

- ▶ Market Watch—RMOD Compliance Strategies1
- ▶ Pictorial Highlights1
- ▶ 2013/2014 Market Surveillance and Compliance Report2
- ▶ Rules to Remember.....2
- ▶ Highlight: JSE Rule 414—Corporate Governance Guidelines.....2
- ▶ New & Existing Members of the RMOD.....2

Inside the



Editor's Note.

In Issue 12 of “*Inside the RMOD*” a comprehensive review is provided on strategies used by the Division to achieve compliance among Listed Companies. In addition, pictorial highlights are presented on participation in listing ceremonies and seminars. There is also a summary of the Market Surveillance and Compliance activities for the period January 2014—June 2014. Readers are further provided with details as to the JSE’s Rule 414—Corporate Governance Guidelines. For our regular recurring feature New and Existing RMOD Member, Miss Dian Black is featured. To our readers we welcome you to this issue of “*Inside the RMOD*” and hope that you enjoy!

RMOD's Compliance Strategies



The RMOD have clearly defined compliance strategies that applies to its day-to-day activities. Where fitting the strategies are reviewed and tweaked to maintain and promote effectiveness. This featured article provides readers with an insight into the RMOD’s compliance strategies for Listed Companies.

Initial Listing Compliance Strategy

The first mark of the RMOD’s strategy for Listed Companies’ compliance is the listing process. In pursuing the activity the RMOD reviews Prospectuses against applicable

Listing Rules and market regulations, these include:

1. JSE Junior Market listing conditions:

- a. Rule 500—High Level Principles
- b. Rule 501—Eligibility for Initial Admission
- c. Rule 502—Method of Initial Admission
- d. Rule 503—Mentor Requirements
- e. Rule 504—Board Level Requirements
- f. Rule 505—On-going Requirements

2. JSE Main Market listing conditions

- a. Rule 401—Listing at the Discretion of the Exchange
- b. Rule 402—Minimum Issued Capital and Number of Shareholder/Stockholders.
- c. Rule 403—Method of Issue

In implementing the above conditions the RMOD also take into consideration the following:

1. Jamaica’s Companies Act, 2004

- a. Section 40 to 47—Prospectus
- b. Section 48 to 52—Allotment
- c. Third Schedule—Matters to be specified in Prospectus

2. Other standards that represents best practices for disclosure and transparency.

It should be added that the RMOD tailors its listing review by applying checklists which cross-reference the above mentioned regulations. The Division also examines other documents that comprise the listing process. It is worthy to further mention that with the application of checklists the RMOD has realized and maintained a short turnaround in its review of Prospectuses that are submitted to the Division.

Continuous Listing Compliance Strategy

The RMOD’s compliance strategies for Listed Companies’ continuous listing requirements is centred on the premise that the Division has the responsibility of promoting compliance among Listed Companies, and recognizing that Listed Companies have a vested interest in being compliant with JSE’s rules. In this regard, the RMOD employs the following strategies in promoting continuous listing compliance among Listed Companies:

1. The RMOD periodically convenes “Orientation Sessions” with Mentors of Junior Market Companies, as well as Company Secretaries of Main Market Companies, to familiarize the officers with pertinent market regulations concerning their Listed Company.
2. The RMOD routinely reviews all submissions that are made to the JSE by listed companies to determine compliance with market regulations.

The RMOD recognizes that promoting compliance is an on-going exercise; as such one of the tools it has employed is to circulate reminder notices to all Listed Companies about the due dates for financial filings. This strategy has borne significant fruits for the compliance standards among all Listed Companies on the JSE. Presently, the RMOD circulates a standard notice that outlines the due date for financial filings; there are also targeted notices to listed companies that may have had specific issues with their previous filings.

In our next feature of “*Inside the RMOD*” further insights will be provided on the inner workings of the RMOD so as to inform readers on how the Division operates against the background of its motto of “Safeguarding market integrity.”

