



Jamaica Stock Exchange's Monthly Regulatory Report January 2016

Jamaica Stock Exchange January 2016 Regulatory Report

Overview

This is the Jamaica Stock Exchange's (JSE) January 2016 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 December 31, 2015 by January 31, 2016. For the reporting period twelve (12) Monthly Reports were due and of the twelve (12), eleven (11) were submitted on time.

Based on JSE Rule 209 (B) member-dealers were required to file Quarterly Reports for the period ended December 31, 2015 by January 31, 2016. For the reporting period eleven (11) Quarterly Reports were due and of the eleven (11), ten (10) were submitted on time.

Under JSE Rule 209 (C) member-dealers with financial year ended October 31, 2015 were required to file their Audited Reports by January 31, 2016. For the reporting period one (1) member-dealer was required to file an Audited Report and the filing was made.

The aggregate compliance rate for member-dealers' filing of their monthly, quarterly and audited reports for the month ended January 31, 2016 was 92%. For the 2015 comparative period member-dealers' aggregate compliance rate was 100%. An overview of member-dealers' financial condition as at December 31, 2015 is represented in Table 1 below:

Table 1

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

** Please note that the data provided for December 2015 did not include an additional statistic as the monthly report for one (1) member-dealer is outstanding.*

Listed Company Compliance

During the month of January 2016 Listed Companies were required to file Unaudited Reports for the period ended November 30, 2015. Listed Companies with year ended November 30, 2015 that selected the 60-days filing option were required to file Audited Statements during the month of January 2016. Listed Companies with year ended October 31, 2015 that selected a 90-days filing option were also required to file their Audited Statements during the month of January 2016. Additionally, Listed Companies with year ended September 30, 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								
January 2016					January 2015			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	7	7	0	0	7	7	0	0
Audited	2	2	0	0	2	2	0	0
Annual	7	5	0	2	6	5	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 December 2015 amounted to seven (7) versus eleven (11) 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	
Jan 2016	Jan 2015	Jan 2016	Jan 2015	Jan 2016	Jan 2015
17	8	13	7	4	1
Y-T-D '16	Y-T-D '15	Y-T-D '16	Y-T-D '15	Y-T-D '16	Y-T-D '15
17	8	13	7	4	1

List of Regulatory Breaches and Enforcement Actions

In Table 4 below is the list of regulatory breaches and enforcement actions for the period ended January 31, 2016:

Table 4

#	Entity	Code	Rule	Details
1	Jamaica Stock Exchange	MMC	JSE Rule Appendix 7 – Model Code for Securities Transaction by Directors and Senior	A Connected Party to a Director of the JSE traded in the company's shares on January 5, 2016. The

			Executives of Listed Companies, Sections 4(c) and 8(a)	trade contravened the JSE's Model Code, Appendix 7 Section 4(c). The JSE communicated the breach to the Director and requested of the officer to implement procedures to prevent a recurrence.
2	BCW Capital Limited	M/D	JSE Rule 209a – Financial Returns , Monthly Returns	The firm's financial statement for the month ended November 30, 2015, which became due on December 31, 2015, was submitted on January 5, 2016. Given the breach the company was subjected to JSE Rule 211 (A).
3	Barita Investments Limited	M/D	JSE Rule 209a – Financial Returns , Monthly Returns	The firm's financial statement for the month ended November 30, 2015, which became due on December 31, 2015, was submitted on January 4, 2016. Given the breach the company was subjected to JSE Rule 211 (A).
4	NCB Capital Markets Limited	M/D	JSE Rule 209c – Financial Returns , Monthly Returns	The firm's Audited financial Statements for the year ended September 30, 2015, which became due on December 31, 2015, was submitted on January 4, 2016. Given the breach the company was subjected to JSE Rule 211 (A).
5	Kingston Wharves Limited	MMC	JSE Appendix 3 – Listing Agreement, Sections (4a) and (18)	The Company notified the JSE on January 14, 2016 of dealings in its securities by a connected party on January 6, 2016. Given the JSE's rules the notice to the Exchange was three (3) days late. Consequently, the company was subjected to JSE Rule Appendix 3, Section 16 (i).
6	Caribbean Cement Company Limited	MMC	JSE Rule 410 – Communication of Announcements	Based on a disclosure of material information to the press on January 24, 2016, which the Company provided to the JSE on January 25, 2016, Caribbean Cement Company Limited (CCCL) breached JSE Rule 410. CCCL explained to the JSE what caused the breach and apologized. The Company also advised the JSE of actions that it has instituted to prevent a recurrence.

7	Barita Investments Limited	MMC	JSE Rule 409 – Annual Report	The Company’s Annual Report for the year ended September 30, 2015, which became due on January 28, 2016, remained outstanding as at January 29, 2016.
8	Jamaican Teas Limited	JMC	JSE Junior Market Rule, Appendix 2, Part 4 (3) – Published Annual Report and Audited Financial Statements	The Company’s Annual Report for the year ended September 30, 2015, which became due on January 28, 2016, remained outstanding as at January 29, 2016.

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.