

# Corporate Actions

Security Code

Financial Year

Report Type





## BHP-BHP GROUP LIMITED

Security	Date	Action
BHP	01-Jun-2022	Irregular
BHP	24-Feb-2022	Dividend
BHP	02-Sep-2021	Dividend

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CGT View Version 1.1

### Corporate Action Detail

BHP Group and Woodside Merger

**Ex Date** 01-Jun-2022

**Code** BHP

**Notes** On 1<sup>st</sup> June 2022 BHP Group BHP completed the merger of BHP oil and gas portfolio with Woodside Energy Group Limited WDS (previously Woodside Petroleum Limited). Under the merger BHP received 914,768,948 WDS shares. Eligible BHP shareholders received 1 WDS shares for every 5.5340 BHP shares they hold on the close of business of 26<sup>th</sup> May 2022 (Record Date) with fractional entitlements rounded down in the form of in specie dividend (Special Dividend). The Special dividend was paid on 1<sup>st</sup> June 2022 and was fully franked.

The closing price of WDS on ASX on 31<sup>st</sup> May 2022 was A\$29.76. The implied value of special dividend for BHP shareholders is approx. \$5.38 ( $29.76/5.5340 = 5.37766$ ) with attaching franking credits of approx. \$2.30 ( $5.37766/.7*0.3 = 2.30471$ )

Ineligible BHP overseas shareholders had their entitlements transferred to a sale agent to be sold in a sale facility. Eligible small BHP shareholders holding 1,000 ordinary BHP shares or less may also elect to have the WDS shares sold by the sale agent under sale facility.


The taxation section of the Merger Explanatory Memorandum outlined impact of the demerger for BHP shareholders. Based on that :

1. Demerger Tax Relief was not available.
2. The Special Dividend along with attached franking credits to be included in the assessable income of FY 2022.
3. WDS shares are acquired on 1<sup>st</sup> June 2022 and cost base is equal to 29.76
4. On basis demerger tax relief not available BHP cost base is not affected.

BHP has applied for a class ruling confirming certain income tax implications of the implementation of the Merger.

### ATO Rulings

### Source Documents

Announcement\_MergerComplete - 01-Jun-2022; Explanatory Memorandum - 08-Apr-2022

### What to do in STM

The merger is fully automated. Due to fractional entitlements, the special in-specie BHP dividend on per unit basis varies for every holding. In STM, , we are generating the dividend on code BHPX with per unit amount of 29.76. In this way, the total dividend amount, Franking amount, and imputation credits should match the statement.

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## NEWS RELEASE



**Release Time** IMMEDIATE  
**Date** 1 June 2022  
**Release Number** 19/22

### **Merger completion and in specie distribution**

BHP Group (**BHP**) is pleased to announce that the merger of BHP's oil and gas portfolio with Woodside Energy Group Limited (**Woodside**) by an all-stock merger (**Merger**) has completed today.

BHP received 914,768,948 Woodside shares as consideration for the sale of BHP Petroleum. BHP has paid the in specie dividend and distributed Woodside shares today in line with the details described in BHP's announcement on 20 May 2022. As a result, BHP has now distributed Woodside shares to eligible BHP shareholders. BHP dividend statements and Woodside holding statements are expected to be despatched to eligible BHP shareholders in mid-June 2022.

The closing price of Woodside shares on ASX on 31 May 2022 was A\$29.76<sup>1</sup>. The implied value of the in specie dividend was therefore A\$27.2 billion (US\$19.6 billion). At this valuation, the in specie dividend is approximately A\$5.38 (US\$3.86), with A\$2.30 (US\$1.66) of franking credits being distributed, per BHP share.

As part of completion, BHP has made a net cash payment of approximately US\$0.7 billion to Woodside. In addition, approximately US\$0.3 billion in cash will be left in the BHP Petroleum bank accounts to fund the ongoing operations. This reflects the net cash flows generated by BHP Petroleum, less cash dividends paid by Woodside to BHP, between the Merger effective date of 1 July 2021 and completion. This net payment to Woodside will be subject to a customary post-completion review which may result in an adjustment to the amount paid.

BHP Chief Executive Officer, Mike Henry said: "The merger of our petroleum assets with Woodside creates a global energy company with the scale and opportunity to help supply the energy needed for global growth and development in a rapidly decarbonising world. Our shareholders will now have exposure to assets in two organisations, BHP and Woodside, each with a very clear focus, strategy and value proposition. BHP's world class portfolio is weighted towards commodities which support economic growth and have decarbonisation upside and combined with our operational excellence will underpin attractive returns and long-term value growth."

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<sup>1</sup> Based on an exchange rate of AUD/USD 0.7187 and AUD/ZAR 11.1846, this equates to a Woodside share price of US\$21.39 and ZAR332.85.

### Trading of Woodside shares and depositary interests

Normal trading of the new Woodside shares that are received as part of the in specie dividend will commence as follows:

<b>2 June 2022</b>	New Woodside shares on ASX Woodside American depositary shares on NYSE
<b>6 June 2022</b>	Woodside depositary interests on LSE

### Sale facility

For ineligible overseas shareholders and small BHP shareholders that have validly elected to participate in the sale facility, the in specie dividend entitlement has been transferred to the sale agent to be sold. The sale proceeds may take up to 12 weeks to be remitted to BHP shareholders.

