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Inside the



Editor's Note.

In Issue 10 of "Inside the a comprehensive review is provided on amendments to JSE Appendix 3 - Listing Agreement, Section 16 under the theme "Market Watch—JSE Rule Amendment." In addition, pictorial highlights are presented on the Regulatory and Market Oversight Division's (RMOD) participation in Listings on the JSE, and other events. There is also a summary of the Market Surveillance and Compliance activities over the 6-months period January to June 2013. Readers are further provided with insight of activities that were undertaken to implement the Fines and Penalties Rule Amendments. For our regular recurring feature New and Existing RMOC Member Mr. Garth Kiddoe is featured. To our readers we welcome you to this issue of "Inside the RMOC" and hope that you enjoy! 😊

Market Watch – JSE Rule Amendment JSE Appendix 3 - Listing Agreement, Section 16



The JSE Appendix 3 - Listing Agreement, Section 16 was amended on March 1, 2013, with an effective date of April 1, 2013, to include the following:

The Exchange shall have the right **in addition to or in lieu of the right to suspend trading or delisting, to require the company to pay the following sums in respect of a breach or contravention of the Rules or the terms of the Listing Agreement as set out hereunder:**

- i. A sum of Five Thousand Dollars (\$5,000) per day (including weekends and public holidays) if the company commits any breach of paragraphs 5, 6, 7, 8, 14 or 18.3 of this agreement.
- ii. A sum of Five Thousand Dollars (\$5,000) per day (including weekends and public holidays) if the company fails to forward a list of holders of the company's securities in contravention of paragraph 10 of this agreement until such time that the list is forwarded to the Exchange or the company is delisted.

- iii. A sum not exceeding Twenty Five Thousand Dollars (\$25,000) if the company fails, in contravention of paragraph 14 of this agreement, to disclose the composition and functions of their Audit Committee in their Annual Reports.
- iv. The company shall pay to the Exchange the aforesaid sums within seven days of receiving written notice from the Exchange of the breach and the company agrees that the aforesaid sums and each of them reflect a genuine and conclusive pre-estimate of loss and shall not be regarded in any even as a penalty and a refusal to pay any such sum will result in suspension of trading or delisting of the company's securities.
- v. Any Listed company which contravenes Rule 407 shall be liable to a fine of Five Thousand Dollars (\$5,000.00) per day (including weekends and public holidays) until such time that it remedies the default or is delisted.
- vi. Any listed company which contravenes Rule 408 shall be liable to a fine of Five Thousand Dollars (\$5,000.00) per day (including weekends and public holidays) until such time that it remedies the default or is delisted.
- vii. Any listed company which contravenes Rule 409 shall be liable to a fine of Five Thousand Dollars (\$5,000.00) per day (including weekends and public holidays) until such time that it remedies the default or is delisted.
- viii. Any listed company that fails to maintain the minimum capital requirement and the minimum number of share/stockholders stipulated in Rule 402 (A&B) shall be liable to a fine of Five Thousand Dollars (\$5,000.00) per day (including weekends and public holidays) until it is determined that the listed company should be suspended or the listed company complies, whichever first occurs.

In our next issue of "Inside the RMOC," new rule JSE Rule Appendix 14—Fines and Penalties will be featured.

Pictorial Highlights



Kremi's Listing Ceremony



RMOC Meets PSOJ



Kremi's Mentor Orientation



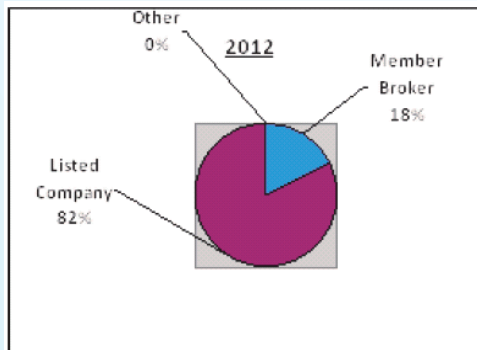
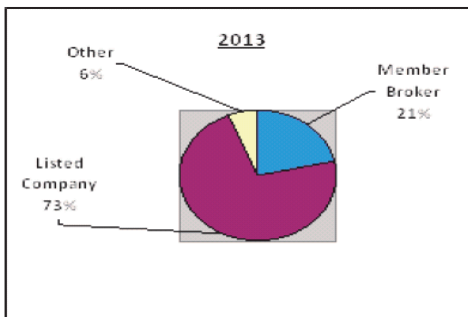
JSE's Listing Ceremony

Market Surveillance & Compliance Review (January – June 2013)

For the half year period ended June 2013, the Regulatory and Market Oversight Division (RMOD) handled one-hundred and seventeen (117) issues which formed its Market Surveillance and Compliance Log. The total number of cases handled over the comparative period in 2012 was sixty-eight (68).

