



# Jamaica Stock Exchange's Monthly Regulatory Report June 2020

# Jamaica Stock Exchange June 2020 Regulatory Report

## Overview

This is the Jamaica Stock Exchange's (JSE) June 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 May 31, 2020 by July 1, 2020. For the reporting period, thirteen (13) Monthly Reports were due and of the thirteen (13) twelve (12) were submitted on time.

Based on JSE Rule 209 (B) member-dealers were required to file Quarterly Reports for the period ended May 31, 2020 by July 1, 2020. For the reporting period no Quarterly Report became due.

Under JSE Rule 209 (C) member-dealers with financial year ended March 31, 2020 were required to file their Audited Reports by May 31, 2020. For the reporting period, three (3) Audited Reports were due and of the three (3) two (2) were submitted on time.

The aggregate compliance rate for member-dealers' filing of Monthly, Quarterly and Audited Reports due for the reporting period ended May 31, 2020 was 88%. For the 2019 comparative reporting period, member-dealers' aggregate compliance rate was 94%. For the reporting period ended May 31, 2020, 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**

<b>Member-Dealers' Excess Net Free Capital (ENFC) as at May 31, 2020</b>		
<b>ENFC Range(\$M)</b>	<b># Of Member-Dealers May 2020</b>	<b># Of Member-Dealers May 2019</b>
Below 0	0	0
0 - 299	0	0
300 – 899	7	5
900 – 1,999	1	3
2,000 – 5,999	3	3
6,000 and above	2	2

## Listed Companies' Submissions

Listed Companies were required to file Unaudited Reports for the period ended April 30, 2020 by June 14, 2020. Listed Companies with year ended April 30, 2020 that selected the 60-days filing option were required to file Audited Statements by June 29, 2020. Listed Companies with year ended February 29, 2020 were required to file Annual Reports by June 28, 2020. The filing statistics are represented in Table 2 below:

**Table 2**

Listed Companies' Financial Submissions								
June 2020					June 2019			
Reports	Total Due	Timely Filing	Late	Outstanding/ Extension Relief*	Total Due	Timely Filing	Late	Outstanding
Unaudited	5	5	0	0	3	3	0	0
Audited	3	0	0	3*	3	1	0	2
Annual	2	2	0	0	2	2	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.*

*\* Due the impact of the Covid-19 pandemic, the JSE granted a further extension to companies who applied for extension relief ahead of the filing of their Audited Financial Statements due June 30, 2020. Consequently, these reports had a revised due date of July 15, 2020. Therefore, the reports listed as outstanding as at June 2020 were not deemed to be in breach of the JSE rules due to the extension relief provided.*

## Market Surveillance and Compliance Activities

Market surveillance and compliance issues that were brought to the attention of the JSE for the month of June 2020 amounted to twenty-three (23) versus fourteen (14) 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	
June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
23	14	23	9	0	5
Y-T-D '20	Y-T-D '19	Y-T-D '20	Y-T-D '19	Y-T-D '20	Y-T-D '19
117	171	109	161	8	10

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

The list of regulatory breaches and enforcement actions for the period ended June 30, 2020 is presented at Table 4.

**Table 4**

<b>#</b>	<b>Entity</b>	<b>Code</b>	<b>Rule</b>	<b>Details</b>
1	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 June 2020.
2	Consolidated Bakeries Jamaica Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (2) (a)(i) – Audited Annual Financial Statements	The Company's Audited Financial Statement for the period ended December 31, 2019, which became due on February 29, 2020, was submitted on June 2, 2020. Due to the filing of the Audited Financial Statement on June 2, 2020 the Company breached JSE Junior Market Rule Appendix 2, Part 4 (2) (a) (i).
3	138 Student Living Jamaica Limited	MMC	JSE Main Mkt - JSE Rule 407 – Quarterly Financial Statements	The Company's 2nd Quarter Unaudited Financial Statements for the period ended March 31, 2020 that was filed with the JSE on May 12, 2020 and resubmitted on May 13, 2020, had a discrepancy in the Statement of Comprehensive Income as it relates to the reporting of Income for the six (6) months period ended March 2019, which further impacted the Company's EPS. The discrepancy was deemed to be material thus the Company's financial statement contravened IAS 1.7 and JSE Rule 407. The Company filed an amended Statement on May 18, 2020, which satisfied JSE Rule 407 – Quarterly Financial Statements.
4	Ciboney Group Limited	MMC	JSE Main Mkt - JSE Rule 407 – Quarterly Financial Statements	The Company's 3rd Quarter Unaudited Financial Statements for the period ended February 29, 2020 that was filed with the JSE on April 9, 2020 and resubmitted on May 22, 2020, had discrepancies as it relates to the reporting of Loss for the nine (9) months period ended February 2019 in the Statement of Comprehensive Income versus the loss reported in the Statement of Changes in Equity. The discrepancies further impacted the Company's Statement of Financial Position, Equity Balance. The discrepancies were deemed to be material thus the Company's financial statement contravened IAS 1.7 and JSE Rule 407 –

				Quarterly Financial Statements. The Company filed an amended Statement on May 22, 2020, which satisfied JSE Rule 407 – Quarterly Financial Statements.
5	Limners and Bards Limited	JMC	JSE Junior Mkt Rule Appendix 2, Part 8, Section 9 (b)	The Company provided notification on November 12, 2019 of dealings in its securities by a Director on October 29, 2019. Given JSE Junior Market Rule Appendix 2, Part 8, 9 (b) the notices to the Exchange were accumulatively twelve (12) 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.