

INSIDE THE RMODTM



Editor's Note

In Issue 24 of "Inside the RMOD" we present our 2020 half year Market Surveillance and Compliance Report. We also share pictorial highlights of RMOD's involvement in activities for the period May 2020- October 2020. In our feature - Market Watch, we explore Corporate Governance Guidelines. We also profile Mr. Reynard Whyte, our Senior Market Surveillance and Compliance Officer. To our readers, we welcome you to this issue of "Inside the RMOD" and hope that you enjoy!

In This Issue

Market Surveillance & Compliance Report :January - June 2020
Pages 1

Market Awareness Page
Page 2

Market Watch - Corporate Governance Guidelines
 Did you Know - Ex-Dividend
 In a Nutshell - Last Traded Price vs. Close Price

RMOD Activities & Pictorial Highlights
Page 3

Inside the RMOD Presents
.....Mr. Reynrd Whyte
Page 3

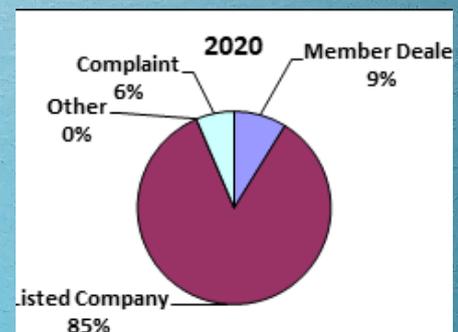
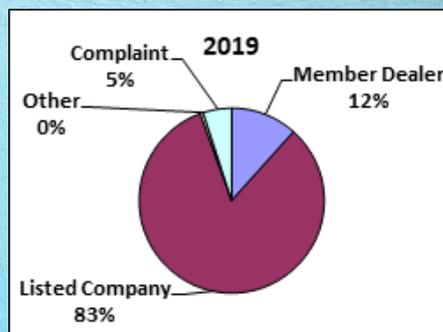
Rules to Remember - JSE Rule 410- Communication of Amendment of Financial Statements
Page 4

The RMOD's Market Surveillance & Compliance Report For January to June 2020

For the period January 2020 to June 2020 the Regulatory and Market Oversight Division (RMOD) of the Jamaica Stock Exchange (JSE) handled one hundred and twenty - five (125) regulatory issues, and continued to realize a case closure rate of over 90% which is a key performance indicator for the Division. A summary of the regulatory issues handled by the Division during the period, is presented in Table 1 below.

Table 1 - Regulatory Issues by Type & Group (2020/2019)

Year	2020	2019
Nature of Infraction		
Total		
Complaints on Member-dealers	2	3
Complaints on Listed Companies	3	5
Complaints on Other Market Participants	3	1
Compliance & Mkt. Surveillance- Member-dealers	11	21
Compliance & Mkt. Surveillance -Listed Company	106	149
Other Compliance & Mkt. Surveillance Issues.	0	1
Total	125	180



During the period January to June 2020, the Division handled 32% less regulatory issues, when compared to the same period in the previous year. The Division maintained a closure rate of 94%,when compared to the period January to June 2019.

Market Watch :

Corporate Governance Guidelines

In this issue of market watch, we take a closer look at JSE Rule 414 and JSE Junior Market Rule 506, which both treat with Corporate Governance Guidelines for the Main and Junior markets respectively. Before we indulge in the JSE rule requirements, we first want to look at what is corporate governance and why should it be important to investors.

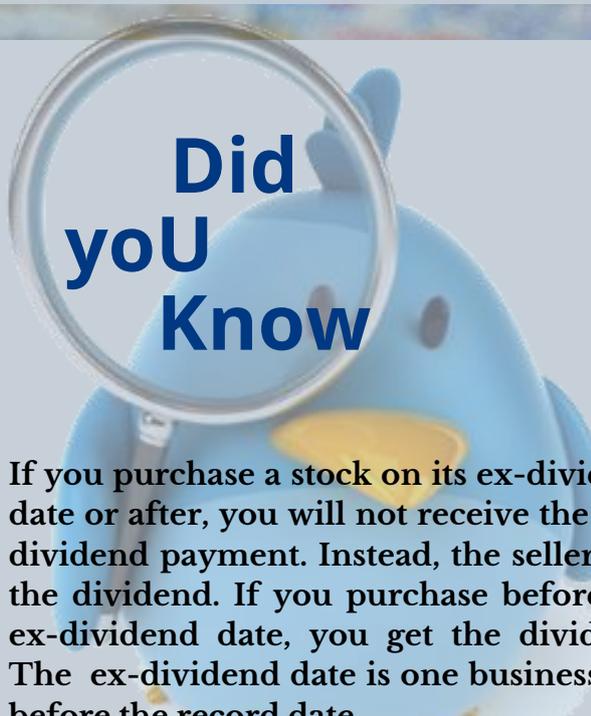
According to the International Finance Corporation (IFC), a member of the World Bank Group, corporate governance is defined as *"the structures and processes by which companies are directed and controlled."* When companies have good corporate governance it helps them to operate more efficiently, mitigate risk and safeguard against mismanagement, resulting in companies being more accountable and transparent to investors.