Table 1 - Infraction Type & Group (2013/2012)

| Year | 2013 | 2012 |
|--|---------------|-----------|
| Nature of Infraction | Number | |
| Complaint on Broker Members | 0 | 0 |
| Complaint on Listed Company | 0 | 0 |
| Compliance & Mkt. Surveillance- Broker Members | 25 | 12 |
| Compliance & Mkt. Surveillance -Listed Company | 85 | 56 |
| Other Compliance & Mkt. Surveillance Issues. | 7 | 0 |
| Total | 117 | 68 |



RULES TO REMEMBER!



Excerpt from JSE Rule 407 — Quarterly Financial Statements

“A company that is unable to timely submit to the JSE Quarterly Financial Statements within the prescribed intervals must notify the JSE where it can be foreseen that there is the probability of a delay, the circumstances and the probable extent of the delay.”

“The company should simultaneously place an advertisement in the print media advising shareholders of the delay.”

Excerpt from JSE Rule 408 — Audited Annual Financial Statements

“A company that is unable to timely submit to the JSE its Audited Annual Financial Statements, must notify the JSE where it can be foreseen that there is the probability of the delay, the circumstances and the probable extent of the delay. The company should also simultaneously place an advertisement in the print media, advising shareholders of the delay.”

Fines and Penalties Rule Amendment Implementation

In creating a seamless implementation of the JSE’s Fines and Penalties Rule Amendments, the RMOD undertook several initiatives, which included:

1. Soliciting Stakeholders feedback on proposed rule amendment.
2. Convened sensitization sessions with Listed Companies and Member-Dealers.
3. Institute circulating reminder letters to Listed Companies in relation to financial filings that should be



provided to the JSE. As well as issuing acknowledgment letters when filings are made.

4. Bolstering activities within the RMOD to ensure accurate recording of financial filings and other notices to the JSE
5. Creation of a database to represent enforcement actions that are levied by the RMOD.

Inside the RMOD introduces Mr. Garth Kiddoe



Mr. Garth Kiddoe is an Independent Director of the Board of the JSE, representing the Institute of Chartered Accountants of Jamaica and is also a member of the Regulatory and Market Oversight Committee (RMOC).

Mr. Kiddoe is Chairman of the Professional Engineers Registration Board (PERB) as well as deputy Chairman of the Greater Caribbean Regional Engineering Accreditation System (GCREAS), an independent accreditation agency involving representatives from the Dominican Republic, Panama and Jamaica. He is a former Dean of the Faculty of Business and Management (now College of Business and Management) at Utech and past President of the Jamaica Institution of Engineers, the Institute of Chartered Accountants of Jamaica and the Institute of Chartered Accountants of the Caribbean.

As a supporter of a greener society Mr. Kiddoe is known to operate in a paperless environment...As such he always request that documents to his attention be submitted electronically.

The RMOC’s Responsibilities Include:

1. To supervise the RMOD;
2. To adopt measures and rules necessary to maintain and strengthen market integrity and transparency;
3. To address any perception of conflict of interest by making arrangements for the handling and/or elimination of any conflict of interest between the JSE and/or its members or Listed Companies.

RMOC Objectives

1. Monitor the adequacy and effectiveness of the Exchange’s regulatory programme and assess the Exchange’s regulatory performance.
2. Structure and direct the regulatory functions of the Exchange.
3. Establish regulatory rules of the Exchange.
4. Monitor the compliance with the Exchange’s rules by market participants and Listed Companies.
5. Monitor member dealers trading activities, investigate-trading activities and enforce the Exchange’s Rules.



Kindly send feedback to
rmod@jamstockex.com

The RMOD offers three options for submitting complaints. Please download the complaint form provided on the RMOD’s page at www.jse.com.jm and once completed, either:

1. Email as an attachment to RMOD@jamstockex.com
2. Fax to 876-967-3275

Or mail to:

The Chief Regulatory Officer
Regulatory & Market Oversight Division
Jamaica Stock Exchange
40 Harbour Street
Kingston

Also, the public can send enquires to rmod@jamstockex.com or call the toll free number at 1-888- 429-5678 for further information.