

What are the associated fees with the trading of depositary receipts on the JDR Market?

The JSE transaction charges are 0.25% of the value of the transaction on the buy and sell side .

The JCSD transaction charges are to be determined.

In the JDR Market, the issuer of the DR is responsible for ensuring the timely disclosure of information on the underlying security to ensure compliance with the applicable Securities Laws, Regulations and JSE Rules. Some of the key ongoing compliance requirements include:

- Announcement of Unaudited Quarterly Financial Information
- Announcement of Audited Annual Financial Information
- Disclosure of Price Sensitive Information to the Market (Material Changes)
- Announcement of Corporate Actions



JAMAICA DEPOSITARY RECEIPTS (JDRs)



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The Jamaica Stock Exchange is promoting the depositary receipts as a means of:

- **Increasing the options available for corporations to efficiently raise Capital (Sponsored)**
- **Widen the choices that individuals and corporate investors have to invest**

What is a depositary receipt (DR)?

A depositary receipt (DR) is a certificate issued by an entity that entitles the holder to certain rights that are linked to another, underlying security and rights to exchange the certificate for the underlying security. The DR may take the form of a certificate or other instruments representing equity securities or debt. The depositary receipt, allows investors to buy and sell shares in foreign companies.

What are the benefits of a depositary receipt?

Companies	Investors	Market
Greater exposure	Diversification of portfolio	Encourage foreign investment
Ability to raise capital from foreign markets	Increase in the number of investors	Diversification

The DR Programme is comprised of the following parties:

- I. ISSUER of the Depositary Receipt who must be a member dealer of the Exchange on which the DR is to be traded.
- II. CUSTODIAN – Body Corporate that is duly authorized to perform custody services in a Recognized Foreign Jurisdiction in relation to the Foreign Securities for the benefit of the JDR Holders
- III. JCSD – that will perform the function of maintaining an up-to-date register of holders of the JDR, distribute dividends in relation to the DR , reconcile accounts with custodian and settle among other activities
- IV. JSE will trade the JDR on the Depositary Receipt Market using the current

Trading Platform and will release to the market releases which are provided by the issuer of the underlying securities.

- V. The Stock Exchange through the Listing Committee will review and if thought fit approve the Prospectus or any other document (Information Memorandum) necessary for the listing of the DR.

Jamaica Depositary Receipts (JDR)

The Jamaica Depositary Receipts will be listed on the JSE Depositary (JDR) Market. The JDR Market will facilitate the buying and selling of the JDRs. New rules governing the JDR Market have been drafted. However, the operational procedures governing the trading and settlement remain the same. For example, JDRs are matched based on the price/source/time priority basis. All orders will only match with orders resident in the order book. The JDR Market offers several order types: Good for Day, Good ‘til’ Date and Good ‘til’ Cancelled.

As is customary, investors will be required to place their buy and or sell orders with a licensed member of the Exchange.

The Role of the Financial Services Commission (FSC)

- ◆ Approve the rules and guidelines for the JDR Market
- ◆ Review ongoing changes and amendments to the structure of the JDR Market
- ◆ Registration requirements for the issuer
- ◆ Regulatory requirements for the foreign security and custodian
- ◆ Disclosure obligations of the DR issuer
- ◆ Review prospectus or any other offer forms by the DR issuer and provide no objection letter to the issuer for the purpose of registration

Settlement

Trades will be settled through the Jamaica Central Securities Depository (JCSD) RTGS account as facilitated by its depository software, which is closely coupled to the JSE's trading system.

Is the Circuit Breaker Rule applicable to the JDR Market?

Yes