

Unclaimed Dividends of Listed Corporate Firms in Nigeria: A Re-Examination

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ABSTRACT

The study examines why unclaimed dividends continue to grow in the Nigerian Stock Market despite many panaceas introduced by regulators to curb its existence. The effect of e-dividend and Bank Verification Number (BVN) on unclaimed dividends was also determined with a view to contributing to literature and current debates on the resolution of unclaimed dividends in Nigeria. The study adopts quantitative research method. It uses desk review and survey research design through administration of questionnaire. Primary data was obtained from two hundred and thirty (230) respondents selected through snowballing and purposive sampling techniques from the stakeholders involved in the payment of dividends to shareholders. The data was analyzed with simple percentages. The study finds that e-dividend payment and BVN have positive effect on unclaimed dividends by reducing their value. However, they cannot absolutely eradicate the menace of unclaimed dividends in the Nigerian Stock Market. This is because other factors which e-dividend payment and BVN cannot resolve exist in the market. These are death of shareholders, shareholders' fear, most especially civil servants, of being investigated for using multiple and fictitious names to buy equity shares and legal provisions that placed the custody and investment of unclaimed dividends with the listed corporate firms for their financial gains. It was recommended that a legislation with the consensus and trade off from all the stakeholders be promulgated for creation of shareholders' unclaimed dividends and assets trust fund, which will be managed by trustees appointed by shareholders under the regulatory supervision of SEC and should be independent of the listed corporate firms' management.

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Keywords:

Unclaimed dividends, e-dividend payment, bank verification number, registrars, Nigerian stock market.

1.0 Introduction

Despite the continuous advancement in technology and the recent adoption of e-dividend and Bank Verification Number (BVN) as a means of paying dividends to equity investors and identity management respectively by registrars of listed corporate firms in Nigeria, the problems of unclaimed dividends remain unresolved (Baiyewu, 2020). The introduction of e-dividend payment and BVN are panacea introduced by the regulatory agency to curb the continuous growth in the value of unclaimed dividend. However, the value of unclaimed dividend reported by listed corporate firms on the Nigeria Stock Exchange (NSE) continue to grow year on year from 2017 to December 2020 at the rate of 41 percent, an average of 10.3 percent per annum (Baiyewu, 2020; Agency Report, 2021)

Equity shares on which dividends are paid could either be acquired through public offers, that is, from the primary market or from the trading floor of the Nigeria Stock Exchange, secondary markets. The purchase and sale of equity shares involve many stakeholders among whom are: shareholders, stockbrokers, collecting agents in case of public offers, which in most cases are deposit money banks, issuing houses, registrars, stock market operators, listed corporate firms, and regulators. While shareholders and the listed corporate firms selling the equity shares to the public are the buyers/investors and sellers/investee respectively in the markets, other stakeholders carry out both intermediary and regulatory roles to ensure smooth and transparent financial transactions between the buyers and the sellers. Some of the fundamental roles performed by these intermediaries is the transmission of sales proceeds from the shareholders to the listed corporate firms and the transmission of dividends from them to the shareholders. It is the transmission of the dividends from the listed corporate firms to the shareholders that has been a concern as the value of unclaimed dividends continue to increase. One of the stakeholders that is statutorily saddled with the responsibility of transferring dividends from the companies' paying dividend to the shareholders is the registrars according to Securities and Exchange Commission (SEC) Rule 108 (3).

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The registrars, who could either be in-house registrars or non-in-house registers are expected to effect dividend payment by way of electronic transfer to the bank accounts of the shareholders who had executed e-dividend mandates with them while those yet to execute the e-dividend mandates are issued dividend paper warrant till 1st January 2018 when all dividends are paid through electronic transfer. According to Eriki *et al.*, (2021), in-house registrars have the capacity to compromise the dividend policies of the companies to create unclaimed dividends in the stock market than those of the non-in-house registrars. This they do by employing myriads of tactics to selectively pay dividends as they are amenable to the control of large corporate firms that set them up as subsidiaries. The study however failed to identify the various tactics that could be employed by these in-house registrars in connivance with their parent companies to selectively pay dividends to Shareholders.

