

**THE NEXUS BETWEEN COMPANY REGISTRARS AND UNCLAIMED
DIVIDENDS IN NIGERIA**

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**THE NEXUS BETWEEN COMPANY REGISTRARS AND UNCLAIMED
DIVIDENDS IN NIGERIA**

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**A THESIS SUBMITTED TO THE SCHOOL OF POSTGRADUATE
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AND SOCIAL SCIENCES, COVENANT UNIVERSITY, OTA, OGUN
STATE, NIGERIA**

MARCH, 2022

ACCEPTANCE

This is to attest that this thesis is accepted in partial fulfilment of the requirements for the award of the degree of Doctor of Philosophy (PhD) in Accounting, in the Department of Accounting, College of Management and Social Sciences, Covenant University, Ota.

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DECLARATION

I, **ERIKI EMOAREHI (16PAA10298)**, declare that this research was conducted by me under the supervision of Professor Francis O. Iyoha and Dr Dorcas T. Adetula of the Department of Accounting, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria. I attest that the thesis has not been presented either wholly or partially, for the award of any degree elsewhere. All the data sources used in this thesis are duly acknowledged.

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CERTIFICATION

We certify that the thesis titled “**THE NEXUS BETWEEN COMPANY REGISTRARS AND UNCLAIMED DIVIDENDS IN NIGERIA**” is an original work conducted by **ERIKI EMOAREHI (16PAA01298)**, of the Department of Accounting, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria. We have examined the work and found it acceptable as part of the requirements for the award of a degree of Doctor of Philosophy (Ph.D) in Accounting.

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DEDICATION

This thesis is dedicated to Almighty God for His grace and power bestowed upon me. I am eternally grateful for the gift of life.

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ABBREVIATIONS

ASIC	Australian Securities and Investment Commission
CAMA	Companies and Allied Matters Act
COYs	Companies
COYREG	Company Registrars
CSCS	Central Securities clearing System
DIV	Dividend
FE	Fixed Effect
FG	Federal government
GUD	Growth of unclaimed dividend
INHREG	In-house Registrars
ISA	International Standard Accounting
ISA	Investment and Securities Act
NCMDF	Nigerian Capital Market Development Fund
NSE	Nigerian Stock Exchange
EOREG	External/Outside Registrars
OLS	Ordinary Least Square
OPM	Operational Mechanism
PRM	Pooled Regression Model
RE	Random Effect
REG	Registrars
SEC	Securities and Exchange Commission
SOD	Stochastic Dominance
SDR	Spatial Distribution
SPAN	Span of Control
UDIVD	Unclaimed Dividend
UDTF	Unclaimed Dividend Trust Fund
UDCOY	Unclaimed Dividend with Companies
UDREG	Unclaimed dividend with Registrars

ABSTRACT

The issue of rising trend in unclaimed dividends in Nigeria has attracted the concerns of different stakeholders in the corporate world in the last one decade. The issue is still an ongoing debate, even with the enactment of the Finance Act 2020 by the Federal Government of Nigeria. The empirical literature is replete with attempts to address the incidence of rising unclaimed dividends. The phenomenon is attributed to several factors, including changes in the circumstances of investors such as locational changes, death, loss of dividend warrants, and postal errors. The present study sought to address by focusing on the operations of the Registrars who are responsible for the payment administration of unclaimed dividends in Nigeria. The study examined the operational mechanism of company registrars with respect to unclaimed dividends in Nigeria. The study used panel data analysis to examine the span of control (the number of companies each registrar serviced), the spatial distribution (the industrial spread of the companies serviced) and their impact on the number of unclaimed dividends respectively. The study also used the panel data to examine the significant difference in the number of unclaimed dividends between the in-house Registrars and external or independent registrars. Additionally, stochastic dominance model analysis, the paired sample t-test, and cumulative percentage were used to assess the significant differences in the number of unclaimed dividends between in-house and external registrars. The results from these additional models were consistent with the panel analysis result. The study found that the span of control has a significant impact on unclaimed dividends in Nigeria. The study also showed that spatial distribution has a significant impact on unclaimed dividends in Nigeria, but found no significant difference between in-house registrars and external registrars with respect to their impact on unclaimed dividends. The study concludes that the increasing rate of unclaimed dividends in Nigeria was due to (i) the registrar's span of control (that is, the number of companies serviced or controlled by each registrar), and (ii) the registrar's spatial distribution (that is, industrial spread of the quoted companies serviced by each registrar). Thus, the broader the span of control and spatial distribution of companies under the registrar's remit or purview, the greater the number of unclaimed dividends. However, the study did not find any significant difference between in-house and external registrars in the number of unclaimed dividends warehoused by each. The implication is that the phenomenon of unclaimed dividends in Nigeria is coexistent with both in-house and external registrars. The study, therefore, recommends that the supervisory and regulatory authorities should address the rising trend of unclaimed dividends vis-à-vis the disproportionate number of companies serviced by company registrars in the Nigerian Stock Market so as to reduce the incidence of unclaimed dividends in Nigeria. The study further recommends capping the number of firms under the service control of a company registrar.

Keywords: unclaimed dividends, company registrars, Nigerian Stock Exchange, operational mechanism, Securities and Exchange Commission