Listed companies, must ensure that their corporate governance policy address the following areas as prescribed by JSE Main Market Rule 414 and JSE Junior Market Rule 506:

- A. Board - Directors qualification standards, their duties and responsibilities , their access to management, their compensation, annual performance evaluation of Directors and the Board balance and independence.
- B. Management - Management Succession plan should include policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the CEO.
- C. Accountability and Audit.

In addition to the above, companies are required to :

- Publish their corporate governance guidelines on or through their website.
- Submit to the JSE their Corporate Governance policy statement and must immediately inform the Exchange when changes are made.
- Review their Corporate Governance guidelines every two years and advise the Exchange of the outcome.
- State in their annual report that their corporate governance guidelines are available on their website and provide the website address.



**Did
you
Know**

If you purchase a stock on its ex-dividend date or after, you will not receive the next dividend payment. Instead, the seller gets the dividend. If you purchase before the ex-dividend date, you get the dividend. The ex-dividend date is one business day before the record date.



**in a
nutshell**
**LAST TRADED PRICE VS CLOSE
PRICE**

At the JSE, the Last Traded Price is the price of the last trade executed for the day. The Close Price, is the volume weighted average of all the trades that were done during the trade day.

RMOD Activities & Pictorial Highlights

Since the last issue of “Inside the RMOD,” the Division participated in two (2) listing ceremonies and conducted five (5) JSE Rules Orientation Sessions.

Given COVID-19 protocols, all orientation sessions were conducted virtually.

Listing Ceremonies:

- Community & Workers of Jamaica Credit Union Limited - July 21, 2020
- Tropical Battery Jamaica Limited - October 21, 2020



Community & Workers of Jamaica Credit Union Limited Listing Ceremony

JSE Rules Orientation Session:

- Key Insurance Company Limited - June 26, 2020
- iCreate Limited - July 1, 2020
- Kingston Wharves Limited - July 8, 2020
- Community & Workers of Jamaica Credit Union Limited - October 14, 2020
- Tropical Battery Jamaica Limited - October 28, 2020



Key Insurance Company Limited - Orientation Session

We invite you to visit the RMOD’s News webpage

<https://www.jamstockex.com/category/rmod-news/> for updated reviews on RMOD’s activities.

Inside the RMOD Presents: Mr. Reynard Whyte

Mr. Reynard Whyte joined the JSE in 2017 in the position of Market Surveillance and Compliance Officer. Before joining the JSE, Mr. Whyte served as a Cambio Inspector at the Bank of Jamaica (BOJ) where he assessed the operations of cambios and primary dealers to ensure compliance with the BOJ Operating Directions and adherence to the money laundering regulations of the Proceeds of Crime Act (POCA).

Based on performance as Market Surveillance and Compliance Officer, he was promoted in 2020, to Senior Market Surveillance and Compliance Officer, RMOD. During this time, Mr. Whyte spearheaded the quality assurance testing of alerts from the Nasdaq System and led the development of the JSE’s Market Surveillance Manual. Mr. Whyte has also conducted research which assisted with the development of rules for the JSE’s Main, Junior and Private Markets.

Mr. Whyte has over 10 years’ experience in the financial sector. He is a graduate of the University of Technology with a Bachelor of Business Administration in Finance (major) and International Business (minor) (Hons). He also possesses a Post-Graduate Diploma in Financial Services Management from the Jamaica Stock Exchange E-campus



Processing of Complaints

The RMOD welcomes information from all stakeholders who believe that a market infraction relating to Listed Companies, member-dealers, trading activities and other related matters has occurred.

Please note that a complaint may also be referred to other regulatory bodies.

Complaints are made via the RMOD's complaint form, which are available on the RMOD's page at www.jamstockex.com, at the JSE Office or you could request that a form be emailed to you via telephone or email to RMOD@jamstockex.com or

You can also mail the complaint to:
The Chief Regulatory Officer
Regulatory & Market Oversight Division
Jamaica Stock Exchange
40 Harbour Street
Kingston, Jamaica

The Complaint Process:

Once a complaint is logged at the RMOD, a letter acknowledging receipt will be issued. Thereafter a process of assessment will be undertaken. As a matter of practice, and in keeping with the the rules of the JSE, the RMOD does not disclose the result of an investigation.



Rules to Remember!

JSE Rule 410 - Communication of Announcements

Communication of Amendment to Financial Statements

Where a listed company had inaccurately communicated to the Exchange or the public information in its Quarterly Financial Statements, Audited Annual Financial Statements and Annual Report, the Exchange will remove the financial statements from its website. Thereafter the company shall, without delay, notify the Exchange as to the reason for the change and publish the amended version on the JSE's website.

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.