Besides, few empirical studies (Owolabi & Obida, 2013; Okpalele *et.al.*, 2014) that investigated the causes of unclaimed dividends in Nigeria found shareholders' change of addresses, improper filling of share application forms, death of shareholders, use of multiple accounts to acquire equity shares, late delivery of dividend warrant, loss of dividend warrants in transit, lack of financial literacy of the Shareholders, insignificant amount paid as dividend compared to cost involved in clearing the dividend warrant, defective postal systems, low-income shareholders that did not have savings or current accounts to lodge dividend warrants, and lackadaisical attitudes of registrars to Shareholders' complaints as the fundamental causes of unclaimed dividend in Nigeria. Meanwhile, with the advent of information technology, and the adoption of e-dividend payment as a means of paying dividends and BVN for identity management by SEC, majority of the causes of unclaimed dividend found by researchers ought to have been vacated and the menace of unclaimed dividend tamed. The opposite is the case however as the value of the unclaimed dividends continue to increase (Baiyewu, 2020; Agency Report, 2021).

The question therefore is, what are the effect of the introduction of the e-dividend and BVN on unclaimed dividend in Nigeria and why are the incidences of unclaimed dividends not curbed in the Nigerian Stock Markets despite the introduction of these measures? Answers to these questions, taking into considerations the shareholders, stockbrokers, registrars, and the listed companies' perspectives, will be the contribution of this paper to unclaimed dividends narratives in Nigeria rather than the one-sided views of staff of Registrars analyzed by Ike and Ifeanyi (2018).

The paper is structured as follows. Section one outlines the background to the study while section two deals with review of literature and legal framework on unclaimed dividends. Section three discusses the methodology adopted to meet the research objectives. Data analysis of the primary data obtained from respondents and the discussions of findings are stated in section four. Section five concludes the paper with recommendations and limitation of the study.

2.0 Literature Review

Dividend is the amount of cash, net of withholding tax of ten (10) percent in Nigeria, that is payable to shareholders on a periodic basis as return on their investment in equity shares. According to Owolabi and Obida (2013), dividends can also be by issuance of bonus shares or free products of the companies to the shareholders as reward for their investment. However, the focus of the paper is cash dividend which is payable from the distributable profit of the companies (CAMA, 2020). Prior to the introduction of e-dividend payment, payment of dividends was made through the issuance of dividend warrant (physical cheques) which the registrars dispatch to the addresses of the shareholders in their registers by post. This process was fraught with problems that aggravated the incidences of unclaimed dividends in Nigeria. These incidences range from loss of dividend warrants in transit, change of addresses of shareholders without notification to the registrars, non-presentation of the dividend warrants by the shareholders to the paying bank perhaps because of the low amount of the dividend and defective postal services among others (Oladele & Oyerinde, 2011, Owolabi & Obida, 2013; Okpalele *et.al.*, 2014; Ike & Ifeanyi, 2018).

However, to mitigate the causes of unclaimed dividends, the underlisted measures were introduced: (i) E-registration, e-dividend, e-initial public offers, and share certificate dematerialization. E-registration enable all shareholders to maintain Central Security Clearing System (CSCS) accounts with central securities depository with their personal details and means of identification appropriately captured, uploaded, and stored in the



