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Inside the



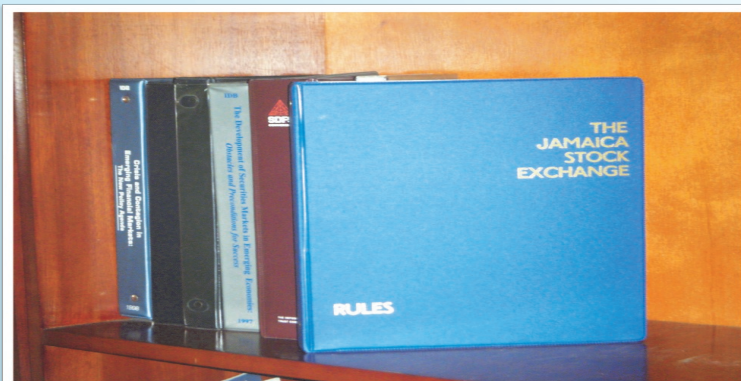
Editor's Note.

In Issue 11 of "Inside the , a comprehensive review is provided on new JSE Rule Appendix 14—Fines and Penalties under the theme "Market Watch—JSE Rule Amendment." In addition, pictorial highlights are presented on the Regulatory and Market Oversight Division's (RMOC) participation in Listings on the JSE. There is also a summary of the Market Surveillance and Compliance activities for the year 2013. Readers are further provided with details as to the RMOD's Prospectus Review process. For our regular recurring feature New and Existing RMOC Member Mr. Jane George is featured. To our readers we welcome you to this issue of "Inside the RMOD" and hope that you enjoy! 😊

Market Watch – JSE Rule Amendment JSE Rule Appendix 14 – Fines and Penalties

Any Member/Dealer who is determined in disciplinary proceedings to have breached these rules may be subject to the following fines:

- A. Any member/dealer in contravention of Rule 215 B shall be liable to a fine not exceeding Twenty Five Thousand Dollars (\$25,000.00).
- B. Any member/dealer in contravention of Rule 215 C shall be liable to a fine not exceeding Five Million Dollars (\$5 million).
- C. Any member/dealer in contravention of Rule D shall be liable to a fine not exceeding Twenty Five Thousand Dollars (\$25,000.00).
- D. Any member/dealer in contravention of Rule 215 E shall be liable to a fine exceeding Twenty Five Thousand Dollars (\$25,000.00).
- E. Any member/dealer which takes or carries any account or makes any transaction in contravention of Rule 222 shall be charged a fine not exceeding Twenty Five Thousand Dollars (\$25,000.00).
- F. Any member/dealer dealing in listed securities in a manner that is in contravention of Rule 223 shall be liable to a fine not exceeding Five Million Dollars (\$5 Million).
- G. Any member/dealer which conducts discretionary account business without having written agreement with the client in contravention of Rule 227 (B) shall be liable to a fine not exceeding Five Million Dollars (\$5 million).



H. Any member/dealer which fails in contravention of Rule 229 (A) to develop and maintain a written business continuity and contingency plan establishing procedures relating to an emergency or significant business disruption shall be liable to a fine of Ten Thousand Dollars (\$10,000.00) per day (including weekends and public holidays) until such that the plan is completed.

I. Any member/dealer which fails to conduct a minimum yearly review of their business continuity and contingency plan in contravention of Rule 229 (B) shall be liable to a fine of Ten Thousand Dollars (\$10,000.00) per day (including weekends and public holidays) until such time that review is completed.

J. Any member or member organization which fails to tailor their business continuity and contingency plan to the size and needs of a member or member organization in contravention of Rule 229 (C) shall be liable to a fine not exceeding Twenty Five Thousand Dollars (\$25,000.00).

K. Any member/dealer which fails to disclose to its customers how its business continuity and contingency plan addresses the possibility of a future significant business disruption and how the member/dealer plans to respond to events of varying scope and in the manner specified in contravention of Rule 229 (D) shall be liable to a fine not exceeding Fifty Thousand Dollars (\$50,000.00).

In our next issue of "Inside the RMOD," sections L-O of JSE Rule Appendix 14—Fines and Penalties will be featured.

