



# Jamaica Stock Exchange's Monthly Regulatory Report May 2017

# **Jamaica Stock Exchange May 2017 Regulatory Report**

## **Overview**

This is the Jamaica Stock Exchange's (JSE) May 2017 Monthly Regulatory Report. The report gives a synopsis of the following regulatory activities:

1. Member-dealers' reporting,
2. Listed companies' submissions,
3. Market surveillance and compliance activities,
4. Regulatory breaches and enforcement actions.

## **Member-Dealers' Reporting**

In accordance with JSE Rule 209 (A) member-dealers were required to file Monthly Reports for the period ended April 30, 2017 by May 31, 2017. For the reporting period, thirteen (13) Monthly Reports were due and submitted on time.

Based on JSE Rule 209 (B) member-dealers were required to file Quarterly Reports for the period ended April 30, 2017 by May 31, 2017. For the reporting period, one (1) Quarterly Report was due and submitted on time.

Under JSE Rule 209 (C) member-dealers with financial year ended February 28, 2017 were required to file their Audited Reports by May 31, 2017. No Audited Reports were due, hence no filings were received.

The aggregate compliance rate for member-dealers' filing of their Monthly, Quarterly and Audited Reports for the month ended May 31, 2017 was 100%. For the 2016 comparative period member-dealers' aggregate compliance rate was also 92%.

The RMOD wishes to advise that as a result of its processing of matters pertaining to JSE's Trade Quotations, information on member-dealers' financial condition as at April 30, 2017 is not represented in this publication.

## **Listed Companies Submissions**

During the month of May 2017 Listed Companies were required to file Unaudited Reports for the period ended March 31, 2017 by May 15, 2017. Listed Companies with year ended March 31, 2017 that selected the 60-days filing option were required to file Audited Statements by May 30, 2017. Listed Companies with year ended February 28, 2017 that selected a 90-days filing option were required to file their Audited Statements by May 29, 2017. Additionally, Listed Companies with year ended January 31, 2017 were required to file Annual Reports by May 31, 2017. The filing statistics are represented in Table 1 below:

**Table 1**

<b>Listed Companies' Financial Submissions</b>								
<b>May 2017</b>					<b>May 2016</b>			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	39	38	0	1	41	40	1	0
Audited	11	9	0	2	13	9	2	2
Annual	0	0	0	0	0	0	0	0

*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 Activities**

The JSE's tally of market surveillance and compliance issues as at May 31, 2017 amounted to Forty Eight (48) versus Twenty-Six (26) for the comparative month last year. Further statistics of JSE's market surveillance and compliance activities are presented in Table 2 below.

**Table 2**

<b>Market Surveillance &amp; Compliance Log</b>					
<b>Total Issues</b>		<b>Issues Closed</b>		<b>Issues Unclosed</b>	
<b>May 2017</b>	<b>May 2016</b>	<b>May 2017</b>	<b>May 2016</b>	<b>May 2017</b>	<b>May 2016</b>
48	26	41	21	7	5
<b>Y-T-D '17</b>	<b>Y-T-D '16</b>	<b>Y-T-D '17</b>	<b>Y-T-D '16</b>	<b>Y-T-D '17</b>	<b>Y-T-D '16</b>
<b>121</b>	<b>103</b>	<b>113</b>	<b>95</b>	<b>8</b>	<b>8</b>

### **List of Regulatory Breaches and Enforcement Actions**

In Table 3 below is the list of regulatory breaches and enforcement actions for the period ended May 31, 2017:

**Table 3**

<b>#</b>	<b>Entity</b>	<b>Code</b>	<b>Rule</b>	<b>Details</b>
1	Kingston Properties Limited	MMC	JSE Rule Appendix 3, Listing Agreement, Section 8	KPREIT forwarded its Annual Report to shareholders on April 27, 2017, which was twenty (20) days in advance of its AGM on May 16, 2017. As a consequence the company breached JSE Rule Appendix 3, Listing Agreement, Section 8. The Company was subjected to JSE Rule Appendix 3, Section 16 (i).
2	Sagicor Group Jamaica	MMC	1. JSE Rule Appendix 3 – Listing Agreement, Sections	The Company provided notification on April 27, 2017 of

