Jamaica Stock Exchange's Monthly Regulatory Report February 2019

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Overview

This is the Jamaica Stock Exchange's (JSE) February 2019 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 January 31, 2019 by March 3, 2019. 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 January 31, 2019 by March 3, 2019. 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 November 30, 2018 were required to file their Audited Reports by February 28, 2019. For the reporting period no Audited Reports were due, hence no filings were made.

The aggregate compliance rate for member-dealers' filing of Monthly, Quarterly and Audited Reports for the period ended February 28, 2019 was 100%. For the 2018 comparative period, member-dealers' aggregate compliance rate was 92%. For the period, all member-dealers satisfied the JSE's Excess Net Free Capital (ENFC) requirement as prescribed by JSE Rule Appendix 12 – Member/Dealers' Report and Financial Information, which is represented in Table 1 below.

Table 1

Member-Dealers' Excess Net Free Capital (ENFC) as at January 31, 2019		
ENFC Range($M)	**# Of Member-Dealers Jan 2019**	**# Of Member-Dealers Jan 2018**
Below 0	0	1
0 - 299	1	2
300 – 899	4	3
900 – 1,999	4	1
2,000 – 5,999	3	3
6,000 and above	1	2

Listed Companies' Submissions

Listed Companies were required to file Unaudited Reports for the period ended December 31, 2018 by February 14, 2019. Additionally, Listed Companies with year ended October 31, 2018 was required to file Annual Reports by February 28, 2019. The filing statistics are represented in Table 2 below:

Table 2

Listed Companies' Financial Submissions								
	February 2019				February 2018			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	38	35	2	1	34	28	5	1
Audited	0	0	0	0	0	0	0	0
Annual	4	4	0	0	3	3	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

Market surveillance and compliance issues that were brought to the attention of the JSE as at February 28, 2019 amounted to Twenty-Three (23) versus Forty-Three (43) for February 2018. Further statistics of JSE's market surveillance and compliance activities are presented in Table 3 below.

Table 3

Market Surveillance & Compliance Log					
Total Issues		Issues Closed		Issues Unclosed	
Feb 2019	Feb 2018	Feb 2019	Feb 2018	Feb 2019	Feb 2018
23	43	21	42	2	1
Y-T-D '19	Y-T-D '18	Y-T-D '19	Y-T-D '18	Y-T-D '19	Y-T-D '18
43	73	39	72	4	1

List of Regulatory Breaches and Enforcement Actions

The list of regulatory breaches and enforcement actions for the period ended February 28, 2019 is presented at Table 4.

Table 4

#	Entity	Code	Rule	Details
1	Sweet River Abattoir & Supplies Co. Ltd.	JMC	1. JSE Junior Market Rule Appendix 2, Part 4 (3) - Annual Report. 2. JSE Junior Market Rule 505 – Ongoing Requirements Part 10 – Financial Reporting. 3. JSE Junior Market Rule Appendix 4, Section 2 – Admission Agreement	The Company's Annual Report for the year ended March 31, 2018, which became due on July 29, 2018, was submitted on March 4, 2019. Due to the late submission the company breached the rules of the JSE's Junior Market. As a consequence of having its Annual Report outstanding and breaching other requirement of the JSE's Junior Market Rules, trading in the company's securities was suspended on March 4, 2019 in accordance with JSE Junior Market Rule 505, Section 14 (a) (i). Trading was reinstated on March 7, 2019 following the company's satisfaction of all outstanding requirements.
2	Honey Bun Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) – Annual Report	The Company's Annual Report for the year ended September 30, 2018, which became due on January 28, 2019, was submitted on March 4, 2019.
3	Sweet River Abattoir & Supplies Co. Ltd.	JMC	1. JSE Junior Market Rule Appendix 2, Part 5, Section 4 (d) (iii) – Requirements for Timely Disclosure of Information 2. JSE Junior Market Rule 505 – Ongoing Requirements Part 11 – Timely Disclosure 3. JSE Rule Appendix 4, Section 2 – Admission Agreement	The company failed to comply with request from the JSE to provide an update to the market regarding its lease renewal for its offices. Due to this, the company breached JSE Junior Market Rule 505 – Ongoing Requirements- Part 11 – Timely Disclosure. As a consequence of the breach and its failure to satisfy other requirement of the JSE's Junior Market Rules, trading in the company's securities was suspended on March 4, 2019 in accordance with JSE Junior Market Rule 505, Section 14 (a) (i). The company provided a disclosure of its lease renewal on March 5, 2019. Trading was reinstated on March 7, 2019 following the company's satisfaction of all outstanding requirements.
4	1834 Investments Limited	MMC	JSE Rule 407 – Quarterly Financial Statements	The Company's 3rd Quarter Unaudited Financial Statements for the period ended December 31, 2018, which became due on February 14, 2019, is outstanding as at February 15, 2019. The Company provided a notice of the delay.
5	Seprod Group Limited	MMC	JSE Rule 407 – Quarterly Financial Statements	The Company's 4th Quarter Unaudited Financial Statements for the period ended

				December 31, 2018, which became due on February 14, 2019, was submitted on February 18, 2019. Consequently the company was subjected to JSE Rule Appendix 3, Section 16 (v).

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.