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Inside the



Editor's Note

In Issue 16 of "Inside the  aspects of JSE's Model Code for Securities Transaction by Directors and Senior Executives of Listed Companies continues to be featured. We also present a summary of the Regulatory Market Oversight Division's Market Surveillance and Compliance activities for the period January to June 2016. In addition, pictorial highlights are presented of the RMOD's participation in Company Secretary Orientation and Listing Ceremonies. We also profile Ms. Dian Black in our regular recurring feature to introduce members of the Regulatory and Market Oversight Committee (RMOC) of the JSE. 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 7 & JSE Junior Market Rule, Part 7: Model Code for Securities Transaction by Directors and

As promised additional provisions of **JSE Rule Appendix 7 and JSE Junior Market Rule, Part 7** will be further highlighted in this issue of 'Inside the RMOD'. Just a reminder that the aforementioned Rules were amended and came into effect on July 8, 2015. Both Rules cover securities transaction by Directors and Senior Executives of Listed Companies. Both the Main and Junior Market Rules provisions are the same. The additional provisions are as follows:

Possession of price-sensitive information

5. Notwithstanding paragraph 4 above, save as permitted by section 51 of the Securities Act affected persons must not deal in securities as long as they are in possession of price-sensitive information.

Exemptions

6. The following categories of dealings are exempted from the restrictions in paragraph 4 (but not from the restriction in paragraph 5):-

- the exercise of options or rights under an employee share or share option scheme;
- the conversion of convertible securities;
- The acceptance of entitlements under an issue or offer of securities, where such issue or offer is made available to all holders of a listed company's securities or to all holders of a relevant class of its securities, on the same terms;
- The undertaking to accept, or the acceptance of a take-over offer; and
- The undertaking to accept, or the acceptance of securities as part of a merger by way of scheme of arrangement

7. For the avoidance of doubt, it is hereby stated that subsequent dealings in any securities obtained as a result of the dealings stated in paragraph 6 are not exempted from the restrictions in paragraphs 4 and 5.

Procedure for dealings during closed periods

8. Notwithstanding the provisions of paragraph 4, (but without derogating from the restriction in paragraph 5), affected persons may deal in securities during a closed period subject to such affected persons complying with the following conditions:-

(a) Prior to the proposed dealing, an announcement must be made by the affected person to the designated officer of the Listed Company accompanied by notification in writing to the Chairman (or other director appointed for the specific purpose of receiving such notification). The announcement shall state, amongst other things:-

(i) the affected person's current holdings of securities in the listed company whose securities are the subject of a proposed dealing, (hereafter referred to as the "affected company"); and

(ii) the affected person's intention to deal in the securities of the affected company during a closed period;

(iii) Affected persons who deal in securities during a closed period will be required to give a reason for the trade(s).

To be continued in our next issue of "Inside the RMOD".



Subsequent dealings

Pictorial Highlights



Key Insurance Co. Ltd — Company Secretary Orientation



Caribbean Cement Co. Ltd — Company Secretary Orientation



Portland JSX Limited — Listing Ceremony

The RMOD's Market Surveillance & Compliance Report For the Six (6) Months ended January to June 2016



RULES TO REMEMBER!

Appendix 8 Policy Statement on Timely Disclosure

D. Developments to be Disclosed (Cont'd from last issue)

Other actual or proposed developments that are likely to give rise to material information and thus to require prompt disclosure include, but are not limited to, those listed below. Of course, any development must be material according to the definition of material information before disclosure is required. Many developments must be disclosed at the proposed stage or before an event actually occurs, if the proposal gives rise to material information at that stage. Announcements of an intention to proceed with it by the Board of Directors of the company or by senior management with the expectation of concurrence from the Board of Directors.

1. Changes in share ownership that may affect control of the company.
2. Changes in corporate structures, such as reorganizations, amalgamations, etc.
3. Take-over bids
4. Major Corporate acquisitions or dispositions

In our next issue of "Inside the RMOD" further details will be provided on Appendix 8—Developments to be Disclosed.

