



# Jamaica Stock Exchange's Monthly Regulatory Report April 2013

# Jamaica Stock Exchange April 2013 Regulatory Report

## Overview

This is Jamaica Stock Exchange's (JSE) April 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 April 2013 Listed Companies' were required to file twenty-seven (27) financial reports and of the set seventeen (17) were submitted on time. For the review month the total tally of market surveillance and compliance issues amounted to fifteen (15), which represents an increase of four (4) over the comparative month in 2012. In April 2013 there were four (4) enforcement actions.

## Member-dealer Regulation

For the month ended April 30, 2013 member-dealers were required to file monthly and quarterly reports for the period ended March 31, 2013 by May 1, 2013. Also, member-dealers with financial year ended January 31, 2012 were required to file their Audited Reports by April 30, 2013. For the reporting period member-dealers' were 90% compliant in the timely filing of their financial statements. In April 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 Mar 2013</b>	<b># Of Member-dealers Mar 2012</b>
Below 0	1	0
0 - 299	3	2
300 – 899	2	2
900 – 1,999	3	3
2,000 – 4,999	0	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 Mar 2013</b>	<b># Of Member-dealers Mar 2012</b>
Below 1	1	0
1 – 1.99	0	0
2 – 4.99	4	1
5 – 6.99	2	2
7 – 14.00	3	6
18 and above	1	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 Mar 2013</b>	<b># Of Member-dealers Mar 2012</b>
Below 1	1	0
1 – 1.09	1	1
1.10 – 1.15	4	4
1.16 – 1.40	4	5
1.50 and above	1	1

**Listed Company Compliance**

During April 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>April 2013</b>					<b>April 2012</b>			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	3	3	0	0	3	2	1	0
Audited	0	0	0	0	0	0	0	0
Annual	24	14	0	10	22	12	0	10

*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 April 30, 2013 amounted to fifteen (15) versus eleven (11) 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>Apr 2013</b>	<b>Apr 2012</b>	<b>Apr 2013</b>	<b>Apr 2012</b>	<b>Apr 2013</b>	<b>Apr 2012</b>
15	11	14	3	1	8
<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>
78	41	74	30	4	11

## **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 four (4) enforcement actions in April 2013, of which two (2) were related to breaches in March 2013 and two (2) related to breaches in April 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