Pictorial Highlights



JPS' Listing Ceremony



Sagicor Group's Listing Ceremony



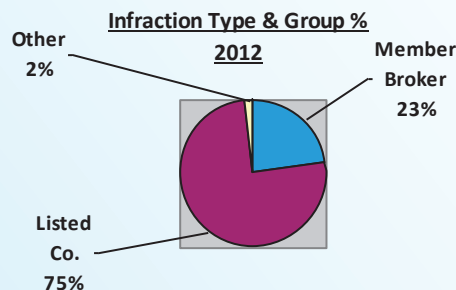
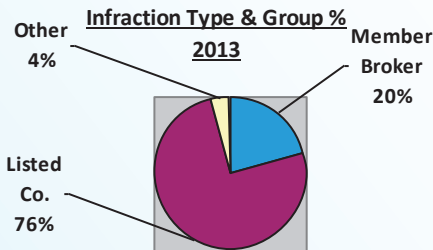
MDS' Listing Ceremony

Market Surveillance & Compliance Review for the year ended 2013

For the year ended December 2013, the Regulatory and Market Oversight Division (RMOD) handled one-hundred and eighty-one (181) issues which formed its Market Surveillance and Compliance Log. The total number of cases handled over the comparative period in 2012 was one-hundred and twenty-eight (128).

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

Year	2013	2012
Nature of Infraction	Number	
Complaints against Broker Members	0	0
Complaints against Listed Company	0	0
Compliance & Mkt. Surveillance- Broker Members	37	30
Compliance & Mkt. Surveillance -Listed Company	136	96
Other Compliance & Mkt. Surveillance Issues.	8	2
Total	181	128



RULES TO REMEMBER!



JSE Rule 403: Methods of Issue

The following requirements apply to the following methods of issue:

- Prospectus Issue
- Offer for Sale
- Offer for Tender

Publication: The approved Prospectus or Statement in Lieu of Prospectus or other document of offer must be published at least seven (7) days before the list is opened for subscription.

Such publication must be effected by uploading the document to the JSE's website and by inserting a notice in a national newspaper in daily circulation in Jamaica, indicating that the relevant prospectus is available on the JSE's website.

The upload of the prospectus to the JSE's website shall also indicate where copies of the prospectus, and any documents referred to therein, are available for inspection by the public.

RMOD's Prospectus Review Process

As part of its market oversight responsibilities the RMOD conducts reviews of Initial Public Offer (IPO) documents, which usually consist of a Prospectus, Articles of Incorporation and other listing documents.



Incorporation Checklist, which aids in monitoring adherence to listing requirements. In addition, where it is deemed that information provided in the Prospectus is limited or unclear, the RMOD would request that a review be undertaken to allow for inclusion in the document slated for publication. In closing, it

is critical to note that there are regular interactions between the JSE, Attorney to the Offer and Member-Dealer on matters of concern arising from a Prospectus review.

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Inside the RMOD introduces Mrs. Jane George



Mrs. Jane George is an Independent Director of the Board of the JSE, representing the Private Sector Organization of Jamaica (PSOJ) and is also a member of the Regulatory and Market Oversight Committee (RMOC).

Mrs. George assumed the role of Corporate Attorney-at-Law and Head of the Legal department of the Lascelles, deMercado Group of Companies (Lascelles) in 2001, becoming the Company Secretary and head of the Corporate Secretariat in 2005. Following the takeover of Lascelles by the Italian spirits group, Gruppo Campari, and the merger of Lascelles and its Jamaican subsidiaries into J. Wray and Nephew Limited in August 2013, she was appointed Senior Legal Counsel of J. Wray and Nephew Limited. She was admitted as a Solicitor in England and Wales and as an Attorney-at-Law in Jamaica and is a member of the Law Society of England & Wales and the Jamaican Bar Association. Mrs. George, who has approximately 28 years experience in the legal profession in Jamaica and England, joined the Board of the Jamaica Stock Exchange in 2008. Mrs. George is the chairman of the JSE's Audit and Finance Committee and also sits on the JSE's Corporate Governance and Nomination Committee and the Member Dealer Admissions Committee.

Mrs. George thinks that a most irresistible meal is one consisting of chocolate, and when she is not hard at work she enjoys spending time with her family

The RMOC's Responsibilities Include:

- To supervise the RMOD;
- To adopt measures and rules necessary to maintain and strengthen market integrity and transparency;
- 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

- Monitor the adequacy and effectiveness of the Exchange's regulatory programme and assess the Exchange's regulatory performance.
- Structure and direct the regulatory functions of the Exchange.
- Establish regulatory rules of the Exchange.
- Monitor the compliance with the Exchange's rules by market participants and Listed Companies.
- 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.jsc.com.jm and once completed, either:

- Email as an attachment to RMOD@jamstockex.com
- 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.