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| --- |
| **The below represents a consolidation of the provisions of a specific corporate action in:*** Section 5: Methods and Procedures of Brining Securities to Listing;
* Section 7: Listing Particulars;
* Section 11: Circulars, Pre-Listing Statements/Prospectuses and Announcements; and
* Section 16 Documents to be Submitted to the JSE,

 that will be included a new General Corporate Actions Section.Each corporate action will be structured as follows, in alphabetical order:* Specific requirements ;
* Announcement;
* Contents of circular;
* Submission to the JSE.

**Definitions will be updated as required.** **Original paragraph numbers are maintained for consultation purposes and will be renumbered on the clean simplified version.**  |

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| **Number 3: Dividends, Capitalisation Issues and Scrip Dividend**  |

Relevant Definitions: Definitions Section

|  |  |  |
| --- | --- | --- |
| capitalisation issue |  | an issue of fully paid shares capitalised from an issuer’s share premium, capital redemption reserve fund or reserves, or from a combination thereof, to existing shareholders of the issuer in proportion to their shareholdings at a specific date; |
| scrip dividend[[1]](#footnote-1) [[2]](#footnote-2)  |  | a cash dividend incorporating an election on the part of shareholders to receive either capitalisation shares or cash; |

Dividends

Dividends and interest

3.11 The declaration of dividends, interest and other similar payments (“distribution payments”) by an applicant issuer must be announced immediately in terms of […].[[3]](#footnote-3)

3.12 If a decision is made not to declare distribution payments and is price sensitive it mustbe announced immediately.[[4]](#footnote-4)

[*Covered under general – all corporate actions must comply with the corporate actions timetable*]Capitalisation issues and scrip dividend

Specific requirements

5.39 A capitalisation issue must not be presented in a manner *in lieu* of a dividend.

5.40 An announcement or circular, for a capitalisation issue/scrip dividend does not require JSE approval, but must be approved by the sponsor.

 *[compliance with the Co Act is not a listings requirement and MOI items is dealt with in Schedule 10]*

**Announcement**

11.17 (a) *[consolidated below – see content of circular]*

 *[consolidated below]*

 The announcement must include the following, if applicable:

1. if a cash disbursement, a statement whether the distribution is a reduction of contributed tax capital or a dividend (as defined in the Income Tax Act) [*consolidated preamble above];*
2. if a capitalisation issue or dividend (including in specie dividend), a statement whether the issue is distributed from capital or income reserves

 (iii) local dividend tax rate represented as a percentage;

 (iv) gross local dividend amount represented as cents per share;

 (v) net local dividend amount represented as cents per share;[[5]](#footnote-10) [[6]](#footnote-11)

 (vi) non-reclaimable foreign withholding dividend tax rate represented as a percentage;[[7]](#footnote-12)

 (vii) dividend reclaimable tax rate applicable overseas represented as a percentage;[[8]](#footnote-13)

 (viii) issued share capital as at declaration date;[[9]](#footnote-14)

 (ix) 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;[[10]](#footnote-15)

 (x) company registration number; and[[11]](#footnote-16)

 (x) company tax reference number.[[12]](#footnote-17)

 *[consolidated above][consolidated above]*

Contents of circular

7.C.15 The following must be included in the circular:

 (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, a form of election, whereby the shareholder may elect to receive cash in substitution for the whole or part of the 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;[[13]](#footnote-20)

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

 (f) a statement on any tax implications for both resident and non-resident shareholders;

 (g) if a scrip dividend, a statement in bold and upper case, on the front page, drawing shareholders’ attention to the entitlement to be received if no election is made, being shares or cash;

 (h) the amount to be capitalised from the share premium or reserves of the issuer 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 issuer;

 (j) the relevant corporate action timetable;[[14]](#footnote-21)

*[applicable to rights offers]* (l) if a capitalisation issue disclosure whether the issue is distributed from capital or income reserves (if applicable); and[[15]](#footnote-23)

 (m) if a dividend (including in specie dividend), as defined in the Income Tax Act, disclosure of the details in the required announcement above .[[16]](#footnote-24)

Submission to the JSE

16.17 The following must be submitted to the JSE:[[17]](#footnote-25)

 (a) the circular;

 (b) the application for listing available on the JSE Forms Portal, which must be received by the finalisation date;

 *[moved to contents of circular]* *[refer to contents of circular below]*exchange control approval, if applicable;[[18]](#footnote-27)

 *[Fees covered under the new Section 5 Continuing Obligations]*

 (d) if a script dividend, a resolution by the board that the issuers has passed the solvency and liquidity test in terms of the Act and that, since the test was performed, there have been no material changes to the financial position of the issuers or its group; and[[19]](#footnote-29)

 (e) the board resolution authorising the capitalisation issue or scrip dividend.

 *[moved to specific requirements below]*

*[consolidated above][consolidated below]* *[refer to Submissions to the JSE]*

 *[moved to general].*[[20]](#footnote-32)

*[Move to Schedule 10][see specific requirements above][covered above - repetitive]* *[consolidated]* *[consolidated]* *[Moved up: Submission to JSE]*

 *[moved up contents of circular]*

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-4)
5. [↑](#footnote-ref-10)
6. [↑](#footnote-ref-11)
7. [↑](#footnote-ref-12)
8. [↑](#footnote-ref-13)
9. [↑](#footnote-ref-14)
10. [↑](#footnote-ref-15)
11. [↑](#footnote-ref-16)
12. [↑](#footnote-ref-17)
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16. [↑](#footnote-ref-24)
17. [↑](#footnote-ref-25)
18. [↑](#footnote-ref-27)
19. [↑](#footnote-ref-29)
20. [↑](#footnote-ref-32)