



Jamaica Stock Exchange's Monthly Regulatory Report June 2015

Jamaica Stock Exchange June 2015 Regulatory Report

Overview

This is the Jamaica Stock Exchange's (JSE) June 2015 Monthly Regulatory Report. The report gives a synopsis of the following regulatory activities:

1. Member-dealers' reporting,
2. Listed companies' submissions,
3. Market surveillance and compliance activities,
4. Regulatory breaches and enforcement actions.

Member-Dealer Regulation

In accordance with JSE Rule 209 (A) member-dealers were required to file Monthly Report for the period ended May 31, 2015 by July 1, 2015. For the reporting period twelve (12) monthly reports were due and all were submitted on time.

Based on JSE Rule 209 (B) member-dealers were required to file Quarterly Reports for the period ended May 31, 2015 by July 1, 2015. No Quarterly Reports were due, hence no filings were made.

Under JSE Rule 209 (C) member-dealers with financial year ended March 31, 2015 were required to file their Audited Reports by June 30, 2015. For the reporting period three (3) member-dealers were required to file Audited Reports, of the set two (2) were filed on time.

The aggregate compliance rate for member-dealers' filing of their monthly, quarterly and audited reports for the month ended June 30, 2015 was 93%. For the 2014 comparative period member-dealers' aggregate compliance rate was also 93%. An overview of member-dealers' financial condition as at May 31, 2015 is represented in Table 1 below:

Table 1

| Member-Dealers' Excess Net Free Capital (ENFC) as at May 31, 2015 | | |
|--|-------------------------------------|-------------------------------------|
| ENFC Range(\$M) | # Of Member-Dealers May 2015 | # Of Member-Dealers May 2014 |
| Below 0 | 0 | 0 |
| 0 - 299 | 3 | 4 |
| 300 – 899 | 5 | 2 |
| 900 – 1,999 | 2 | 4 |
| 2,000 – 4,999 | 0 | 0 |
| 6,000 and above | 2 | 2 |

Listed Company Compliance

During the month of June 2015 Listed Companies were required to file Unaudited Reports for the period ended April 30, 2015. Listed Companies with year ended April 30, 2015 that selected the 60-days filing option were required to file Audited Statements during the month of June 2015. Listed Companies with year ended March 31, 2015 that selected a 90-days filing option were also required to file their Audited Statements during the month of June 2015. Additionally, Listed Companies with year ended February 28, 2015 were required to file Annual Reports during the month. The filing statistics are represented in Table 2 below:

Table 2

| Listed Companies' Financial Submissions | | | | | | | | |
|--|-----------|---------------|------|-------------|------------------|---------------|------|-------------|
| June 2015 | | | | | June 2014 | | | |
| Reports | Total Due | Timely Filing | Late | Outstanding | Total Due | Timely Filing | Late | Outstanding |
| Unaudited | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 0 |
| Audited | 2 | 1 | 1 | 0 | 1 | 1 | 0 | 0 |
| Annual | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 1 |

*Key: Late reports are filings after the due date that came in before the close of the month.
Outstanding reports are due reports that were not received as at the close of the month.*

Market Surveillance and Compliance

The JSE's tally of market surveillance and compliance issues as at June 2015 amounted to nineteen (19) versus thirteen (13) for the comparative month last year. Further statistics of JSE's market surveillance and compliance activities are presented in Table 3 below.

Table 3

| Market Surveillance & Compliance Log | | | | | |
|---|------------------|----------------------|------------------|------------------------|------------------|
| Total Issues | | Issues Closed | | Issues Unclosed | |
| June 2015 | June 2014 | June 2015 | June 2014 | June 2015 | June 2014 |
| 19 | 13 | 17 | 11 | 2 | 2 |
| Y-T-D '15 | Y-T-D '14 | Y-T-D '15 | Y-T-D '14 | Y-T-D '15 | Y-T-D '14 |
| 97 | 112 | 91 | 108 | 6 | 4 |

List of Regulatory Breaches and Enforcement Actions

In Table 4 below is the list of regulatory breaches and enforcement actions for the period ended June 30, 2015:

Table 4

| # | Entity | Code | Rule | Details |
|----------|-------------------|-------------|--|---|
| 1 | C2W Music Limited | JMC | JSE Junior Market Rule, Appendix 2, Part 4 (1) (a) (i) – | The company's 1 st Quarter Financial Statements for the period |

| | | | | |
|---|------------------------|-----|---|--|
| | | | Quarterly Financial Statements | ended March 31, 2015, which became due on May 15, 2015, is outstanding. On June 29, 2015 the company's 1 st Quarter Unaudited Financial Statements became forty five (45) days overdue. The company has notified the JSE and the market about the delay. In light of the company's overdue report trading in its shares was suspended on June 30, 2015. |
| 2 | Jamaica Stock Exchange | MMC | JSE Appendix 3 – Listing Agreement, Sections (4a) & (18) | The company provided notification on June 4, 2015 of dealings in its securities by a connected party to a Director on the 11 th , 15 th and 29 th of May 2015. In total the notification was thirty three (33) days late. Consequently, the company was subjected to JSE Rule Appendix 3, 16 (i). |
| 3 | Sweet River Abattoir | JMC | JSE Junior Market Rule, Appendix 2, Part 4 (2)– Audited Annual Financial Statements - | The Company's Audited Financial Statements for the year ended March 31, 2015, which was due on June 29, 2015, was submitted on June 30, 2015. However, it was not released to the market due to non-reporting of EPS, which is a requirement of IAS 33 |

Code Key:

1. JMC – Junior Market Company
2. MMC – Main Market Company
3. M/D – Member-Dealer
4. O – Others

The RMOD undertakes enforcement actions as prescribed by the JSE rules. Enforcement actions take the form of fines, suspension and delisting that are imposed on entities who are found to be in breach of the rules and regulations of JSE.