



FOR IMMEDIATE RELEASE:

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Jamaica Stock Exchange's Regulatory and Market Oversight Committee 2012 Year in Review

(KINGSTON, January 10, 2013): The Regulatory and Market Oversight Committee (RMOC) of the Jamaica Stock Exchange was very active in 2012 (its fifth year of operation) in supporting the Jamaica Stock Exchange's mission of "Providing a Fair, Efficient and Transparent Stock Market". The RMOC holds responsibility for monitoring the adequacy and effectiveness of the JSE's regulatory programme, and assessing the organization's regulatory performance, which require activities such as rule formulation and compliance monitoring.

In 2012 the RMOC reviewed and introduced four (4) market rules and guidelines, namely:

- JSE Rule 402 C & 402 D – Minimum Issued Capital
- JSE Rule 215 – Advertising
- JSE Rule Appendix 3, Section 18 – Listing Agreement
- JSE Junior Market Rule Appendix 2, Part 4 (1a)(i)&(ii) – Ongoing Reporting Requirements

In addition to the above mentioned rules, the RMOC is forecasting the introduction of five (5) rule amendments during the course of 2013. The rules amendments that are currently being finalized are:

- Jamaica Stock Exchange Model for Securities Transaction by Directors and Senior Executives of Listed Companies - Main Market
- Jamaica Stock Exchange Model for Securities Transaction by Directors and Senior Executives of Listed Companies - Junior Market
- JSE Rule 228 – Disciplinary Proceedings
- JSE Rule Appendix 1 – Takeovers and Mergers
- JSE Rule Appendix 14 – Fines and Penalties

The RMOC compliance monitoring entails oversight of Member-Dealers and Listed Companies activities, as well as enforcement actions to ensure compliance with market regulations. Over the past five (5) years the RMOC has reviewed and decided on thirty-three (33) regulatory cases involving Member Dealers and Listed Companies, and of this seven (7) were done during the course of 2012.

The RMOC implements its policies through the Regulatory and Market Oversight Division (RMOD). In 2012 this Division reviewed all filings, prospectuses, circulars, and corporate communications, among other things. In overseeing the development of the RMOD, the RMOC has been very keen on building its institutional capacity. In this regard, in 2012 on behalf of the Exchange, the RMOC signed a Memorandum of Understanding with the Institute of Chartered Accountants of Jamaica (ICAJ), which is expected to enhance information sharing between both institutions, while providing the staff of the RMOD with access to relevant training opportunities offered by the ICAJ.

Below is a summary of performance indicators of oversight activities in 2012:

Activity	2012	2011	2010	2009	2008
Member-dealers' Indemnity Insurance Renewal	100	100%	100%	100%	100%
Listed Companies' timely filing of Unaudited Statements	80%	76%	72%	77%	75%
Listed Companies timely filing of Audited Statements	56%	64%	61%	76%	47%
Listed Companies timely filing of Annual Reports	49%	43%	49%	48%	46%
Total Number of regulatory/compliance issues	128	127	125	123	86
Percentage of regulatory/compliance issues closed	96%	98%	98%	95%	96%
Total Number of Enforcement Actions	9	1	9	6	8
Total Enforcement Charges (\$'000)	565	5	380	720	400

Based on the above performance indicators it is recognized that Listed Companies timely filing of Audited and Annual Reports require urgent attention. It is further recognized that there are deficiencies in the existing rules to address these issues; as such, the pending implementation of JSE Rule Appendix 14 – Fines is expected to treat with these matters.

Mr. Livingstone Morrison, Chairman of the RMOC expresses gratitude to all the members of the RMOC and RMOD for a very fruitful year and explained that he is expecting continued intensity in regulatory activities in 2013. He further urges members of the RMOC and RMOD to recommit to the task of solidifying the benefits of assignment of the regulatory activities of the Exchange to the independent board members of the Exchange which is critical to the process of promoting the highest standards of market efficiency, transparency and integrity.

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