Central Security Clearing Systems database. Also, physical share certificates are converted to the number of shares they represent and credited electronically to the CSCS accounts of the shareholders. Companies issuing shares to members of the public no longer issue physical certificate but rather e-certificate with unit of shares allotted to the shareholders credited to their CSCS accounts. E-dividend ensures that shareholders' bank accounts are credited with their dividends within twenty-four (24) hours after the declaration of dividend. These measures are to address the loss of dividend warrant in transit; change of addresses by shareholders; late delivery of dividend warrants; insignificant amount of dividend and defective postal services that have been identified by Oladele and Oyerinde (2011) as causes of unclaimed dividends. (ii) The annual publication of the list of names of the shareholders having unclaimed dividends with the companies in two national newspapers together with the value of the unclaimed dividends they are entitled to. The list will subsequently be attached to the notice of annual general meeting sent to the shareholders. This is to enable shareholders with unclaimed dividend get relevant information about their unclaimed dividends and come forward to claim them. (iii) The suspension of bankers' confirmation by SEC on e-dividend mandates as Bank Verification Number (BVN) could now be used as a means of identification and this will assist shareholders whose signatures are irregular with those in the records of the registrars to claim their unclaimed dividends. (iv) Introduction of forbearance window for multiple accounts holders to regularize and harmonize their accounts through execution of e-dividend mandate forms in 2015. This is an amnesty given to all the shareholders that used their underage children's or fictitious names to buy shares to come forward to claim the unclaimed shares and invariably the associated unclaimed dividends. This, according to Director-General of SEC, has reduced the unclaimed dividends by (\$60.42 million) ₦29 billion (Ochigbo, 2020). (v) The hosting of unclaimed dividend search portal on the Securities and Exchange Commission website where the list of unregistered e-dividends shareholders is hosted. Shareholders are meant to search the portal for the companies in which they have unclaimed dividends and the name of the companies' registrars responsible for the payment of their unclaimed dividends with their first and last names. The shareholders are to download the e-dividend mandate forms of the registrars, fill it with their personal and bank details, and submit to the registrars for payment of the unclaimed dividends through their bank accounts. The shareholders will subsequently be receiving dividends electronically through their banks.

With the introduction of all these measures, there is no end to build up of unclaimed dividends and this necessitated the re-examination of the causes of unclaimed dividend and the effect e-dividend payment and BVN have on unclaimed dividends in Nigeria with a view to contributing to the literature and ongoing narratives on eradication of unclaimed dividends to boost investors' confidence and investors' participation in the stock market which according Opara and Emenike (2014) will be dampened if the incidences of unclaimed dividends continue unabated. Though Ike and Ifeanyi (2018) examined the impact of e-dividends on reduction of unclaimed dividends balances in Nigeria and found that e-dividend has contributed positively to the reduction of unclaimed dividends, no attempt was made to investigate the causes of the continued growth of the value of unclaimed dividends despite the use of e-dividend payment. Also, the study was limited to the staff of registrars of the companies. This study however includes all stakeholders in the dividend payment processes.

2.1 Legal framework for treatment of unclaimed dividend in Nigeria

The issue of unclaimed dividends or assets is not only peculiar to Nigerian stock markets but also exist in other countries of the world in both developing and developed economies. Kenya, Ghana, South Africa, Malaysia, United Kingdom and United States of American have unclaimed assets (including dividends) legislations that regulate the management of such assets in their respective jurisdictions for advancement of their economies (Okpaleke et al., 2014). Also, there are legal framework for treatment of unclaimed dividend in Nigeria which are Companies and Allied Matters Act, (2020), Securities and Exchange Commission Rules, Investment and Securities Act, (2007) and Finance Bill Act, (2020). However, market operators' criticism of these legislation after promulgation, most especially, the Finance Bill Act (2020), which is the latest amendment to the provisions of other Acts, has not made their implementation effective.

CAMA (2020) sections 429 and 432 state that unclaimed dividends that remain unclaimed three months, after the notice has been published in two national newspapers and attached to notice of annual general meeting sent to all shareholders should be returned to the companies. The companies may invest them for their own



benefits in investments outside the company and no interest on the dividend shall accrue against the company. Subsequently, after twelve (12) years the dividend should be in the profits that should be distributed to other shareholders of the companies. Finance Bill (2020) prescribes that unclaimed dividend, notwithstanding the provisions of CAMA (2020) as stated above, should be transferred to Unclaimed Dividend Trust Fund and will be a debt owned by the Federal Government till when all unclaimed dividends will be claimed by the shareholders. This has been highly criticized by the shareholders, regulators, the listed companies, and other stakeholders in the stock market. They all argued that unclaimed dividend is a private wealth of the shareholders and government should not mingle with it against the interest of the shareholders (Okafor, 2020; Aborisade, 2020; Agency Report, 2020).

