



# Jamaica Stock Exchange's Monthly Regulatory Report January 2013

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## Overview

This is Jamaica Stock Exchange's (JSE) January 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 90% compliance rate in their timely filing of financial statements; for the comparative month in 2012 the compliance rate was 100%. During January 2013 Listed Companies' were required to file ten (10) financial reports and of the set six (6) were submitted on time. For the review month the total tally of market surveillance and compliance issues amounted to eleven (11), which represents an increase of seven (7) over the comparative month in 2012. In January 2013 there were no enforcement actions.

## Member-dealer Regulation

For the month ended January 31, 2012 member-dealers were required to file monthly and quarterly reports for the period ended December 31, 2012 by January 31, 2013. Also, member-dealers with financial year ended October 31, 2012 were required to file their Audited Reports by January 31, 2013. For the reporting period member-dealers' were 90% compliant in the timely filing of their financial statements; for the comparative period in 2012 member-dealers' timely filing compliance rate was 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)**

<b>Member-dealers' Excess Net Free Capital (ENFC)</b>		
<b>ENFC Range(\$M)</b>	<b># Of Member-dealers Dec 2012</b>	<b># Of Member-dealers Dec 2011</b>
0 - 199	3	2
300 – 899	2	2
900 – 1,999	1	3
2,000 – 4,999	3	2
6,000 and above	2	2

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

<b>Member-dealers' Excess Net Free Capital/Total Active Assets Ratio</b>		
<b>ENFC/TAA Ratio (%)</b>	<b># Of Member-dealers Dec 2012</b>	<b># Of Member-dealers Dec 2011</b>
1 – 1.99	0	0
2 – 4.99	3	1
5 – 6.99	2	2
7 – 12.00	4	6
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 Dec 2012</b>	<b># Of Member-dealers Dec 2011</b>
1 – 1.09	2	1
1.10 – 1.15	4	3
1.16 – 1.40	3	6
1.50 and above	2	1

**Listed Company Compliance**

During January 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>January 2013</b>					<b>January 2012</b>			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	2	1	1	0	3	2	0	1
Audited	2	1	1	0	2	2	0	0
Annual	6	4	0	2	7	3	1	3

*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.*

It should be noted that the delisting of Jamaica Livestock Association Ltd in December 2012 accounted for the difference in total due Unaudited Statement in January 2013 and January 2012. Also, the delisting of Lascelles deMarcado Ltd in January 2013 accounted for the difference in total due Annual Reports in January 2013 and January 2012.

**Market Surveillance and Compliance**

The JSE’s tally of market surveillance and compliance issues as at January 31, 2013 amounted to eleven (11) versus four (4) 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>Jan 2013</b>	<b>Jan 2012</b>	<b>Jan 2013</b>	<b>Jan 2012</b>	<b>Jan 2013</b>	<b>Jan 2012</b>
9	4	9	2	0	2

### **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 no breaches in January 2013 that resulted in enforcement actions during the month.

### **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