

Changes to Ex-dividend Procedures Effective September 5, 2017 to Accommodate T+2 Settlement

In a coordinated effort, the securities industry is shortening the settlement cycle for transactions in U.S. equities, corporate and municipal bonds, unit investment trusts and related financial instruments from trade date plus three business days (T+3) to trade date plus two business days (T+2).

This change is expected to be operative, along with other changes necessary for a T+2 settlement cycle, on Tuesday, September 5, 2017. Nasdaq and the other Self-Regulatory Organizations have agreed with DTCC, who processes distributions for publicly traded securities, that no securities will be ex-dividend on September 5, 2017, because otherwise there could be confusion about the proper settlement.

Regular Distributions

Among the rules and processes that are impacted by this change is Nasdaq Rule 11140(b)(1), which establishes the “ex-dividend date” for most distributions of cash, stock or warrants. The ex-dividend date is the date on which a security is first traded without the right to receive that distribution. While previously the ex-dividend date generally was two business days before the record date, that will change to be the first business day before the record date.

Issuers should be aware that the first RECORD DATE to which the new ex-dividend date ruling rationale will be applied will be Thursday, September 7, 2017. The chart below describes the anticipated “regular” ex-dividend date rulings over the conversion time:

Record Date 9/5/2017	EX date 8/31/2017
Record Date 9/6/2017	EX date 9/1/2017
Record Date 9/7/2017	EX date 9/6/2017

* Please note that September 4, 2017 is Labor Day and not a business day.

Large Distributions

Nasdaq Rule 11140(b)(2) establishes the ex-dividend date for cash dividends or distributions, stock dividends and/or splits, and the distribution of warrants, which are 25% or greater of the value of the subject security. These distributions are declared ex-dividend on the first business day following the payable date for the distribution. In order to avoid an ex-dividend date of September 5, 2017 under this rule, ***issuers are advised to NOT set September 1, 2017 as the payment date for any dividend or distribution that may exceed 25% of the value of the subject security.***

Questions regarding this notice should be directed to Nasdaq Corporate Data Operations at 1-877-308-0523.

MORE INFORMATION:

[Press Release: SEC Adopts T+2 Settlement Cycle for Securities Transactions](#)

[Issuer Alert: Nasdaq Makes Preparations to Shorten Settlement Cycle from T+3 to T+2](#)

[SEC Approval Order of Nasdaq Rule To Shorten the Standard Settlement Cycle From Three Business Days After the Trade Date to Two Business Days After the Trade Date](#)

[Existing Nasdaq Rule 11140\(b\)](#)

[Pending changes to Rule 11140\(b\), which will be effective on September 5, 2017](#)