



# Jamaica Stock Exchange's Monthly Regulatory Report October 2013

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## Overview

This is Jamaica Stock Exchange's (JSE) October 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 77% compliance rate in their timely filing of financial statements; for the comparative month in 2012 the compliance rate was also 77%. During October 2013 Listed Companies' were required to file eight (8) financial reports, and of the set seven (7) 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 one (1) over the comparative month in 2012. In October 2013 there was one (1) enforcement action.

## Member-Dealer Regulation

For the month ended October 31, 2013 Member-Dealers were required to file monthly and quarterly reports for the period ended September 30, 2013 by October 31, 2013. Also, Member-Dealers with financial year ended July 31, 2013 were required to file their Audited Reports by October 31, 2013. For the reporting period Member-Dealers were 77% compliant in the timely filing of their financial statements. In October 2012 Member-Dealers' timely filing compliance rate was also 77%. 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 September 2013</b>	<b># Of Member-Dealers September 2012</b>
Below 0	0	0
0 - 299	3	2
300 – 899	3	2
900 – 1,999	1	3
2,000 – 4,999	2	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 September 2013</b>	<b># Of Member-Dealers September 2012</b>
Below 1	0	0
1 – 1.99	0	0
2 – 4.99	3	1
5 – 6.99	2	4
7 – 14.00	5	3
18 and above	1	3

*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 September 2013</b>	<b># Of Member-Dealers September 2012</b>
Below 1	0	0
1 – 1.09	1	1
1.10 – 1.15	4	4
1.16 – 1.40	5	4
1.50 and above	1	2

**Listed Company Compliance**

During October 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>October 2013</b>					<b>October 2012</b>			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	3	3	0	0	2	0	1	1
Audited	1	1	0	0	1	1	0	0
Annual	4	3	0	1	4	2	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 October 31, 2013, amounted to sixteen (16) versus fourteen (14) 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>Oct. 2013</b>	<b>Oct. 2012</b>	<b>Oct. 2013</b>	<b>Oct. 2012</b>	<b>Oct. 2013</b>	<b>Oct. 2012</b>
15	14	14	11	1	3
<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>
169	108	164	102	5	6

## **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 was one (1) enforcement action in October 2013, which related to a Listed Company.

## **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