



Jamaica Stock Exchange's Monthly Regulatory Report November 2013

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Overview

This is Jamaica Stock Exchange's (JSE) November 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 November 2013 Listed Companies' were required to file forty-four (44) financial reports, and of the set forty (40) were submitted on time. For the review month, the total tally of market surveillance and compliance issues amounted to six (6), which represents a decrease of six (6) over the comparative month in 2012. In November 2013, there were five (5) enforcement actions.

Member-Dealer Regulation

For the month ended November 30, 2013 Member-Dealers were required to file monthly and quarterly reports for the period ended October 31, 2013 by December 1, 2013. Also, Member-Dealers with financial year ended August 31, 2013 were required to file their Audited Reports by November 30, 2013. For the reporting period Member-Dealers were 100% compliant in the timely filing of their financial statements. In November 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)

| Member-Dealers' Excess Net Free Capital (ENFC) | | |
|---|---|---|
| ENFC Range(\$M) | # Of Member-Dealers October 2013 | # Of Member-Dealers October 2012 |
| Below 0 | 0 | 1 |
| 0 - 299 | 4 | 2 |
| 300 – 899 | 2 | 2 |
| 900 – 1,999 | 1 | 2 |
| 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 October 2013 | # Of Member-Dealers October 2012 |
| Below 1 | 0 | 1 |
| 1 – 1.99 | 2 | 0 |
| 2 – 4.99 | 1 | 2 |
| 5 – 6.99 | 1 | 3 |
| 7 – 16.00 | 5 | 3 |
| 18 and above | 2 | 2 |

Note: TAA – Total Active Assets

Table 3 – Member-Dealers’ Current Ratio

| Member-Dealers’ Current Ratio | | |
|--------------------------------------|---|---|
| Current Ratio – (X) | # of Member-Dealers October 2013 | # Of Member-Dealers October 2012 |
| Below 1 | 0 | 0 |
| 1 – 1.09 | 2 | 1 |
| 1.10 – 1.15 | 3 | 4 |
| 1.16 – 1.40 | 4 | 4 |
| 1.50 and above | 2 | 2 |

Listed Company Compliance

During November 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 | | | | | | | | |
|--|------------------|----------------------|-------------|--------------------|----------------------|----------------------|-------------|--------------------|
| November 2013 | | | | | November 2012 | | | |
| Reports | Total Due | Timely Filing | Late | Outstanding | Total Due | Timely Filing | Late | Outstanding |
| Unaudited | 39 | 36 | 2 | 1 | 36 | 28 | 7 | 1 |
| Audited | 5 | 4 | 0 | 1 | 6 | 4 | 1 | 1 |
| Annual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*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 November 30, 2013, amounted to six (6) versus twelve (12) 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 | |
| Nov. 2013 | Nov. 2012 | Nov. 2013 | Nov. 2012 | Nov. 2013 | Nov. 2012 |
| 6 | 12 | 4 | 10 | 2 | 2 |
| Y-T-D ‘13 | Y-T-D ‘12 | Y-T-D ‘13 | Y-T-D ‘12 | Y-T-D ‘13 | Y-T-D ‘12 |
| 175 | 120 | 169 | 116 | 6 | 4 |

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 November 2013, of which four (4) related to Member-Dealers and one (1) 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