2.2 Theoretical Framework

The study is anchored on the Stakeholder Theory. Stakeholder theory emphasizes the fact that business organizations are not set up to cater for the interests of the shareholders alone, but rather the interest of all the groups that have a stake in the activities that make up the business. Therefore, right from the point of value creation to issues of capitalism and ethics and finally to how managers connect business and ethics, it is the responsibility of the executive management to manage and shape the relationship among the organization stakeholders to create superb value and manage the distribution of the value to all the stakeholders (Fredman, 1984; Walsh, 2005).

When the stakeholder theory is applied to understanding the problems associated with unclaimed dividends in Nigeria, it necessitates the need to understand the set of relationships among the groups that have stake in the creation and distribution of the dividends. It is about how companies, registrars, shareholders, stockbrokers, issuing houses, and regulators jointly interact to distribute dividend to shareholders while taking into considerations, the interests of other stakeholders. The shareholders' interest is to receive returns on their investment without any bottlenecks, while the regulators and other stakeholders' interest is to record nil unclaimed dividends in the market to engender investors' confidence and availability of long-term finance for businesses in the markets. Where there is conflict of interests, it is the responsibility of the executive to re-think the problems to address the needs of all the stakeholders, and in doing this more value may be created to each of the stakeholders (Harrison *et al.*, 2010). However, if tradeoffs are meant to be taken, as it sometimes happens, the executive must work out the tradeoff, and then work on improving the tradeoffs for all the stakeholders (Freeman *et al.*, 2010).

Effective management of stakeholders' relationships helps the business to survive in capitalist systems, equips all practitioners in the creation of value and help to avoid moral failures (Sisodia *et al.*, 2007) associated with the unclaimed dividend in Nigeria. The companies that pay dividends through their appointed registrars, therefore, have huge responsibility to manage and shape the interests of all the stakeholders in the stock markets to resolve the problems associated with the unclaimed dividends in Nigeria. Unlike the study of Ike and Ifeanyi (2018) where only the staff of registrars were considered in examining the impact of e-dividend mandate on unclaimed dividend, the stakeholders in value creation and distribution of value, that is, dividends are considered in this study for a robust articulation of their responses.

3.0 Methodology

The study adopts quantitative research design (Salihu, 2017). It uses desk review of SEC and Registrars websites to gather information on their suitability for disseminating information on unclaimed dividends to shareholders and survey research design. Survey questionnaires were administered on shareholders, employees of registrars, active stockbrokers, and employees of both Securities and Exchange Commission (SEC) and Nigeria Stock Exchange Market (NSE). A sample of 280 of the population were selected through purposive and snowballing sampling techniques to obtain relevant primary data from respondents that have knowledge of unclaimed dividends in the stock markets.

The distribution of copies of the questionnaire is as follows: 95 questionnaires were administered within the Independent Shareholders Association of Nigeria, employees of registrars in Lagos 65, stockbrokers 50, employees of SEC 35, and employees of NSE 35. The primary data obtained from the 230 returned questionnaires were analyzed through descriptive statistics. The research instrument was reviewed for content



validity by two scholars with specialization in e-transactions and their recommendation was accommodated in the final draft of the questionnaires. A pilot test was conducted to test the reliability of the research instrument and it was confirmed to be reliable to gather relevant data to achieve the objective of the study.

