



# Jamaica Stock Exchange's Monthly Regulatory Report February 2013

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## Overview

This is Jamaica Stock Exchange's (JSE) February 2013 Monthly Regulatory Report. The report gives a synopsis of JSE's regulatory activities as it relates to the following: Member-dealer Regulation, Listed Company Compliance, Market Surveillance/Compliance Activities and Enforcement Actions. For the month under review member-dealers had a 100% compliance rate in their timely filing of financial statements; for the comparative month in 2012 the compliance rate was also 100%. During February 2013 Listed Companies' were required to file twenty-six (26) financial reports and of the set eighteen (18) were submitted on time. For the review month the total tally of market surveillance and compliance issues amounted to eighteen (18) which represents a decrease of one (1) over the comparative month in 2012. In February 2013 there were two enforcement actions.

## Member-dealer Regulation

For the month ended February 28, 2012 member-dealers were required to file monthly and quarterly reports for the period ended January 31, 2013 by March 3, 2013. Also, member-dealers with financial year ended November 30, 2012 were required to file their Audited Reports by February 28, 2013. For the reporting period member-dealers' were 100% compliant in the timely filing of their financial statements. In February 2012 member-dealers' timely filing compliance rate was also 100%. An overview of member-dealers' financial condition is represented in Tables 1 to 3 below:

**Table 1 – Member-dealers Excess Net Free Capital (ENFC)**

Member-dealers' Excess Net Free Capital (ENFC)		
ENFC Range(\$M)	# Of Member-dealers Jan 2013	# Of Member-dealers Jan 2012
0 - 199	3	2
300 – 899	2	2
900 – 1,999	2	3
2,000 – 4,999	2	2
6,000 and above	2	2

**Table 2 – Member-dealers ENFC/TAA Ratio**

Member-dealers' Excess Net Free Capital/Total Active Assets Ratio		
ENFC/TAA Ratio (%)	# Of Member-dealers Jan 2013	# Of Member-dealers Jan 2012
1 – 1.99	0	0
2 – 4.99	3	1
5 – 6.99	2	3
7 – 12.00	4	5
18 and above	2	2

*Note: TAA – Total Active Assets*

**Table 3 – Member-dealer’s Current Ratio**

<b>Member-dealers Current Ratio</b>		
<b>Current Ratio – (X)</b>	<b># of Member-dealers Jan 2013</b>	<b># Of Member-dealers Jan 2012</b>
1 – 1.09	2	1
1.10 – 1.15	4	5
1.16 – 1.40	3	5
1.50 and above	2	1

**Listed Company Compliance**

During February 2013 Listed Companies were required to submit to the JSE the following financial reports as detailed in Table 4 below:

**Table 4**

<b>Listed Companies’ Financial Submissions</b>								
<b>February 2013</b>					<b>February 2012</b>			
<b>Reports</b>	<b>Total Due</b>	<b>Timely Filing</b>	<b>Late</b>	<b>Outstanding</b>	<b>Total Due</b>	<b>Timely Filing</b>	<b>Late</b>	<b>Outstanding</b>
Unaudited	23	16	6	1	27	13	10	4
Audited	0	0	0	0	17	9	0	8
Annual	3	2	0	1	3	2	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 February 28, 2013 amounted to eighteen (18) versus nineteen (19) for the comparative month last year. Further details of JSE’s market surveillance and compliance activities are presented in Table 5 below.

**Table 5**

<b>Market Surveillance &amp; Compliance Log</b>					
<b>Total Issues</b>		<b>Issues Closed</b>		<b>Issues Unclosed</b>	
<b>Feb 2013</b>	<b>Feb 2012</b>	<b>Feb 2013</b>	<b>Feb 2012</b>	<b>Feb 2013</b>	<b>Feb 2012</b>
18	19	14	9	4	10
<b>Y-T-D ‘13</b>	<b>Y-T-D ‘12</b>	<b>Y-T-D ‘13</b>	<b>Y-T-D ‘12</b>	<b>Y-T-D ‘13</b>	<b>Y-T-D ‘12</b>
27	23	23	11	4	12

### **Enforcement Actions**

The JSE's enforcement actions are in relation to fines on member-dealers for late financial filings, as well as the suspension or delisting of Listed Companies for overdue financial filings. There were two enforcement actions in February 2013 arising from breaches in January 2013.

### **Other Regulatory Matters**

The JSE is processing five (5) rule amendments, namely:

- a. Jamaica Stock Exchange Model Code for Securities Transaction by Directors and Senior Executives of Listed Companies – Main Market
- b. Jamaica Stock Exchange Model Code for Securities Transaction by Directors and Senior Executives of Listed Companies – Main Market
- c. JSE Rule 228 – Disciplinary Proceedings
- d. JSE Rule Appendix 1 - Takeovers and Mergers
- e. JSE Rule Appendix 14 – Fines and Penalties