

# Jamaica Stock Exchange's Monthly Regulatory Report August 2013

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## Overview

This is Jamaica Stock Exchange's (JSE) August 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 August 2013 Listed Companies' were required to file forty-five (45) financial reports, and of the set thirty-nine (39) were submitted on time. For the review month, the total tally of market surveillance and compliance issues amounted to seventeen (17), which represents an increase of twelve (12) over the comparative month in 2012. In July 2013 there were five (5) enforcement actions.

## Member-Dealer Regulation

For the month ended August 31, 2013 Member-Dealers were required to file monthly and quarterly reports for the period ended July 31, 2013 by August 31, 2013. Also, Member-Dealers with financial year ended May 31, 2013 were required to file their Audited Reports by August 31, 2013. For the reporting period Member-Dealers were 100% compliant in the timely filing of their financial statements. In August 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)**

<b>Member-Dealers' Excess Net Free Capital (ENFC)</b>		
<b>ENFC Range(\$M)</b>	<b># Of Member-Dealers July 2013</b>	<b># Of Member-Dealers July 2012</b>
Below 0	0	0
0 - 299	4	2
300 – 899	2	2
900 – 1,999	0	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 July 2013</b>	<b># Of Member-Dealers July 2012</b>
Below 1	0	0
1 – 1.99	0	0
2 – 4.99	3	2
5 – 6.99	1	1
7 – 14.00	5	6
18 and above	2	2

*Note: TAA – Total Active Assets*

**Table 3 – Member-Dealers’ Current Ratio**

<b>Member-Dealers’ Current Ratio</b>		
<b>Current Ratio – (X)</b>	<b># of Member-Dealers July 2013</b>	<b># Of Member-Dealers July 2012</b>
Below 1	0	0
1 – 1.09	2	1
1.10 – 1.15	3	4
1.16 – 1.40	5	5
1.50 and above	1	1

**Listed Company Compliance**

During August 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>August 2013</b>					<b>August 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	39	34	5	0	39	32	7	0
Audited	4	3	0	1	3	1	0	2
Annual	2	2	0	0	2	0	0	2

*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 August 31, 2013, amounted to seventeen (17) versus five (5) 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>Aug. 2013</b>	<b>Aug. 2012</b>	<b>Aug. 2013</b>	<b>Aug. 2012</b>	<b>Aug. 2013</b>	<b>Aug. 2012</b>
17	5	15	3	2	2
<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>
145	89	140	80	5	9

### **Enforcement Actions**

The JSE's enforcement actions are in relation to fines on Member-Dealers and Listed Companies for late financial filings, as well as the suspension or delisting of Listed Companies for overdue financial filings. There were five (5) enforcement actions in August 2013, of which three (3) related to Listed Companies and two (2) to Member-Dealers.

### **Other Regulatory Matters**

The JSE is processing four (4) 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