4.0 Data Analysis and Discussion of findings

4.1 Demographics Analysis of the Respondents

Table 1 shows the analysis of the respondents' demographic data. The respondents are mainly male as 77% of the respondents are male while 23% are female. This indicates that male participates in investment in equity shares and work in finance related firms than the female. The age group of thirty-six (36) years to sixty-six (66) years and above, which are 92% of the respondents, reflects that the respondents are matured enough to provide relevant data based on their knowledge and experience in dealing with unclaimed dividends issues in Nigeria.

Furthermore, the respondents are educated as 47% have first degree in either Polytechnics or Universities, 14% have master's degrees and 20% are with PhD. The educational qualifications of the respondents will assist them in appreciating and following the processes put in place by regulators to resolve the continuous growth of unclaimed dividends value. All the respondents involved in distribution of dividends to shareholders have experience in handling and treating issues of unclaimed dividends.

Table 1 Background information of the Respondents.

Background Characteristics		Number	%
Gender	Male	178	77%
	Female	52	23%
Age group	25- 35	18	8%
	36- 45	23	10%
	46- 55	56	24%
	56- 65	101	44%
	66 and above	30	13%
Educational qualifications	SSCE/WAEC	21	9%
	OND/NCE	23	10%
	HND/B. Sc	109	47%
	HND/B. Sc/M. Sc/ M. A	32	14%
	HND/B. Sc/M. Sc/ M. A/ PhD.	45	20%
Stakeholders' category	Shareholders	83	36%
	Stockbrokers	33	14%
	SEC Employees	31	14%
	NSE Employees	27	12%
	Registrars' Employees	56	24%
	Experience in handling treating issues on unclaimed dividends.	Yes	230
	No	-	-
Total		230	100%

Source: Field Survey, 2021.

4.2 Effect of e-dividend payment and Bank Verification Number (BVN) on unclaimed dividend

Table 2 provides the analysis of the effect of e-dividends payment and BVN on the unclaimed dividends in Nigeria. The e-dividends payment is to ensure that shareholders get their dividends electronically into their banks' accounts while BVN is to protect the registrars against identity theft. All the stakeholders agreed that e-dividends payment and BVN have eased the process of payment of unclaimed dividends. The shareholders with unclaimed dividends would only need to fill the e-dividend forms with their BVN and bank account details and submit to the registrars of the companies in which they have unclaimed dividends and get paid. The process is easier than the revalidation of dividend warrants that were staled and making claims for dividends warrants that were lost in transit. Similarly, all the stakeholders agreed that e-dividend and BVN have reduced the incidence and value of unclaimed dividends.



However, 54% and 12% of the respondents strongly disagree and disagree respectively that e-dividends payment and adoption of BVN as a means of identity management are solution to the menace of unclaimed dividends. The implication of this is that existing shareholders that have not executed e-dividends forms with the registrars will not get their current dividends together with their unclaimed dividends since registrars are no more paying dividends through dividend warrants.

Table 2: E-dividends payment, Bank Verification Number and Unclaimed Dividends

s/n	Statements	Strongly Agree	Agree	Strongly Disagree	Disagree
1-	E-dividends payment and BVN ease of unclaimed have eased the dividend payment processes	185 (81%)	45 (19%)		
2-	E-dividends payment and BVN have reduced the incidences and value of unclaimed dividends.	203 (88%)	27 (12%)		
3-	E-dividends payments and BVN are the solutions to incidences of unclaimed dividend in Nigeria.	35 (15%)	45 (20%)	123 (54%)	27 (12%)

Source: Field Survey, 2021

4.3 Causes of the continuous growth in unclaimed dividends in Nigeria

Table 3 shows the analysis of the respondents' identification of the causes of unclaimed dividends despite the adoption of e-payment and BVN to eliminate unclaimed dividends in the stock market. 82% and 18% of the respondents strongly agree and agree respectively that death of the shareholders is a cause of the continuous growth of unclaimed dividends. Where shareholders die without a will and their beneficiaries' knowledge of their investment in shares, the processes of claiming the shares and the unclaimed dividends through the probate registry of the High Courts in Nigeria may be longer than expected. The use of one e-dividend forms filled by shareholders by all the registrars rather than filling several forms for all registrars was supported by respondents by 50% as a cause of unclaimed dividends while 50% disagreed. The use of one e-dividend form by all the registrars may contribute to the speed of processing the payment of unclaimed dividends.

