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Inside the



Editor's Note.

This issue of **Inside the RMOC** is marking the 3rd year that the JSE Board ceded regulatory responsibilities to the Regulatory and Market Oversight Committee of the Exchange. The Committee continues to receive operational support from the Regulatory & Market Oversight Division (RMOD), which is a department of the Jamaica Stock Exchange.

This publication provides an overview of JSE's Regulatory activities in the year 2010. It was therefore fitting that the lead story be a report based on the 2010/2011 World Economic Forum Global Competiveness Report. The page closes with Kodak moments. Page 2 captures the 2010 Market Surveillance and Compliance Report and a write-up on the Managed Account rule amendment. There is also a piece on a member of the RMOC. Remember to check out "Rules to Remember" and other corporate information...To you we say "Enjoy this issue of **Inside the RMOC** ...!"

2010 Year In Review

International Comparisons and Rankings

In 2010 the Stock Market showed a rebound when compared to the previous year. During the period there was growth in the number of transactions, volume, value and the indices of the Jamaica Stock Exchange (JSE). Equally, the Exchange's regulatory activities saw positive outturns for the year under review.

For the purposes of this report mention will be made that regulatory activities at the Jamaica Stock Exchange would have contributed to Jamaica's creditable rankings in certain categories of the 2010/2011 World Economic Forum Global Competiveness Report. For instance, in the report, under Regulation of Securities Exchange, Jamaica ranked 23 out of the 139 countries surveyed. At this ranking, Jamaica was one (1) notch below Canada, and a few below countries such as France, India and Brazil. Under the same category the Agency ranked Jamaica above all its Caribbean counterparts, as well as other countries, such as United Arab Emirates, Germany and the United Kingdom.

The Report also gave Jamaica good ratings for its "Strength of Auditing and Reporting Standards" to rank it at 38 out of the 139 countries examined. In this assessment Jamaica came out ahead of countries like Trinidad and Tobago, India and United States of America. Clearly, the ranking under the foregoing category requires improvements, and there are other rankings within the Report that should alert all that more needs to be done to advance Jamaica's standings in years to come. In this regard, therefore; the RMOC is committed to remaining steadfast in fulfilling its mandate and making its purpose becoming representative of the wider objectives of the Jamaica Stock Exchange of promoting a transparent, ethical, and efficient stock market.

Pictorial Highlights



Rules Orientation



Strategic Retreat '10



CHL Listing



Rules Presentation



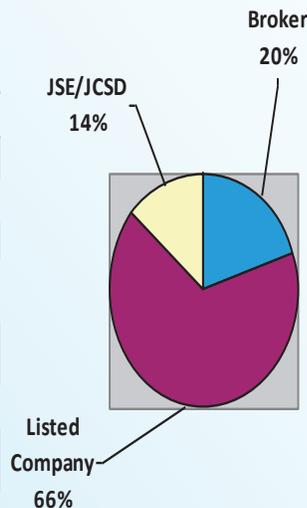
RMOC Workshop

2010 Market Surveillance and Compliance Report

For the Twelve (12) months period ended December 2010, the Regulatory and Market Oversight Division (RMOD) handled one hundred and thirty three (133) issues that formed part of its Market Surveillance and Compliance Log. This was 8% above the 123 cases that were handled in 2009. Table 1 below shows a breakdown of the data.

Table 1 - Infraction Type & Group

Nature of Infraction	Number
Complaint on Broker Members	0
Complaint on Listed Company	0
Compliance & Mkt. Surveillance- Broker Members	27
Compliance & Mkt. Surveillance - Listed Company	88
Other – JSE/JCSD Compliance	18
Total	133



RULES TO REMEMBER!



JSE Rule 410 Communication of Announcements

Prior to or concurrently with any public announcement, every listed company shall forward to the Exchange notification of all dividends, profits, issues, expansion programmes and any other changes including any information necessary to enable stockholders to appraise the position of the company and to avoid the establishment of a false market in the company's securities.

On July 2, 2010 the JSE Rule 227 Managed Account was amended, following approval by the Financial Services Commission (FSC). The amendment further defined the extent and nature of discretionary authority given to Member/Dealers and to incorporate minimum requirements for the supervision of Managed Account operations. Prior to the rule amendment, JSE Rule 227 had no requirements for the supervision of Managed Accounts. Instead, the rule defined what constituted a Managed Account and provided requirements as to the nature and content of the managed account agreement to be signed before entering into such an arrangement. The most comparable likeness to a supervisory requirement at the time was JSE Rule 227 Section C, which required member/dealers to maintain separate records for all discretionary clients and for Managed Accounts to be controlled and regularly reviewed by a manager or director.

Inside the introduces Mr. Garth Kiddoe,



Mr. Garth Kiddoe is an Independent Director of the Board of the JSE, representing the Institute of Chartered Accountants of Jamaica and is also a member of the Regulatory and Market Oversight Committee (RMOC).

Mr. Kiddoe is the former Dean of the Faculty of Business and Management at the University of Technology Jamaica and previously the Chief Financial Officer at the Jamaica Public Service Company Limited. He is also the immediate past President of the Institute of Chartered Accountants of the Caribbean as well as its representative on the Board of Trustees of the Caribbean Court of Justice Trust Fund. He is a Past President of the Institute of Chartered Accountants of Jamaica and of the Jamaica Institution of Engineers.

As a supporter of a greener society Mr. Kiddoe is known to operate in a paperless environment...As such he always request that documents to his attention be submitted electronically.

The RMOC's Responsibilities Include:

1. To supervise the RMOD;
2. To adopt measures and rules necessary to maintain and strengthen market integrity and transparency;
3. To address any perception of conflict of interest by making arrangements for the handling and/or elimination of any conflict of interest between the JSE and/or its members or Listed Companies

RMOC Objectives

1. Monitor the adequacy and effectiveness of the Exchange's regulatory programme and assess the Exchange's regulatory performance.
2. Structure and direct the regulatory functions of the Exchange.
3. Establish regulatory rules of the Exchange.
4. Monitor the compliance with the Exchange's rules by market participants and Listed Companies.
5. Monitor member dealers trading activities, investigation of trading activities and enforcement of the Exchange's Rules.



Kindly send feedback to rmod@jamstockex.com

The RMOD offers three options for submitting complaints. Please download the complaint form provided on the RMOD's page at www.jsc.com.jm and once completed, either:

1. Email as an attachment to RMOD@jamstockex.com
2. Fax to 876-967-3275

Or mail to:

The Chief Regulatory Officer
Regulatory & Market Oversight Division
Jamaica Stock Exchange
40 Harbour Street
Kingston

Also, the public can send enquires to rmod@jamstockex.com or call the toll free number at 1-888-429-5678 for further information.