Pictorial Highlights



JSE Seminar:
Corporate Secretary Workshop



Listing Ceremony: Knutsford
Express Services



Listing Ceremony: Margaritaville (Turks)
Limited



Listing Ceremony: Sweet River Abattoir &
Supplies Company Limited

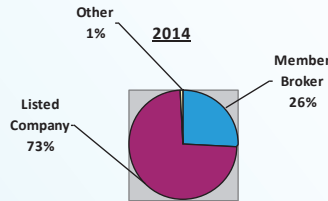
Market Surveillance & Compliance Review for the period January – June 2014

For the period January 2014 to June 2014 the Regulatory and Market Oversight Division (RMOD) handled one-hundred and twelve (112) regulatory issues which formed its Market Surveillance and Compliance Log. The total number of issues handled over the comparative period in 2013 was one-hundred and seventeen (117). See Table 1 for details:

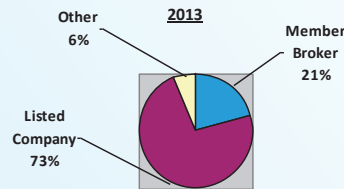
Table 1 - Regulatory Issues by Type & Group (2014/2013)

Year	2014	2013
Nature of Infraction	Total	
Complaints on Member-dealers	0	0
Complaints on Listed Companies	0	0
Compliance & Mkt. Surveillance-Member-dealers	29	25
Compliance & Mkt. Surveillance - Listed Company	82	85
Other Compliance & Mkt. Surveillance Issues.	1	7
Total	112	117

Infraction Type & Group % 2014



Infraction Type & Group % 2013



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

As promised in our last issue of “Inside the RMOD,” sections L-O of JSE Rule Appendix 14—Fines and Penalties will be featured.

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

- L.** Any member/dealer which fails to present their books of accounts or fail to keep proper forms of contracts in contravention of Rule 208 (A) (i) and (ii) shall be liable to a fine not exceeding Five Million Dollars (\$5 million).
- M.** Any member/dealer which fails to present their books of accounts and other records for examination within fourteen (14) days the date when the request is received from the Exchange Rule 208A (iii) shall be liable to a fine not exceeding Five Million Dollars (\$5 million).

- N.** Any member/dealer which without the consent of the Exchange allows itself to be named as member/dealer in any Prospectus, Statement in lieu of Prospectus, Memorandum for Listing or other document of offer in contravention of Rule 216 (A), (B) or (C) shall be charged a fine not exceeding Five Million Dollars (\$5 Million).
- O.** Where a member/dealer has been found by the Hearing Panel of the RMOD to have committed any act of misconduct falling within Rule 228B and which is not dealt with by any of the foregoing provisions, then whether in addition to or in lieu of any other penalty, a fine of such amount as shall be considered appropriate may be imposed by the Hearing Panel.



RULES TO REMEMBER!

JSE Rule 414: Corporate Governance Guidelines

Listed companies must adopt and disclose Corporate Governance Guidelines. The following subjects must be addressed in Corporate Governance Guidelines:

Website Posting Requirement:
A listed company must make its corporate governance guidelines available on or through its website.

Disclosure Requirements: A listed company must:

- Submit to the Jamaica Stock Exchange its Corporate Governance policy statement and must immediately inform the Exchange when changes are made.
- Review its Corporate Governance guidelines every two years and advise the Exchange of the outcome.
- State in its annual report that its corporate governance guidelines are available on its website and provide the website address.



Inside the RMOD features Miss Dian Black

Miss Dian Black is the Acting Principal Director of the Debt Management Branch (DMB) in the Ministry of Finance & Planning. Ms. Black has responsibility for leading the strategic and operational activities of the DMB in raising adequate levels of funding to satisfy the Government’s budgetary requirements. In her capacity as Principal Director, she also gives policy advice on debt management matters to senior officials in the Ministry and provides the necessary interface between the JSE and the Government.

Ms. Black holds a MBA in Banking and Finance from the University of Wales and Manchester Business School and a Bachelor of Arts Degree, with honors, from the University of the West Indies.

Ms. Black is a Director of the Jamaica Stock Exchange (JSE) and provides the necessary interface between the JSE and the Government as well as the Chairman for the Debt Financing Committee in the Ministry of Finance and Planning. In addition to being a member of the RMOD, Miss Black is also a member of the Listing Committee, Member Dealer Admission Committee, and the Rules Committee.

The RMOD’s Responsibilities Include:

1. To supervise the RMOD;
2. To adopt measures and rules necessary to maintain and strengthen market integrity and transparency;
3. 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.

RMOD Objectives

1. Monitor the adequacy and effectiveness of the Exchange’s regulatory program and assess the Exchange’s regulatory performance.
2. Structure and direct the regulatory functions of the Exchange.
3. Establish regulatory rules of the Exchange.
4. Monitor the compliance with the Exchange’s rules by market participants and Listed Companies.



Kindly send feedback to

The RMOD offers three options for submitting complaints. Please download the complaint form provided on the RMOD’s page at www.jse.com.jm and once completed, either:

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