

This chapter describes the tasks involved in the various types of Corporate Exercises, from the process of requesting corporate exercise ROD, preparation of allotment files to the crediting or debiting of securities into or out of the depositors' CDS accounts.

## **6.1 Types Of Corporate Exercise**

The following are some of the common types of corporate exercises:-

a.      Dividend and Interest Payment

***Note:** Bursa Depository will produce the ROD to assist the Share Registrar in the production of dividend payment. To assist the authorised nominees in reconciling the dividend payments, Share Registrar is required to include the full name of the beneficial owner as stated in the account qualifier field and the CDS account number on the tax voucher.*

*Dividend payment includes share dividend and cash dividend.*

b.      Rights Issue

c.      Bonus Issue

d.      Capital Restructure

e.      Maturity Conversion / Redemption

f.      Split Foreign

g.      General Offer

h.      Exercise of Warrants / TSRs / Loan Stock / Bonds

i.      Cross Transfer

j.      Special Issue

k.      Bulk Transfer.

## **6.2    Request For Corporate Exercise ROD**

6.2.1    The following types of corporate exercises require a request for Corporate Exercise ROD to be made:-

a.            Dividend Payment

**Note:**    *Bursa Depository maintains separate codes for Cash Dividend and Share Dividend.*

*Issuer/Share Registrar requesting for Cash Dividend ROD will receive a bank account information file in addition to the ROD. The bank account information file consists of information for shareholders who have registered for their bank account details to receive their cash dividend via eDividend. In addition to the ROD information, the bank account information file will have the shareholder's bank account details, email address (if provided) and mobile phone number (if provided). Issuers are to provide electronic notification either via email or SMS or both upon dividend payment is made on payment date, to shareholders who have provided their email address or mobile phone number.*

*Within 5 working days from the payment date, share registrar to provide to Bursa Depository via file upload through eRapid, the details of shareholders whose bank account number has been rejected by the bank for dividend payment and the reasons for the rejection. Upon processing of this file, Bursa Depository will send notices to the affected shareholder to request them to rectify their records with their ADA.*

b.            Interest Payment

c.            Rights Issue

**Note:**    *If the crediting of Rights entitlement is under the SPEEDS initiative. Please refer to Section 6.9 for SPEEDS Corporate Exercise Processing.*

d.            Bonus Issue

*Note: If the bonus issue is under the SPEEDS initiative. Please refer to Section 6.9 for SPEEDS Corporate Exercise Processing.*

e. Capital Restructure

*Note: If the shares from Capital Restructure is under the SPEEDS initiative. Please refer to Section 6.9 for SPEEDS Corporate Exercise Processing.*

f. Maturity Conversion / Redemption

g. Split Foreign

h. General Offer

i. Provisional Letter Of Allotment (PAL) / Provisional Letter Of Offer (PLO).

6.2.2 For item 6.2.1(f), the share registrars are to adhere to the following timelines:-

a. Maturity/Expiry of Non-Equity Securities (NES) i.e. Warrants, Loan Stock or Bonds

The Lodgement Date or ROD date shall be four (4) clear market days before the maturity/expiry date of the NES.

- 6.2.5 Each request is to be used to request for one (1) type of security and one (1) type of media only. Please key-in a separate request if more than one (1) type of media is requested.
- 6.2.6 Corporate Exercise ROD can be requested from Monday to Friday, 8.30 a.m. to 7.00 p.m., or any other time prescribed by Bursa Depository.
- 6.2.7 Any ROD request which falls during the prescribed period and nine (9) market days after the prescribed period, must be accompanied by an undertaking letter from the requestor. The undertaking letter must indicate that the requestor is willing to accept unreconciled ROD and indemnify Bursa Depository from any actions arising from the unreconciled ROD.
- 6.2.8 In the case of Corporate Exercise ROD, the requestor must key-in the ROD request at least seven (7) market days before lodgement date.
- 6.2.9 The following types of Corporate Exercise ROD will require Bursa Depository to approve the request:-
- a. Capital Restructure
  - b. Maturity Conversion / Redemption
  - c. Split Foreign
  - d. Expiry of PAL/PLO
  - e. Cash Dividend.

***Note:** For (a) to (d), the approval from Bursa Depository is required as the corporate exercise will result in the suspension of the depositors' balances for the particular Issuer.*

*For (e), Cash Dividend ROD request will result in generation of an additional bank account details file which is only needed for purpose of facilitating cash dividend distribution exercise.*

- 6.2.10 Bursa Depository to approve the Corporate Exercise ROD request at least four (4) market days before the lodgement date.

***Note:** Once Bursa Depository approves the Corporate Exercise ROD request, the request will then be transferred from eRapid to the CDS.*