



Jamaica Stock Exchange's Monthly Regulatory Report January 2014

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Overview

This is Jamaica Stock Exchange's (JSE) January 2014 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 82%. During January 2014 Listed Companies' were required to file twelve (12) financial reports, and of the set, nine (9) were submitted on time. For the review month, the total tally of market surveillance and compliance issues amounted to seven (7), which represents a decrease of four (4) over the comparative month in 2013. In January 2014, there was one (1) enforcement action.

Member-Dealer Regulation

For the month ended January 31, 2014 Member-Dealers were required to file monthly and quarterly reports for the period ended December 31, 2013 by January 31, 2014. Also, Member-Dealers with financial year ended October 31, 2013 were required to file their Audited Reports by January 31, 2014. For the reporting period Member-Dealers were 100% compliant in the timely filing of their financial statements. In January 31, 2013, Member-Dealers' timely filing compliance rate was 82%. 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 December 2013	# Of Member-Dealers December 2012
Below 0	0	0
0 - 299	4	3
300 – 899	2	2
900 – 1,999	0	1
2,000 – 4,999	3	3
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 December 2013	# Of Member-Dealers December 2012
Below 1	0	0
1 – 1.99	1	0
2 – 4.99	3	3
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

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

Listed Company Compliance

During January 2014 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								
January 2014					January 2013			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	4	3	1	0	2	1	1	0
Audited	2	2	0	0	2	2	0	0
Annual	6	4	1	1	6	3	1	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 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

Market Surveillance & Compliance Log					
Total Issues		Issues Closed		Issues Unclosed	
Jan. 2014	Jan. 2013	Jan. 2014	Jan. 2013	Jan. 2014	Jan. 2013
7	11	5	9	2	2
Y-T-D ‘14	Y-T-D ‘13	Y-T-D ‘14	Y-T-D ‘13	Y-T-D ‘14	Y-T-D ‘13
7	11	5	9	2	2

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 January 2014, 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 – Junior Market
- c.** JSE Rule 228 – Disciplinary Proceedings
- d.** JSE Rule Appendix 1 - Takeovers and Mergers