Module: ERC20 Capital Distribution

The key feature that makes security tokens such a powerful investment tool are modules — programmable smart contracts that manage asset attributes and automate functionality, making security tokens truly digital.

The ERC20 Capital Distribution moderates the corporate action of distributing capital in ERC20 tokens. This can be dividends or another form of capital issued to security token holders. The Capital Distribution module allows issuers to:

**Features**

- **Withhold taxes.** Set the percentage of the dividend to be withheld for tax purposes by investor jurisdiction.
- **Reclaim dividends.** Recover unclaimed dividends.
- **Issue dividends.** Distribute dividends on-chain.
- **Calculate dividends.** Input the aggregate number of dividends for all eligible wallets to determine the total dividend.
- **Establish security token ownership checkpoint.** Establish tokenholders and token allocation at a certain point in time.
- **Request dividends.** Alternative function to Issue Dividends where investors instead request release of their dividends.
- **Exclude investor wallets.** Specify wallet addresses that should be excluded from the dividend, like treasury or administrative wallets. Token ownership from excluded wallets is not included in total dividend calculation.
How It Works

Dividend Issuance

01. Enable the ERC20 Dividend Module.

02. Create a new dividend checkpoint based tokenholders at that point in time.

03. Add new dividend distribution at that checkpoint.

04. Create your exclusion list. Exclude that should not receive your dividend like a treasury wallet or custodian wallet that should not receive your dividend.

05. Withhold taxes.

06. Set Dividend distribution details like name of dividend, issuance currency, and dividend amount.

07. Finalize / Confirm all dividend settings.

08. Distribute dividends to your investors.