Jamaica Stock Exchange's Monthly Regulatory Report January 2020

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Overview

This is the Jamaica Stock Exchange's (JSE) January 2020 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 December 31, 2019 by January 31, 2020. 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 December 31, 2019 by January 31, 2020. For the reporting period, twelve (12) Quarterly Reports were due and submitted on time.

Under JSE Rule 209 (C) member-dealers with financial year ended October 31, 2019 were required to file their Audited Reports by January 31, 2020. For the reporting period, one (1) Audited Report was due and submitted on time.

The aggregate compliance rate for member-dealers' filing of Monthly, Quarterly and Audited Reports due for the month ended January 31, 2020 was 100%. For the 2019 comparative period, member-dealers' aggregate compliance rate was 93%. For the reporting period ended December 31, 2019, 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 December 31, 2019		
ENFC Range($M)	**# Of Member-Dealers Dec 2019**	**# Of Member-Dealers Dec 2018**
Below 0	0	0
0 - 299	1	1
300 – 899	3	6
900 – 1,999	4	3
2,000 – 5,999	2	0
6,000 and above	3	3

Listed Companies' Submissions

Listed Companies were required to file Unaudited Reports for the period ended November 30, 2019 by January 14, 2020. Listed Companies with year ended October 31, 2019 that selected the 90-days filing option were required to file Audited Statements by January 29, 2020. Listed Companies with year ended September 30, 2019 were required to file Annual Reports by January 28, 2020. The filing statistics are represented in Table 2 below:

Table 2

Listed Companies' Financial Submissions								
	January 2020				January 2019			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	8	8	0	0	8	8	0	0
Audited	1	1	0	0	1	1	0	0
Annual	8	5	1	2	7	6	0	1

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 for the month of January 2020 amounted to Thirteen (13) versus Twenty (20) for the comparative period. 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	
Jan 2020	Jan 2019	Jan 2020	Jan 2019	Jan 2020	Jan 2019
13	20	9	16	4	4
Y-T-D '20	Y-T-D '19	Y-T-D '20	Y-T-D '19	Y-T-D '20	Y-T-D '19
13	**20**	**9**	**16**	**4**	**4**

List of Regulatory Breaches and Enforcement Actions

The list of regulatory breaches and enforcement actions for the period ended January 31, 2020 is presented at Table 4.

Table 4

#	Entity	Code	Rule	Details
1	Consolidated Bakeries Jamaica Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) - Annual Report	The Company's Annual Report for the year ended December 31, 2018, which became due on April 30, 2019, is outstanding as at the end of January 2020.
2	Sweet River Abattoir & Supplies Co. Ltd.	JMC	JSE Junior Market Rule, Appendix 2, Ongoing Requirements, Part 4 (1)(a) (ii) – Audited Annual Financial Statements	The Company's Audited Financial Statement for the period ended March 31, 2019, which became due on June 29, 2019, is outstanding as at the end of January 2020. The Company was suspended on August 9, 2019 for its breaches of the JSE's Junior Market Rules and failure to address the breaches in a timely manner.
3	Sweet River Abattoir & Supplies Co. Ltd.	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) - Annual Report	The Company's Annual Report for the year ended March 31, 2019, which became due on July 29, 2019, is outstanding as at the end of January 2020. The Company was suspended on August 9, 2019 for its breaches of the JSE's Junior Market Rules and failure to address the breaches in a timely manner.
4	Sweet River Abattoir & Supplies Co. Ltd.	JMC	JSE Junior Market Rule Appendix 2, Ongoing Requirements, Part 4 1 (a) (i) – Quarterly Financial Statements	The Company's 1st Quarter Unaudited Financial Statements for the period ended June 30, 2019, which became due on August 14, 2019, is outstanding as at the end of January 2020. The Company was suspended on August 9, 2019 for its breaches of the JSE's Junior Market Rules and failure to address the breaches in a timely manner.
5	SSL Venture Capital Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) - Annual Report	The Company's Annual Report for the year ended June 30, 2019, which became due on October 28, 2019, is outstanding as at the end of January 2020.
6	Sweet River Abattoir & Supplies Co. Ltd.	JMC	JSE Junior Market Rule Appendix 2, Ongoing Requirements, Part 4 1 (a) (i) – Quarterly Financial Statements	The Company's 2nd Quarter Unaudited Financial Statements for the period ended September 30, 2019, which became due on November 14, 2019, is outstanding as at the end of January 2020. The Company was suspended on August 9, 2019 for its breaches of the JSE's Junior Market Rules and failure to address the breaches in a timely manner.

7	Sweet River Abattoir & Supplies Co. Ltd.	JMC	1. JSE Junior Market Rule 504 (1) (b) – Board Level Requirements 2. JSE Junior Market Rule 504 (2) (b) – Board Level Requirements 3. JSE Junior Market Rule 505 (5) – Ongoing Requirements, Board of Directors 4. JSE Junior Market Rule 500 (4) – High Level Principles, Board Level Requirements 5. JSE Junior Market Rule Appendix 4, Section 2 – Admission Agreement	Based on engagement with the Company on August 2, 2019, the JSE was informed that the Company did not have any independent non-executive directors as required by the JSE's Junior Market Rules. As a consequence the Company is unable to satisfy the JSE's Junior Market requirements as it relates to having an Audit Committee and a Remuneration Committee. Due to the circumstance, the Company breached the Board Level Requirements of the JSE's Junior Market Rules. The Company was suspended on August 9, 2019 for its breaches of the JSE's Junior Market Rules and failure to address the breaches in a timely manner.
8	138 Students Living Limited	MMC	JSE Rule 409 – Annual Report	The Company's Annual Report for the year ended September 30, 2019, which became due on January 28, 2020, is outstanding as at the end of January 2020.
9	QWI Investments Limited	MMC	JSE Rule 409 – Annual Report	The Company's Annual Report for the year ended September 30, 2019, which became due on January 28, 2020, was submitted on January 31, 2020. Consequently, the company was subjected to JSE Rule Appendix 3, Section 16 (vii).
10	Jamaican Teas Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (3) - Annual Report	The Company's Annual Report for the year ended September 30, 2019, which became due on January 28, 2020, was submitted on January 30, 2020.
11	Limners and Bards Limited	JMC	JSE Junior Market Rule Appendix 2, Part 8, 9 (b)	The Company provided notification on August 20, 2019 of dealings in its securities by a Director on the 5th, 7th and 8th of August 2019. Given the JSE Junior Market Rule Appendix 2, Part 8, Section 9 (b) the notices to the Exchange were accumulatively nineteen (19) days late.
12	Limners and Bards Limited	JMC	JSE Junior Market Rule Appendix 2, Part 8, 9 (b)	The Company provided notification on August 28, 2019 of dealings in its securities by a Senior Manager on August 9, 2019. Given the JSE Junior Market Rule Appendix 2, Part 8, Section 9 (b) the notices to the Exchange was twelve (12) days late.

13	Limners and Bards Limited	JMC	JSE Junior Market Rule Appendix 2, Part 8, 9 (b)	The Company provided notification on October 7, 2019 of dealings in its securities by a Senior Manager on the 7th, 9th, 13th and 21st of August 2019. Given the JSE Junior Market Rule Appendix 2, Part 8, Section 9 (b) the notices to the Exchange was one hundred and ninety-four (194) days late.

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.