*Dividends and interest [Moved to Corporate Actions]*

3.11 The declaration of dividends, interest and other similar payments (“distribution payments”) by an applicant issuer should be announced immediately as per paragraph 11.17(a)(i) to (x).[[1]](#footnote-1)

3.12 If an applicant issuer decides not to declare distribution payments, and such decision is deemed to be price sensitive, the decision must be announced immediately after it is taken.[[2]](#footnote-2)

3.13 The announcement required in terms of paragraph 3.11 must be in accordance with the corporate action timetable.[[3]](#footnote-3)

Capitalisation issues

Specific requirements

5.39 The issuer may not publish any announcement, advertisement or circular in which a capitalisation issue is proposed to be effected in lieu of the declaration of a dividend and where holders of securities are not entitled to elect to receive a cash payment.[[4]](#footnote-4)

5.40 Capitalisation issues must comply with Section 47 of the Act. Schedule 10 paragraph 6 provides for the basis on which a capitalisation issue may be done.[[5]](#footnote-5)

Documents to be submitted to the JSE

5.41 The documents detailed in paragraph 16.16 must be submitted to the JSE in accordance with the relevant corporate action timetable.[[6]](#footnote-6)

Documents to be published

5.42 The documents that require publication regarding a capitalisation issue are set out in paragraphs 11.16 and 11.17, and must be actioned in accordance with the relevant corporate action timetable.[[7]](#footnote-7)

Submission of letter of application

5.43 The capitalisation issue will not be allowed to proceed if the JSE has not received the letter of application by the finalisation date.

Scrip dividend and cash dividend elections

5.44 The grant of the right of election must not be prohibited by the MOI.[[8]](#footnote-8)

5.45 The issuer may not publish an announcement or circular in which a capitalisation issue is in any way described or presented as a dividend if holders of securities are not entitled to elect to receive a cash dividend.[[9]](#footnote-9)

5.46 A form of election must be dispatched with the circular containing the following:[[10]](#footnote-10)

(a) a statement that the election may be made in respect of all or part of the securities held at the close of business on the record date, failing which capitalisation shares or cash will be distributed at the option of the issuer; and

(b) the ratio of the entitlement and full details of the cash dividend.[[11]](#footnote-11)

5.47 [Repealed][[12]](#footnote-12)

Documents to be submitted to the JSE

5.48 Scrip dividend and cash dividend elections must comply with paragraph 16.17 and with the relevant corporate action timetable.[[13]](#footnote-13)

Documents to be published

5.49 The documents that require publication regarding a scrip dividend are set out in paragraphs 11.16 and 11.17, and must be actioned in accordance with the relevant corporate action timetable.[[14]](#footnote-14)

Capitalisation issues, cash disbursements and dividends

11.16 Issuers seeking a listing for securities issued by way of a capitalisation issue are required to comply with the actions in the relevant corporate action timetable.[[15]](#footnote-15)

11.17 (a) In the case of a scrip dividend a circular should be sent to shareholders containing the information set out in paragraph 7.C.15 and complying with the requirements of paragraphs 5.44 to 5.49.[[16]](#footnote-16) [[17]](#footnote-17)

Any announcement released for cash disbursements to shareholders must indicate whether the issue amount is distributed by way of a reduction of CTC (Contributed Tax Capital as defined in the Income Tax Act) or a Dividend (as defined in the Income Tax Act). Announcements released for any cash disbursements to shareholders must include the following where applicable:

(i) Local dividend tax rate represented as a percentage;

(ii) Gross local dividend amount represented as cents per share;

(iii) Net local dividend amount represented as cents per share;[[18]](#footnote-18) [[19]](#footnote-19)

(iv) Non-reclaimable foreign withholding dividend tax rate represented as a percentage;[[20]](#footnote-20)

(v) Dividend reclaimable tax rate applicable overseas represented as a percentage;[[21]](#footnote-21)

(vi) Issued share capital as at declaration date;[[22]](#footnote-22)

(vii) Closing market price of the distribution in specie as at deemed payment date which shall be no later than the close of business on record date;[[23]](#footnote-23)

(viii) Company registration number; and[[24]](#footnote-24)

(ix) Company tax reference number.[[25]](#footnote-25)

(b) In the case of a capitalisation issue an announcement must be published complying with paragraphs 5.39 to 5.43 which must indicate whether the issue is distributed from capital or income reserves.[[26]](#footnote-26)

(c) In the case of a dividend (including in specie dividend), as defined in the Income Tax Act, an announcement must be published complying with paragraphs 11.17(a)(i) to (ix) and also indicate whether the distribution is made from capital or income reserves.[[27]](#footnote-27)

Capitalisation issues and scrip dividends

16.17 The following information is required:[[28]](#footnote-28)

(a) the circular;

(b) the application for listing complying with Schedule 2 Form A2;

(c) the form of election, which must contain at least:

(i) a statement that the election may be made in respect of all or part of the shares held, or deemed to be held, at the close of business on the record date; and[[29]](#footnote-29)

(ii) the ratio of application;

(d) confirmation of any exchange control (refer to paragraph 16.26) approvals required;[[30]](#footnote-30)

(e) the appropriate listing fee as published and available on the JSE website, [www.jse.co.za](http://www.jse.co.za), per Section 17;[[31]](#footnote-31)

(f) in the event that the default position or election is cash, a resolution by the board of directors that the company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group; and[[32]](#footnote-32)

(g) board resolution authorising the capitalisation issue.[[33]](#footnote-33)

In respect of capitalisation issues and scrip dividends no documents are required to be submitted to the JSE nor is JSE approval required. These items will be dealt with through the sponsor pursuant to paragraph 16.5(c).

