



🔍 Search our articles

Articles in this section



How to process BHP In Specie Dividend in connection with the Woodside Merger

Follow

Note:

Please note that BGL does not provide accounting or taxation advice. The following article is designed per ATO Ruling to act as a guide for Simple Fund/Invest 360 users. It is not designed to be accounting or tax advice and should not be taken as a strict guideline. Other more suitable methods may be used instead of these steps.

ATO Ruling: [CR 2022/60](#)

Overview

BHP shareholders will receive an in-specie dividend in the form of Woodside Petroleum Ltd (Woodside / WDS) shares in connection with the merger of BHP and Woodside.

The in-specie dividend is scheduled to be paid on 1 June 2022 and will be fully franked.

Eligible BHP shareholders will receive one newly issued Woodside share for every 5.5340 BHP shares they hold at the close of business on 26 May 2022 (Record Date).

Eligible small BHP shareholders holding 1,000 ordinary BHP shares or UK depositary interests or less may elect to have the Woodside shares they are entitled to receive sold under the sale

less may elect to have the Woodside shares they are entitled to receive sold under the Sale Facility.

For further information, please refer to ASX file and updates from the BHP Website:

- [ASX File](#)
- [BHP Website Update](#)

Instructions

This article provides guidance on processing the BHP in-specie dividend on 1 June 2022 in connection with the Woodside merger. Depending on whether:

- A. Entity **did not elect** to participate in the related sale facility, or
- B. Entity **elects** to participate in the related sale facility and is eligible for the In-Specie Dividend.

A. Entity did not elect to participate in the related sale facility.

Example

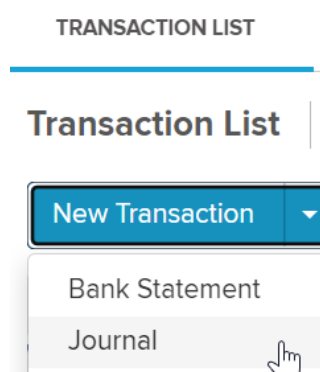
An Entity has 100 units of BHP eligible for the In-Specie Dividend and the Entity did not elect to participate in the related Sale Facility.

Therefore, 18 Woodside shares were allotted with franking credits attached on 1 June 2022.

The in specie dividend is not a cash payment.

Woodside closing price	Entitlement to Woodside shares*	Franked Amount	Unfranked Amount	Value of in specie dividend
A\$29.76	18	A\$535.68	A\$0.00	A\$535.68
Australian Franking Credit				A\$229.58

Step 1: Go to [Transaction List](#) and select Journal.



Step 2: Enter transaction details

Entity Details 01/06/2022

Enter Date as of 01/06/2022

Account Name	Account Code	Units	Debit	Credit
Woodside Investment	77600/WDS.AX	18	\$535.68	
BHP Dividends Received	23900/BHP.AX			\$535.68

Account	Units	Debit	Credit
<div>77600/WDS.... Woodside Energy Group Ltd Investment Shares in Listed Companies (Australian) x ▾</div>	<div>18.000000</div>	<div>535.68 MORE +</div>	<div></div>
<div>23900/BHP.AXBHP Group Limited Income Dividends Received x ▾</div>		<div></div>	<div>535.68 MORE +</div>

Click '**More**' for the transaction related to **23900/BHP.AX**

The system should have auto-populated the franking credits.

Please review to ensure it matches with the dividend statement.

Dividend Details

SHOWING MORE

	Cash Distribution	Tax Paid/Offset Franking Credits
Dividend - Franked	<div>535.68</div>	<div>229.58</div>

Step 3: Click '**Post**' once the details have been entered.

Post

The journals posted will be as below:

Date	Ref	Account	Units	Debit	Credit
01/06/2022	14	77600/WDS.AX (Woodside Energy Group Ltd) 23900/BHP.AX (BHP Group Limited)	18.000000	535.68	535.68

B. Entity elected to participate in the related sale facility and is eligible for the In-Specie Dividend.

Example

An Entity has 393 units of BHP eligible for the In-Specie Dividend and the Entity elected to participate in the related Sale Facility.

The entity was deemed to have been allotted 71 units of Woodside on 01 Jun 2022.

In this example, on 20 Jun 2022, the entity sold WDS shares and received the sale proceeds of \$2,069.65.

Woodside closing price	Entitlement to Woodside shares*	Franked Amount	Unfranked Amount	Value of in specie dividend
A\$29.76	71	A\$2,112.96	A\$0.00	A\$2,112.96
Australian Franking Credit				A\$905.55

Step 1: Go to [Transaction List](#) and select Journal to record the Woodside shares and the In-Specie Dividends.

TRANSACTION LIST

Transaction List

New Transaction

Bank Statement

Journal

Step 2: Enter transaction details

Enter Date as of 01/06/2022

Account Name	Account Code	Units	Debit	Credit
Woodside Investment	77600/WDS.AX	71	\$2,112.96	
BHP Dividends Received	23900/BHP.AX			\$2,112.96

AccountUnitsDebitCredit

77600/WDS...Woodside Energy Group LtdInvestment Shares in Listed Companies (Australian)71.0000002,112.96MORE +

23900/BHP... BHP Group Limited	x	2,112.96	MORE
Income	Dividends Received		

Click '**More**' for the transaction related to **23900/BHP.AX**

The system should have auto-populated the franking credits.