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.
5. Monitor member dealers trading activities, investigation of trading activities and enforcement of the Exchange's Rules.

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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
2. Fax to 876-967-3275
3. Mail to: **The Chief Regulatory Officer
Regulatory & Market Oversight Division
Jamaica Stock Exchange
40 Harbour Street
Kingston**

Also, the public can send enquiries to rmod@jamstockex.com or call the toll free number at 1-888-429-5678 for further information.

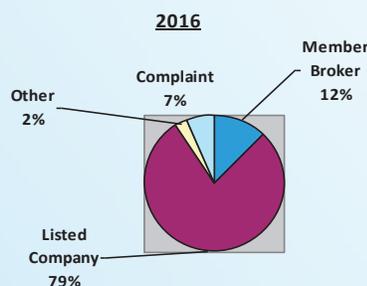
For the period January 2016 to June 2016 the Regulatory and Market Oversight Division (RMOD) of the Jamaica Stock Exchange (JSE) handled one hundred and sixty-nine (169) regulatory issues which formed its Market Surveillance and Compliance Activities. The total number of issues handled over the comparative period in 2015 was ninety-six (96). **Table 1** below provides a tabulation of the regulatory issues over the current and comparative periods.

Table 1 - Regulatory Issues by Type & Group (2016/2015)

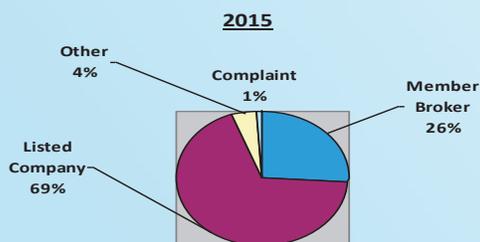
Year	2016	2015
Nature of Infraction	Total	
Complaints on Member-dealers	4	0
Complaints on Listed Companies	7	1
Compliance & Mkt. Surveillance- Member-dealers	21	25
Compliance & Mkt. Surveillance -Listed Company	133	66
Other Compliance & Mkt. Surveillance Issues.	4	4
Total	169	96

For the period January 2016 to June 2016 the number of regulatory issues identified amounted to one hundred and sixty-nine (169), which represents an increase of seventy-three (73) or 76% when compared to the corresponding period in 2015. Listed Companies had largest increase in regulatory issues when compared to the 2015 comparative period. It should be noted Listed Companies' regulatory issues include the RMOD's request of twenty (20) Listed Companies to provide additional information in a particular financial account for their Unaudited Interim filings. Further, RMOD's Market Surveillance & Compliance activities treated with some member-dealers' contravention of elements of JSE Rule 311 and the Securities Act of Jamaica, Section 40.

Infraction Type & Group %



Infraction Type & Group %



In closing, the RMOD wishes to state it continues to realize a high closure rate for regulatory issues handled. The number of regulatory issues closed by the RMOD as at June 30, 2016 amounted to one hundred and fifty-nine (159) or 94% of the one hundred and sixty-nine (169) issues that were handled. For the comparative 2015 period the closure rate was 95%.

Inside the RMOD Introduces Ms. Dian Black



Ms. Dian Black is the Principal Director of the Debt Management Branch (DMB) in the Ministry of Finance & the Public Service and has over 15 years' experience dealing with public debt-related affairs.

She is responsible for leading the strategic and operational activities of the DMB in raising adequate levels of funding to satisfy the Government's budgetary needs, while balancing the trade-offs in costs and risks. In her capacity as PD, she gives policy advice on debt management matters to senior officials in the Ministry and provides the necessary interface between the JSE and the Government. Similarly, Ms. Black represents the Government of Jamaica on matters relating to public debt.

She is a member of the Professional Risk Managers' International Association (PRMIA) and is Jamaica's representative on the Latin American and Caribbean (LAC) Debt Group Steering Committee. Ms. Black serves on several JSE sub-committees including the Listing, Member Dealer Admission and Regulatory and Market Oversight.