

# 2022

## SSM Webinar



# DIVIDENDS – WHEN AND HOW TO PAY

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## COURSE INTRODUCTION

The payment of dividends is one of the way in which a company "share the wealth" generated from running the business. Companies may distribute the profits it makes from the capital that the shareholders have invested. They are usually a cash payment to the investors of a company but may take other forms of settlement. Dividends are commonly paid on an annual basis but at times the company may decide to distribute its profit more than once.

The payment of a dividend to shareholders will however leave the company with fewer assets with which to meet its liabilities to its creditors. For that reason, the Companies Act 2016 imposes provision on the directors to ensure that the company is solvent before making such distribution. Even if the solvency is met, there are other legal considerations which the company has to adhere to.

## COURSE OBJECTIVES

The course is to allow the participants to understand the statutory requirements on the distribution of profits and the consequences of declaring an unlawful dividend. It will equip the participants with the necessary steps to take to ensure the solvency of the company. Participants will also have a clearer understanding on the parties who have the right to declare the dividends, the timing of payment and various methods of payment. This course will cover the declaration of dividend of private companies and public (both listed and unlisted) companies.

## COURSE CONTENTS

### Determining available Profits for distribution

- Difference between retained profits and current year profits.
- When are profits available for distribution?

### Power to declare dividends

- Shareholders' power to declare dividend.
- Directors' power to declare dividend.

### Timing and method of Payment

- Timing of payment of dividends and compliance with Unclaimed Monies provision.
- Mode of payment of dividend – cash, set-off, transfer of assets.
- Tax voucher contents for single tier dividend and tax exempt dividend.

### Types of dividend

- Interim, final or special dividend.
- Drivers for dividend payment.
- Dividend policy.

### Solvency Requirement

- How a company can satisfy the solvency test.
- Directors' responsibility on the solvency requirement.

### Unlawful distribution

- Recovery of unlawful distribution of profit.

### Procedures on dividend payment

- Step by step guide.
- Sample resolutions.

## LEARNING OUTCOME

By attending this course, the participants will be able to:

- Have a better understanding of what constitutes a lawful dividend payment.
- Advise directors on the type of solvency test to take.
- Understand the implication of Unclaimed Monies provisions on Company Secretary.
- Differentiate between single tier dividend and tax exempt dividend.

## WHO SHOULD ATTEND

Company Directors, accountants, company secretaries of both private and public companies, including listed companies.

## ABOUT THE TRAINER

Leong Oi Wah is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and has more than 30 years of experience in handling corporate secretarial matters in the profession and the corporate sector.

Oi Wah is also involved in advisory on corporate secretarial requirements including corporate restructuring and compliance with various regulatory bodies such as the Registrar of Companies, Bursa Malaysia Securities Berhad, Securities Commission and other authorities. She is an approved trainer with HRP Corp and does regular training for the Companies Commission Malaysia Training Academy and other professional bodies. She is also co-author of "Company Meetings, Minutes and Resolutions in Malaysia" published in 2021 by the Malaysian Current Law Journal.

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### ADMINISTRATIVE DETAILS

Date	24 March 2022
	02 June 2022
Platform	Virtual platform
Training Methodology	Lecture and case discussion
Fee	<b>RM500.00</b> – Standard <b>RM400.00</b> – Licensed Secretary. Member of MAICSA, MIA, Malaysian Bar, MACS, MICPA, Sabah Law Assoc. & Advocates Assoc. of Sarawak.
SSM CPE Points	8 points

## HOW TO REGISTER?

1

Strictly via online registration at  
<https://e-comtrac.ssm.com.my>

2

### NEW USER (First Time Login)

- Click on SIGN UP
- Key in REGISTRATION INFORMATION
- Click on REGISTER
- Key in USERNAME and PASSWORD

### EXISTING USER of SSM EzBiz

- Key in USERNAME and PASSWORD
- Click on SIGN IN

3

- Select event code: XXX/22/CEP/WEB
- Check on Available Seat
- Click on Add Participant
- Key in participant's information
- Click on Submit
- Check participant's details
- Click on Submit Payment

*Note: Please submit your application within 15 minutes. Otherwise the system will automatically cancel your transaction and you will lose your seat(s). Please re-apply if you wish to proceed. Full payment shall be made at the point of registration.*

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All registrations MUST be applied through e-COMTRAC. Upon submitting the registration application, you are deemed to have read and accepted the terms and conditions.

A participant is allowed to attend ONE programme per day to be eligible for certificate of attendance. Request for refund will not be entertained if you have registered for more than one programme per day.

No walk-in is accepted and no admission to the training programme without the confirmation slip for classroom training.

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### Certificate of Attendance

Participant will be issued a Certificate of Attendance upon full attendance of the programme and payment is received. SSM will charge an administrative fee of RM30.00 per copy for any replacement of certificate due to errors in name or identification card number wrongly filled by participant / representative during registration or loss of certificate, etc.

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## COMPANIES COMMISSION OF MALAYSIA TRAINING ACADEMY & KNOWLEDGE MANAGEMENT DIVISION

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