



Jamaica Stock Exchange's Monthly Regulatory Report March 2013

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Overview

This is Jamaica Stock Exchange's (JSE) March 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 75% compliance rate in their timely filing of financial statements; for the comparative month in 2012 the compliance rate was 91%. During March 2013 Listed Companies' were required to file twenty-nine (29) financial reports and of the set nineteen (19) were submitted on time. For the review month the total tally of market surveillance and compliance issues amounted to thirty-six (36), which represents an increase of thirty (30) over the comparative month in 2012. In March 2013 there were no enforcement actions.

Member-dealer Regulation

For the month ended March 31, 2013 member-dealers were required to file monthly and quarterly reports for the period ended February 28, 2013 by March 31, 2013. Also, member-dealers with financial year ended December 31, 2012 were required to file their Audited Reports by March 31, 2013. For the reporting period member-dealers' were 75% compliant in the timely filing of their financial statements. In February 2012 member-dealers' timely filing compliance rate was 91%. 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 Feb 2013	# Of Member-dealers Feb 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 Feb 2013	# Of Member-dealers Feb 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

Member-dealers Current Ratio		
Current Ratio – (X)	# of Member-dealers Feb 2013	# Of Member-dealers Feb 2012
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 March 2013 Listed Companies were required to submit to the JSE the following financial reports as detailed in Table 4 below:

Table 4

Listed Companies’ Financial Submissions								
March 2013					March 2012			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	5	5	0	0	5	5	0	0
Audited	24	14	10	0	6	4	0	2
Annual	0	0	0	0	1	0	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 March 31, 2013 amounted to thirty-six (36) versus six (6) for the comparative month last year. Further details of JSE’s market surveillance and compliance activities are presented in Table 5 below.

Table 5

Market Surveillance & Compliance Log					
Total Issues		Issues Closed		Issues Unclosed	
Mar 2013	Mar 2012	Mar 2013	Mar 2012	Mar 2013	Mar 2012
36	7	32	5	4	1
Y-T-D ‘13	Y-T-D ‘12	Y-T-D ‘13	Y-T-D ‘12	Y-T-D ‘13	Y-T-D ‘12
63	30	57	25	6	5

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 three breaches during the month; however, enforcement actions occurred in a later period.

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