The respondents agreed 100% that lack of prompt updates of unclaimed dividends records is a cause of the continuous growth of the unclaimed dividends. This fact was corroborated by the researcher's review of the SEC website where the list of the unclaimed dividends is hosted. The portal was found to include the names of shareholders whose unclaimed dividends had been paid but their names continue to feature on the list of unclaimed dividends. The respondents agreed by 64% that the fear of being prosecuted by Economic and Financial Crime Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) may prevent some shareholders, most especially Civil Servants, to come forward to claim their unclaimed shares and the associated unclaimed dividends despite the forbearance granted to shareholders with multiple accounts in different names to convert them to single account and claim their unclaimed dividends. However, 36% of the respondents disagreed with this.

Intentional withholding of payment of dividends by registrars with a view to returning them to the corporate firms for their financial benefits was agreed by 49% of the respondents and disagreed by 51% of the respondents as a cause of the continuous growth of unclaimed dividends. Although majority of the respondents disagreed with this fact, yet there may be the need for regulators to monitor the dividend payment processes of the registrars. Besides, respondents agreed 100% that there is no working cooperation among the stakeholders to curb the menace of unclaimed dividends. The registrars, stockbrokers, shareholders associations and regulators would need a common front to completely remove the incidences of unclaimed dividends from the market for the benefits of all. According to stakeholders' theory, the executive managements of the listed corporate firms together with the support of the board of directors would need to manage the tradeoff that would make this to be possible.

The concentration of the registrars' offices in Lagos is not a cause of continuous growth of unclaimed dividends as 64% of the respondents did not support it as a cause of unclaimed dividends possibly because of the use of technology to reach the registrars irrespective of their locations, while 36% supported it as a cause.



Also, 30% of the respondents agreed that closure of accounts enrolled for receiving dividends without informing the registrars is a cause of continuous growth of unclaimed dividend while 70% disagreed. This may be connected to the fact that with the BVN of the shareholders, other accounts operated by them can be identified and their dividends paid into the accounts with notice of payment sent by the registrars to the shareholders.

The respondents agreed 100% that the demand by registrars for specimen signature of the shareholders rather than relying on the BVN to manage their identify is a cause of the continuous growth of unclaimed dividends in Nigeria. The registrars' requests for execution of CSCS transfer form on behalf of shareholders by their stockbrokers for specimen signature verification is another area of lack of working relationship among the stakeholders. Furthermore, 91% of the respondents agreed that lack of continuous campaign awareness and shareholders' education on the challenges of unclaimed dividends on electronic media by SEC is a cause of increase in the value of unclaimed dividends while 9% disagreed. Although, the listed corporate firms are required by legislation to publish the list of unclaimed dividends in national newspapers, yet this could be complemented with electronic media announcements in local languages because of its wider coverage. Also, the researcher found that the websites of registrars and SEC are not updated for the relocation of offices and changes in address of the registrars and sometimes their names.

The use of in-house registrars for payment of dividends by listed deposits money banks is agreed by 50% of the respondents as a cause of the continuous growth of unclaimed dividends while 50% disagreed. This corroborates the findings of Eriki *et al.*, 2021 that in-house registrars of deposit money banks can compromise the dividend policies of listed banks to increase the unclaimed dividends. In addition, 100% of the respondents agreed that many of the listed corporate firms are unconcern about the growth in the value of unclaimed dividends because of the legal provision that allows them to have the custody of unclaimed dividends and invest them outside the firms for their financial benefits. The legal provisions therefore provide financial incentives to listed corporate firms for not leading and working in cooperation with other stakeholders to curb the growth of unclaimed dividends in the Nigeria financial markets.