	Limited		(4a) & (18), &	dealings in its securities by a Connected Party on March 24, 2017. Given JSE Rules the notice to the Exchange was twenty-nine (29) days late. Consequently, the company was subjected to JSE Rule Appendix 3, Section 16 (i).
3	Caribbean Cement Company Limited	MMC	JSE Rule 409 – Annual Report	The Company's Annual Report for the year ended December 31, 2016, which became due on April 30, 2017, was submitted on June 9, 2017. The Company in correspondences to the JSE advised of the delay. Due to the filing of the Annual Report on June 9, 2017 the Company breached JSE Rule 409 and was subjected to JSE Rule Appendix 3, Section 16 (vii).
4	C2W Music Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) – Annual Reports and Audited Financial Statements	The Company's Annual Report for the year ended December 31, 2016, which became due on April 30, 2017, was submitted on June 14, 2017. The Company provided notification to the JSE of the delay. Due to the filing of the Annual Report on June 14, 2017 the Company breached JSE Junior Market Rule Appendix 2, Part 4 (3).
5	Consolidated Bakeries Jamaica Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) – Annual Reports and Audited Financial Statements	The Company's Annual Report for the year ended December 31, 2016, which became due on April 30, 2017, has been outstanding since May 1, 2017. The Company provided notification to the JSE of the delay.
6	Derrimon Trading Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) – Annual Reports and Audited Financial Statements	The Company's Annual Report for the year ended December 31, 2016, which became due on April 30, 2017, has been outstanding since May 1, 2017. The Company provided notification to the JSE of the delay.
7	General Accident Insurance Company Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) – Annual Reports and Audited Financial Statements	The Company's Annual Report for the year ended December 31, 2016, which became due on April 30, 2017, was submitted on May 26, 2017. The Company provided

				notification to the JSE of the delay. Due to the filing of its Annual Report on May 26, 2017, the Company breached JSE Junior Market Rule Appendix 2, Part 4 (3).
8	KLE Group Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) – Annual Reports and Audited Financial Statements	The Company’s Annual Report for the year ended December 31, 2016, which became due on April 30, 2017, was submitted on June 5, 2017. The Company provided notification to the JSE of the delay. Due to the filing of its Annual Report on June 5, 2017, the Company breached JSE Junior Market Rule Appendix 2, Part 4 (3).
9	Sagikor Real Estate X Fund Limited	MMC	JSE Rule 409 – Annual Report	The Company’s Annual Report for the year ended December 31, 2016, which became due on April 30, 2017, was submitted on May 3, 2017. Consequently the company was subjected to JSE Rule Appendix 3, Section 16 (vii).
10	Seprod Group Limited	MMC	JSE Rule 409 – Annual Report	The Company’s Annual Report for the period ended December 31, 2016, which became due on April 30, 2017, was submitted on May 5, 2017. Consequently the Company was subjected to JSE Rule Appendix 3, Section 16 (vii).
11	BCW Holdings Limited	M/D	JSE Rule 209a – Financial Returns – Monthly Returns	The firm’s Monthly Return for the month ended March 31, 2017, which became due on May 1, 2017 was submitted on May 5, 2017. Consequently, the firm was subjected to JSE Rule 211 (A).
12	BCW Holdings Limited	M/D	JSE Rule 209b – Financial Returns – Quarterly Returns	The firm’s Quarterly Return for the period ended March 31, 2017, which became due on May 1, 2017 was submitted on May 10, 2017. Consequently, the firm was subjected to JSE Rule 211 (A).
13	Knutsford Express Services Limited	JMC	1. JSE Junior Market Rule Appendix 2, Part 7, Model Code for Securities Transactions, Section 4 (c) 2. JSE Junior Market Rule	A director traded in the company’s shares on March 30, 2017, which occurred in the Blackout Period. Given details provided in the notice, the director breached JSE Junior Market Rule Appendix

			Appendix 2, Part 7, Sections 8 (a) and (b) – Procedures for dealing during the Closed Periods.	2, Part 7, Model Code for Securities Transactions, Section 4 (c) and did not adhere to the requirements of JSE Junior Market Rule Appendix 2, Part 7, Sections 8 (a) and (b) – Procedures for dealing during the Closed Periods. In correspondence dated April 19, 2017, the company informed that the director has indicated that the transaction was done in error. The Company also informed that the Audit Committee was made aware of the transaction on March 31, 2017 and assures the JSE that there was no intentional breach of the Rules.
14	C2W Music Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (1a) (i) – Quarterly Financial Statements	The Company's 1 <sup>st</sup> Quarter Financial Statements for the period ended March 31, 2017 which became due on May 15, 2017, has been outstanding since May 16, 2017. The Company provided notification to the JSE of the delay.
15	1834 Investments Limited	MMC	JSE Rule 408 – Audited Annual Financial Statements	The Company's Audited Financial Statements for the year ended March 31, 2017, which became due on May 30, 2017, has been outstanding since May 31, 2017. The Company provided notification to the JSE of the delay.
16	Radio Jamaica Limited	MMC	JSE Rule 408 – Audited Annual Financial Statements	The Company's Audited Financial Statements for the year ended March 31, 2017, which became due on May 30, 2017, was submitted on June 2, 2017. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vi).

**Code Key:**

1. JMC – Junior Market Company
2. MMC – Main Market Company
3. M/D – Member-Dealer
4. O – Others

The RMOD undertakes enforcement actions as prescribed by the JSE rules. Enforcement actions take the form of fines; suspension and delisting that are imposed on entities that are found to be in breach of the rules and regulations of JSE.