

30 April 2025

To: Managing Directors/ Chief Executive Officers of Listed Companies
Company secretaries & Registrars of Listed Companies

CIRCULAR NO: 09/2025

Dear Sir/Madam,

SUBMITTING OF TAX CERTIFICATE (DIVIDEND WARRANTS)/COUPON/MATURITY PAYMENT DETAILS OF CDS ACCOUNT HOLDERS TO THE CDS TO UPDATE THE CENTRALIZED RECORDS ACCESSIBLE VIA CDS E-CONNECT

With reference to the circulars dated 19th March 2021 ([Circular No:01/2021](#)) and 26th August 2022 ([Circular No: 05/2022](#)) issued by the Colombo Stock Exchange (CSE) for the listed companies with regard to the dispatch or email of the Tax Certificate/Counter Foil relating to the dividend to the relevant shareholders, it has been brought to our notice of challenges faced by individual accountholders, custodian banks & margin providers in keeping records, distributing dividend payments and withholding tax certificates, since the reintroduction of the same at source on with effect from 1st January 2023.

Challenges Faced by the Industry due to lack of Centralized Records.

For investors

- Difficulty in Tracking Dividends: Investors may struggle to keep track of dividend payments, especially for large portfolios or complex investment structures.
- Complex Tax Compliance: Tracking tax implications for various investments can be cumbersome, especially with changing tax regulations.
- Lack of Transparency: Limited visibility into the dividend payment process and potential discrepancies in information.

For Issuers

- Administrative Burden: Maintaining history records, including tax withholding and reporting, can be time-consuming and error prone.
- Increased Costs: Inefficient processes can lead to higher administrative and operational costs.

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For Custodian Banks, Margin Providers, Wealth Managers, and other intermediaries

- Operational Challenges: Managing dividend payments, especially for large numbers of clients, can be complex and resource intensive.
- Increased Risk of Errors: Manual processes and calculations can lead to errors in distributions.
- Delayed Payments: Inefficient distribution processes can lead to delays in end client receiving dividend payments.

To address the above-mentioned challenges and enhance the convenience for both issuers and investors, the CSE and the Central Depository System (CDS) proposes to establish a centralized repository to store dividend and debenture payment details digitally.

The CDS has developed a new feature in the online platform, CDS eConnect, which allows respective registered CDS eConnect users (individuals, institutions, Custodians, Margin Providers, and Wealth Managers) to view their dividend payment and tax information relating to debenture coupon/maturity payments applicable for the immediate past 6-month period.

As a 2nd phase of the project, CDS will enable viewing of records applicable for more than 6 months but for this storage the CDS reserves the right to impose a fee from Investors to access these history records.

This initiative which is already available will increase the transparency and accessibility of the relevant information for investors while streamlining the process of distributing dividends for custodian banks and margin providers. At the same time, we expect to reduce reliance on physical dividend warrants, promoting efficiency.

It should be noted that this proposed view facility in the CDS e-Connect platform will be provided only as a convenience feature in addition to the existing requirement of dispatch or email of the Tax Certificate/Counter Foil relating to the dividend to the relevant shareholders by the listed companies under the abovementioned circulars.

METHODOLOGY OF SUBMITTING THE DIVIDEND WARRANT/TAX CERTIFICATE INFORMATION

In order to facilitate the centralized repository to store dividend and debenture payment details digitally the listed issuers are requested to submit the below mentioned information to the CDS for each dividend/coupon/maturity payment in the pre-scribed formats in Annexure I within the specified timelines.


| Information Required to submit | Timeline |
|---|--|
| Data to create a Dividend Payment Master Record | by the Record Date |
| Electronic payment information for the shareholders with bank accounts (SLIPS/RTGS/CEFTS) | by the date of electronic payments |
| Cheque payment details | by the date of the cheque payment date |
| Updates/subsequent payments on any failed electronic payments | by the date of actual processing |

Detailed instructions on submitting dividend calculation details to the CDS will be available on the CDS website and communicated through separate channels.

The CDS hereby requests all listed issuers to actively participate in this initiative with effect from 1st July 2025, and encourage all your service providers to liaise with CDS and contact the Depository Services team via below contact information.

1. Ashen Hirantha – Executive - 0112356470, ashen.hiranth@cds.lk
2. Madara Seneviratne – Analyst – Depository Services – 0112356523, madara.senevirathna@cds.lk
3. Anuraj Wickremasinghe – Lead, Digital Services – 0112356453, anuraj.wickramasinghe@cds.lk
4. Vindhya Colombage - Manager– Depository Services, CDS R&D Strategy and Projects – 0112356448, vindhya.colombage@cds.lk

Yours faithfully,



Nadeera Athukorale
Head – Central Depository Systems

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1. Data to create a Dividend/Coupon Payment Master Record

| Required Information | Further instructions on required information |
|--|--|
| Security type | Debt or Equity |
| Issuer Name | |
| Security ID | |
| Dividend/Coupon Name | Heading that would be normally printed on the dividend warrant |
| Record Date | |
| Electronic Payment Date | |
| Cheque Payment Date | |
| Dividend per Share | |
| TIN (Issuer's Tax Identification Number) | |
| Contact person name for any dividend related queries | |
| Contact Number | |
| Contact eMail | |

2. Following sample file format will be emailed to company secretaries/registrars

- Sample file format to upload dividend warrant information
- Sample file format to upload coupon/maturity payment information