



## SERVICE HOTLINE

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## CORPORATE ACTIONS PROCESSING – ETF

Members are to please take note of the below new proposed method for the processing of ETF corporate action events where there are additional deductions to the cash dividend distributions, other than the foreign and/or local withholding taxes e.g. management fees and/or portfolio costs deducted by the management of the fund

The example used below is extracted from the SENS announcement issued 7 July 2017 of the DBX tracker instrument DBXUK.

(Note, the rand equivalent figures have not yet been announced, and we have therefore only used the foreign rate figures in the example)

- Gross foreign **dividends** of GBP 0.16362 (sixteen point three six two pence);
- Less: Foreign withholding tax of GBP 0.00286 (zero point two eight six pence);
- Plus: Interest of GBP 0.00001 (zero point zero ~~zero~~ one pence);
- Less: Management fee of GBP 0.03154 (three point one five four pence);
- Plus: Foreign exchange income of GBP 0.00039 (zero point zero three nine pence).

The above CA event will be processed as follows:

1. Process the Gross Dividend at a rate of 0.16362.
2. Process Foreign Tax at a rate of 0.00286 (1.75% of gross dividend value).
3. Process SA Tax at 18.75% of the gross div value.
4. Process separate journals to client accounts for the management fee of 0.03154

If any member is not in agreement with proposed method of processing, please contact the JSE immediately.

### Markets/ Service (s):

BDA – Corporate Actions

### Environment(s):

Production

### Additional Information:

If you have any queries about this announcement, please contact the Client Services Centre on +27 11 520 7777 or [Customersupport@jse.co.za](mailto:Customersupport@jse.co.za)