### Authorised for lodgement by:

Stefanie Wilkinson  
Group Company Secretary

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## Media Relations

Email: [media.relations@bhp.com](mailto:media.relations@bhp.com)

### Australia and Asia

Gabrielle Notley  
Tel: +61 3 9609 3830  
Mobile: +61 411 071 715

### Europe, Middle East and Africa

Neil Burrows  
Tel: +44 20 7802 7484  
Mobile: +44 7786 661 683

### Americas

Renata Fernandez  
Mobile +56 9 8229 5357

## Investor Relations

Email: [investor.relations@bhp.com](mailto:investor.relations@bhp.com)

### Australia and Asia

Dinesh Bishop  
Mobile: +61 407 033 909

### Europe, Middle East and Africa

James Bell  
Tel: +44 2078 027 144  
Mobile: +44 7961 636 432

### Americas

Sabrina Goulart  
Mobile: +1 832 781 6698

BHP Group Limited ABN 49 004 028 077  
LEI WZE1WSENV6JSZFK0JC28  
Registered in Australia  
Registered Office: Level 18, 171 Collins Street  
Melbourne Victoria 3000 Australia  
Tel +61 1300 55 4757 Fax +61 3 9609 3015

BHP Group is headquartered in Australia  
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Share Split/Subdivision (Manual)

See more

# 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 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 facility.

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

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

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

#### Example

An SMSF has 100 units of BHP eligible for the In-Specie Dividend and the SMSF 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 <b>AS29.76</b>	Entitlement to Woodside shares* <b>18</b>	Franked Amount <b>AS535.68</b>	Unfranked Amount <b>AS0.00</b>	Value of in specie dividend <b>AS535.68</b>
Australian Franking Credit				<b>AS229.58</b>

**Step 1:** Go to **Transaction List** and select **Journal**.

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	18	\$535.68	
BHP Dividends Received	23900/BHP.AX			\$535.68

Account	Units	Debit	Credit
77600/WDS... Woodside Energy Group Ltd Investment Shares in Listed Companies (Australian)	18.000000	535.68	
23900/BHP... BHP Group Limited Income Dividends Received			535.68

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	Cash Distribution	Tax Paid/Offset
Dividend - Franked	535.68	229.58

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

#### Example

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

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

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

Woodside closing price <b>AS29.76</b>	Entitlement to Woodside shares* <b>71</b>	Franked Amount <b>AS2,112.96</b>	Unfranked Amount <b>AS0.00</b>	Value of in specie dividend <b>AS2,112.96</b>
Australian Franking Credit				<b>AS905.55</b>

**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

Account	Units	Debit	Credit
77600/WDS... Woodside Energy Group Ltd Investment Shares in Listed Companies (Australian)	71.000000	2112.96	
23900/BHP... BHP Group Limited Income Dividends Received			2112.96

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	Cash Distribution	Tax Paid/Offset
Dividend - Franked	2112.96	905.55

**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	90	77600/WDS.AX (Woodside Energy Group Ltd) 23900/BHP.AX (BHP Group Limited)	71.000000	2112.96	2112.96

**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
<b>AS29.15</b>	<b>71</b>	<b>AS2,069.65</b>
<b>Net Payment</b>		<b>AS2,069.65</b>

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	01/06/2022	Contract No.	
Settlement Date	20/06/2022	Account No.	HIN
Brokerage (includes GST)			
Consideration	2,069.65		
Unit Price	291500		
Disposal Method	Most Tax Effective		
Select Parcel	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	297600	212.96	71.000000

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

Post

The transaction posted will be as below:

Date	Ref	Account	Units	Debit	Credit
20/06/2022	91	60400/Ericsavebank (Ericsavebank) 77600/WDS.AX (Woodside Energy Group Ltd) 24700 (Changes in Market Values of Investments)		-71.000000	2,069.65 43.31

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

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

## FAQ on the BHP Demerger from the Corporate Action screen

Action Required	0	0	0	0	1	New Corporate Action
Processed	0	0	0	0	1	

Action Date	Ref	Release Date	Security / Account Code	Type	Description	Units Held	Status
20/06/2022	24700	20/06/2022	BHP AX (Ericsavebank)	Demerger	24700 (CHANGE IN MARKET VALUES OF INVESTMENTS)	90.000000	Processed

### 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	0	1	0	0	1
Start Release Date	20/06/2022	30/06/2022					

Action Required	0	0	1	0	0	1
Processed	0	0	1	0	0	1

Action Date	Ref	Release Date	Security / Account Code	Type	Description	Units Held	Status
20/06/2022	24700	20/06/2022	BHP AX (Ericsavebank)	Demerger	24700 (CHANGE IN MARKET VALUES OF INVESTMENTS)	90.000000	Processed

Was this article helpful?

Yes No

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