

DIVIDENDS – WHEN AND HOW TO PAY?

COURSE INTRODUCTION

The payment of dividends is one of the ways in which a company "share the wealth" generated from running the business. Companies may distribute the profits they makes from the capital that the shareholders have invested. The dividends are usually paid in cash to the shareholders of a company but may take other forms of settlement like set-off against amount owed by the shareholder or transfer of assets. 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.



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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 to pay dividend.
- Sample resolutions.

LEARNING OUTCOMES

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.



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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 HRD 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.



Online

ADMINISTRATIVE DETAILS


| | | |
|----------------------|-----------------------------|---|
| Date | 26 March 2024 | |
| Platform | Virtual platform | |
| Time | 9.00AM – 5.00PM | |
| Training Methodology | Lecture and case discussion | |
| Fee | RM500.00 | Standard |
| | RM400.00 | Licensed Secretary. Member of MAICSA, MIA, Malaysian Bar, MACS, MICPA, Sabah Law Society & Advocates Assoc. of Sarawak. |
| SSM CPE Points | 8 Points | |



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HOW TO REGISTER?

STEP 1

Strictly via online registration at [\[https://e-comtrac.ssm.com.my\]](https://e-comtrac.ssm.com.my) 

STEP 2

NEW USER (First Time Login)

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

EXISTING USER

- Key in USERNAME and PASSWORD
- Click on SIGN IN

STEP 3

- Select training
- 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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TERMS & CONDITIONS FOR REGISTRATION OF TRAINING PROGRAMMES UNDER COMTRAC

Payment Mode

- All training programmes registrations MUST be applied through e-COMTRAC. Upon submitting the registration application, participant is deemed to have read and accepted the terms and conditions herein.
- Payment by cash and cheque is not acceptable effective from January 2021.

Webinar Access Link

- A notification e-mail with the webinar access link will be sent at least 24 hours before the commencement of the webinar.
- The access link is unique for registered participants and should not be forwarded or shared with others.

Certificate of Attendance

- Participant will be issued a Certificate of Attendance upon full attendance of the programme and payment is received.
- 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.
- 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.

Cancellation / Absent

- No refund will be given to participant who failed to attend the programme.
- Replacing registered participant is not allowed.

Transfer

- Transfer of registration fee to another training programme is not allowed.

Human Resources Development Corporation

Suruhanjaya Syarikat Malaysia is registered as a training provider with HRD Corp under GOV1000117857. All trainings are claimable under SBL Scheme subject to HRD Corp approval. Participant's employer needs to apply for grant at least one day before the commencement of training.

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Your personal data and other information provided in this application and including any additional information you may subsequently provide, may be used and processed by COMTRAC/SSM as a reference in future to communicate with you on our training programmes/events. In line with the Personal Data Protection Act 2010, we wish to obtain your agreement and consent for using your personal data. If you do not consent to the processing and disclosure of your personal data, you should send an e-mail to us at comtrac@ssm.com.my.

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All information contained in the brochure is correct and accurate at the time of publication.

COMPANIES COMMISSION OF MALAYSIA TRAINING ACADEMY & KNOWLEDGE MANAGEMENT DIVISION

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