Table 3: Causes of unclaimed dividend in Nigeria despite the introduction of e-dividend and BVN

s/n	Statements	Strongly Agree	Agree	Strong Disagree	Disagree
1-	Death of Shareholders	189 (82%)	41 (18%)		
2-	Shareholders will have to fill several e-dividend forms instead of one for all the registrars	45 (20%)	69 (30%)	48 (21%)	68 (29%)
3-	No regular updates of unclaimed Dividends by SEC on its website	79 (34%)	151 (66%)		
4-	Fear of being investigated by EFCC and ICPC for multiple accounts	81 (35%)	67 (29%)	22 (10%)	60 (26%)
5-	Intentional withholding of dividends payments by registrars so that the can invest them for their financial benefits.	64 (28%)	49 (21%)	101 (44%)	16 (7%)
6-	Lack of cooperation among the Stakeholders to curb unclaimed dividends	147 (64%)	56 (24%)	27 (12%)	
7-	The registrars' offices are concentrated in Lagos and far from the shareholders' Locations.	47 (21%)	36 (16%)	147 (64%)	
8-	Closure of accounts used for receiving e-dividends without informing the registrars	-- 69 (30%)	89 (39%)	72 (31%)	
9-	Registrars demanding for signature specimen rather than relying on BVN.	126 (55%)	104 (45%)		
10-	Lack of awareness campaign and shareholders' educations by SEC and NSE on electronic media	163 (70%)	47 (21%)	20 (9%)	
11-	Use of in-house registrars by Deposits Money Banks rather than independent registrars.	64 (28%)	51 (22%)	91 (40%)	24 (10%)
12-	Financial benefits that accrue to listed Companies from investing the unclaimed Dividends in Treasury Bills.	203 (88%)	27 (12%)		



Source: Field Survey, 2021.

4.4 Summary of Findings

The study finds that e-dividends payment and BVN have positive effect on unclaimed dividends as they have been used to ease the processes of receiving current dividends and unclaimed dividends. However, they are not panaceas for eradication of unclaimed dividends in Nigeria because of the following reasons: (i) Death of shareholders that died without wills and beneficiaries' knowledge of the investment in equity shares (ii) The legal provisions that allows unclaimed dividends to be in the custody of the listed corporate firms. The legislation also allows them to invest the unclaimed dividends for their financial benefits outside their companies which in most cases are invested in Treasury bills (iii) lack of regular and prompt updates of unclaimed dividends portal and registers by SEC and registrars respectively (iv) Shareholders' fear, most especially civil servants, of being investigated for corrupt practices and fraud by EFCC and ICPC for using fictitious names to buy shares (v) Registrars demanding for signature specimen of the shareholders rather than relying on their BVN as approved by SEC as a means of identity management and (vi) The use of in-house registrars by deposit money banks to pay dividends.

5.0 Conclusion and Recommendations

The study concludes that though e-dividend payments and BVN have been used to ease the payment of unclaimed dividends, yet they are not final solutions to the incidences of unclaimed dividends. This is because factors causing unclaimed dividends that are beyond what e-dividend payments and BVN could resolve exist in the Nigerian stock market.

The study recommends the creation of Shareholders' unclaimed dividends and assets trust fund through legislation after a mutual consensus of all the stakeholders. The unclaimed dividends after thirty (30) days of payment of current dividends should be credited into the account including all unclaimed shareholders' assets in the market. The fund should be managed by trustees appointed by shareholders and the companies. The trustees should be supervised by SEC and should be independent of both the shareholders and the companies. The fund inside the shareholders' unclaimed dividend and assets trust fund should be claimed within two (2) years and after which the balance should be added to the current proposed dividends of the companies and distributed to the existing shareholders.

Suggestion for further studies

The study does not examine the effect of the unclaimed dividends on the shareholders' and potential investors' interest in investment in equity shares in Nigeria. Further studies in the area will put to fore the need to consistently work to eliminate unclaimed dividends from the stock market by all stakeholders.

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