



# Jamaica Stock Exchange's Monthly Regulatory Report December 2013

# Jamaica Stock Exchange December 2013 Regulatory Report

## Overview

This is Jamaica Stock Exchange's (JSE) December 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 92%. During December 2013 Listed Companies' were required to file seven (7) financial reports, and of the set, six (6) 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 one (1) over the comparative month in 2012. In December 2013, there were five (5) enforcement actions.

## Member-Dealer Regulation

For the month ended December 31, 2013 Member-Dealers were required to file monthly and quarterly reports for the period ended November 30, 2013 by December 31, 2013. Also, Member-Dealers with financial year ended September 30, 2013 were required to file their Audited Reports by December 31, 2013. For the reporting period Member-Dealers were 100% compliant in the timely filing of their financial statements. In December 2012 Member-Dealers' timely filing compliance rate was also 92%. 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 November 2013</b>	<b># Of Member-Dealers November 2012</b>
Below 0	0	1
0 - 299	6	2
300 – 899	1	2
900 – 1,999	0	1
2,000 – 4,999	2	3
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 November 2013</b>	<b># Of Member-Dealers November 2012</b>
Below 1	1	1
1 – 1.99	1	0
2 – 4.99	2	2
5 – 6.99	1	2
7 – 16.00	4	4
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 November 2013</b>	<b># Of Member-Dealers November 2012</b>
Below 1	0	1
1 – 1.09	3	1
1.10 – 1.15	3	3
1.16 – 1.40	3	4
1.50 and above	2	2

**Listed Company Compliance**

During December 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>December 2013</b>					<b>December 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	4	4	0	0	4	4	0	0
Audited	2	1	0	1	2	2	0	0
Annual	1	1	0	0	1	0	0	1

*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 December 31, 2013, amounted to six (6) versus seven (7) 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>Dec. 2013</b>	<b>Dec. 2012</b>	<b>Dec. 2013</b>	<b>Dec. 2012</b>	<b>Dec. 2013</b>	<b>Dec. 2012</b>
6	8	5	7	1	1
<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>
181	128	176	124	5	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 December 2013, which related to Listed Companies.

## **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 – Junior Market
- c.** JSE Rule 228 – Disciplinary Proceedings
- d.** JSE Rule Appendix 1 - Takeovers and Mergers