Rights offers, capitalisation issues and scrip dividends

7.C.15 Where the securities for which application is being made are being issued and allotted, by way of capitalisation of reserves (including current year distributable income) or the application of share premium, to securities holders of an existing listed security, the following information must be given in respect of such issue:

(a) the reason for the capitalisation issue or scrip dividend;

(b) the class and the par value (if any) of the securities involved;

(c) if applicable, that the shareholder may elect to receive cash in substitution for the whole or part of his capitalisation issue or scrip dividend entitlement and vice versa;

(d) whether any directors, prescribed officers and/or company secretary of the issuer will receive securities from the capitalisation issue or scrip dividend;[[34]](#footnote-34)

(e) if applicable, the last day on which shareholders must make their election;

(f) a statement pointing out any tax implications of the issue for all securities holders , both resident and non-resident;

(g) in the case of a scrip dividend, a statement should appear, in bold and upper case, on the front page, drawing shareholders’ attention to the type of election to be made (i.e. whether shareholders will receive either cash or scrip if they fail to make the election);

(h) the amount to be capitalised from the share premium or reserves of the applicant in order to be able to issue the capitalisation securities as fully paid up;

(i) the ratio in which the capitalisation securities will be issued and allotted to shareholders of the applicant;

(j) the important events and dates, contained in the relevant corporate action timetable, applicable to the issue;[[35]](#footnote-35)

(k) whether or not the rights (if any) are renounceable;[[36]](#footnote-36)

(l) in the case of a capitalisation issue disclosure whether the issue is distributed from capital or income reserves (if applicable); and[[37]](#footnote-37)

(m) in the case of a dividend (including in specie dividend), as defined in the Income Tax Act, disclosure complying with paragraphs 11.17(a)(i) to (ix) and also indicate whether the distribution is made from capital or income reserves (if applicable).[[38]](#footnote-38)

7.C.16 In the case of a rights offer, the following information must be disclosed in the circular:

(a) purpose of the rights offer;

(b) the amount to be raised by means of the rights offer and the number of securities that are proposed to be issued;

(c) the terms of the offer;

(d) whether any directors, prescribed officers and/or company secretary of the issuer will follow their rights in relation to the rights offer;[[39]](#footnote-39)

(e) if underwritten, details of the underwriter and the statement referred to in paragraph 5.29. The underwriting commission must be clearly stated;[[40]](#footnote-40)

(f) where the underwriter is a company, the following information must be furnished:

(i) the place and date of incorporation and registered number of the company;

(ii) the names of the directors of the company;

(iii) the name of the company secretary;[[41]](#footnote-41)

(iv) the bankers to the company; and

(v) the authorised and issued share capital of the company;

(g) details regarding the proposed listing of the LAs, the subsequent listing of the new securities and the amount payable in respect of listing fees;

(h) details regarding the LAs such as:

(i) acceptance;

(ii) renunciation; and

(iii) payment (payment must be made in South African currency); and

(i) a statement regarding exchange controls as agreed to by the South African Reserve Bank.

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. [↑](#footnote-ref-6)
7. [↑](#footnote-ref-7)
8. [↑](#footnote-ref-8)
9. [↑](#footnote-ref-9)
10. [↑](#footnote-ref-10)
11. [↑](#footnote-ref-11)
12. [↑](#footnote-ref-12)
13. [↑](#footnote-ref-13)
14. [↑](#footnote-ref-14)
15. [↑](#footnote-ref-15)
16. [↑](#footnote-ref-16)
17. [↑](#footnote-ref-17)
18. [↑](#footnote-ref-18)
19. [↑](#footnote-ref-19)
20. [↑](#footnote-ref-20)
21. [↑](#footnote-ref-21)
22. [↑](#footnote-ref-22)
23. [↑](#footnote-ref-23)
24. [↑](#footnote-ref-24)
25. [↑](#footnote-ref-25)
26. [↑](#footnote-ref-26)
27. [↑](#footnote-ref-27)
28. [↑](#footnote-ref-28)
29. [↑](#footnote-ref-29)
30. [↑](#footnote-ref-30)
31. [↑](#footnote-ref-31)
32. [↑](#footnote-ref-32)
33. [↑](#footnote-ref-33)
34. [↑](#footnote-ref-34)
35. [↑](#footnote-ref-35)
36. [↑](#footnote-ref-36)
37. [↑](#footnote-ref-37)
38. [↑](#footnote-ref-38)
39. [↑](#footnote-ref-39)
40. [↑](#footnote-ref-40)
41. [↑](#footnote-ref-41)