

Amendments to Listings Requirements – Information regarding Tax on Dividends

Tax on Dividends

The pending introduction of dividends tax with effect from 1 April 2012 will result in “regulated intermediaries” (as defined in Part VIII of the Income Tax Act (“the Act”)) requiring more detailed and accurate information regarding dividends declared by companies listed (including dual listings) on the JSE Limited (“the JSE”). With the move away from STC, where a tax was levied on the actual company, to a shareholder’s tax, where the tax is levied on the beneficial owner of the share, it is imperative to ensure that there is completeness and availability of information relating to dividend declarations by companies listed on the JSE.

The Listing Requirements need to be amended to make provision for the values in respect of the tax on the dividend that need to be included in the SENS announcement as follows;

Provision for such has been made under paragraph 11.17 and 11.16 of the Listings Requirements. The areas marked in red are the proposed changes/additions.

CAPITALISATION ISSUES AND DIVIDENDS

11.16 Issuers seeking a listing for securities issued by way of a capitalisation of reserves and/or an application of share premium or capital redemption reserve fund are required to comply with the actions in the relevant time- table in Schedule 24.

*11.17 (a) In the case of a scrip dividend a circular should be sent to share- holders containing the information set out in paragraph 7.C.15 and complying with the requirements of paragraphs 5.44 to 5.49. **Any announcement released must indicate whether the issue is distributed from capital or income reserves and must include the withholding tax rate, the dividends per share rate, the STC (secondary tax on companies) credits and the following where applicable;***

- (i) local dividend tax rate represented as a percentage*
- (ii) gross local dividend rate represented as cents per share*
- (iii) net local dividend rate represented as cents per share*
- (iv) foreign withholding dividend tax rate represented as a percentage*
- (v) dividend reclaimable tax rate applicable overseas represented as a percentage*
- (vi) issued share capital as at declaration date*



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Executive Directors: RM Loubser (CEO), NF Newton-King, F Evans (CFO), JH Burke, LV Parsons **Non-Executive Directors:** HJ Borkum (Chairman), AD Botha, ZL Combi, MR Johnston, DM Lawrence, W Luhabe, A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne, G Serobe **Alternate Director:** J Berman

- (vii) closing market price of the distribution in specie as at last day to trade*
- (viii) company registration number*
- (ix) company tax reference number*

(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. The announcement also needs to show the STC credits and information as per 11.17(a) (i) to (viii) where applicable.

(c) In the case of a dividend an announcement must be published complying with paragraphs 11.17(a)(i) to (viii) and must include any STC credits and also indicate whether the distribution is made from capital or income reserves.