assets.

The group will issue sukuk tokens, consisting of one security token and two utility tokens for asset management and property management, all fully compliant with Islamic principles.

The tokens are representative of underlying assets, in this case a 200-apartment vacation rental portfolio in Dubai Marina currently valued at \$100 million, ASA said.

Through the sukuk tokens, participating investors will be entitled to remuneration from the proceeds of vacation rentals both in Dubai and Lisbon.

ASA said 2018 revenue reports from short-term rentals via properties listed on AirBnB in Dubai increased by 69 percent compared to the previous year while in Portugal, revenues for short-term rentals have also been on the increase in recent years.

ASA Ventures CEO Arif Saiyad said the joint venture is "aligned with ASA's objective to empower people by making things more convenient for everyone who wants to invest in real estate in Dubai as well as in Portugal".

Saiyad is originally from Lisbon and has been instrumental in bringing cross-industry startups to the European and MENA regions.

IBC Group Limited chairman, Khurram Shroff, added: "Through blockchain technology, Gallery STO can give more investors the opportunity to diversify their portfolio and ultimately help boost the real estate sector in Dubai."

Gallery STO is to be introduced at this year's Malta Blockchain Summit, and the Simple Agreement for Future Tokens (SAFT) launch will be announced at later date, during which 2 million available tokens will be offered.