Please review to ensure it matches with the dividend statement.

Dividend Details		SHOWING MORE
Cash Distribution		Tax Paid/Offset
Dividend - Franked		Franking Credits
2,112.96		905.55

Step 3: Click '**Post**' once the details have been entered.

Post

The journals posted will be as below:

01/06/2022	90	77600/WDS.AX (Woodside Energy Group Ltd) 23900/BHP.AX (BHP Group Limited)	71.000000	2,112.96	2,112.96
------------	----	--	-----------	----------	----------

Step 4: Go to **Transaction List** and select **Bank Statement** to record the **sale proceeds**.

Price per Woodside Share	Number of Woodside Shares sold	Total Payment
A\$29.15	71	A\$2,069.65
Net Payment		A\$2,069.65

New Transaction

Bank Statement

Step 5: Enter transaction details

Enter Date as 20/06/2022

Account Name	Account Code	Units	Debit	Credit
Bank	60400/Bank		\$2,069.65	

Woodside Investment	77600/WDS.AX	71		\$2,069.65
---------------------	--------------	----	--	------------

Click '**More**' for the transaction related to **77600/WDS.AX**

Update the Contract Date to **01/06/2022** per ATO Ruling and ensure the correct parcel has been selected for disposal.

Sale of Woodside Energy Group Ltd shares under the sale facility

19. CGT event A1 happened in relation to the Woodside shares you were entitled to receive that were transferred to the sale agent for sale through the sale facility (subsections 104-10(1) and (3)). **The time of the CGT event A1 is the time when the shares were transferred to the sale agent on 1 June 2022 (Distribution Implementation Date) (subsection 104-10(3)).**

Contract Date	<input type="text" value="01/06/2022"/>	Contract No.
Settlement Date	<input type="text" value="20/06/2022"/>	Account No.
Brokerage (includes GST)	<input type="text"/>	HIN
Consideration	<input type="text" value="2,069.65"/>	
Unit Price	<input type="text" value="29.1500"/>	
Disposal Method	<input type="text" value="Most Tax Effective"/>	

Number of units to sell: 71.000000
Total units selected: 71.000000

Contract Date	Description	Unit Cost	Adjusted Cost Base	Units Held
01/06/2022	WDS In specie	29.7600	2,112.96	71.000000

Step 6: Click '**Post**' once the details have been entered.

Post

The transaction posted will be as below:

20/06/2022	91	60400/Ericksavebank (Ericksavebank)		2,069.65	
		77600/WDS.AX (Woodside Energy Group Ltd)	-71.000000		2,112.96
		24700 (Changes in Market Values of Investments)		43.31	

In this example, it has resulted in a capital loss for the entity.

Please refer to the following [help article](#) on how to process an investment disposal.

FAQ on the BHP Demerger from the Corporate Action screen

1 Action Required		0 Optional		0 Processed		0 Ignored		1 Total Corporate Actions
<input checked="" type="checkbox"/>	Action Date	Ex / Balance Date	Security / Account Code	Type	Description	Units on Hand	Status	Action
<input checked="" type="checkbox"/>	27/05/2022	25/05/2022	BHP.AX 77600/BHP.AXa2	Demerger	EST 15.534 DIST OF ORD SHS IN WOODSIDE PETROLEUM	100.000000	Action Required	Process Ignore

1. Can I process this BHP and WDS Demerger from the Corporate Action screen?

The BHP demerger is no longer available to be processed from the Corporate Action screen as the corporate action data received was not accurate based on the ATO class ruling.

2. What if I have already processed the BHP Demerger from the Corporate Action screen?

Users can select the processed corporate actions under the **Processed** Tab and click on **Delete** to reverse the corporate action.

Record the journals above to process the BHP corporate action.

Action Dates

Start Date

End Date

[Delete](#)

[New Corporate Action](#)

0 Action Required		0 Optional		1 Processed		0 Ignored	
<input checked="" type="checkbox"/>	Action Date	Ex / Balance Date	Security / Account Code	Type	Description	Units on Hand	Status
<input checked="" type="checkbox"/>	27/05/2022	25/05/2022	BHP.AX 77600/BHP.AXa2	Demerger	EST 15.534 DIST OF ORD SHS IN WOODSIDE PETROLEUM	100.000000	Processed

Was this article helpful?

[Yes](#)

[No](#)

[Return to top](#) ^

Related articles

[Transaction Input](#)

[Choice in ECPI \(2021–22 income year onwards\)](#)

[Corporate Actions Notifications](#)

[Corporate Actions Notifications](#)

[How to process Sydney Airport FY 2022 Corporate Actions & Distributions](#)

[How to start a reversionary pension](#)

[Simple Fund 360 Knowledge Centre](#)