



Jamaica Stock Exchange's Monthly Regulatory Report January 2022

Jamaica Stock Exchange January 2022 Regulatory Report

Overview

This is the Jamaica Stock Exchange's (JSE) January 2022 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 Returns for the period ended December 31, 2021, by January 31, 2022. For the reporting period, fourteen (14) Monthly Returns were due and of the fourteen (14) thirteen (13) were submitted on time.

In accordance with JSE Rule 209 (B) member-dealers were required to file Quarterly Returns for the period ended December 31, 2021, by January 31, 2022. For the reporting period, thirteen (13) Quarterly Returns were due and of the thirteen (13) twelve (12) were submitted on time.

Under JSE Rule 209 (C) member-dealers with financial year ended October 31, 2021, were required to file their Annual Returns by January 31, 2022. For the reporting period, one (1) Annual Returns were due and submitted on time.

The aggregate compliance rate for member-dealers' filing of financial returns due for the month ended January 31, 2022, was 93%. For the 2021 comparative reporting period, member-dealers' aggregate compliance rate was 85%. For the reporting period ended December 31, 2021, 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, 2021 | | |
|---|-------------------------------------|-------------------------------------|
| ENFC Range(\$M) | # Of Member-Dealers Dec 2021 | # Of Member-Dealers Dec 2020 |
| Below 0 | 0 | 0 |
| 0 - 299 | 2 | 1 |
| 300 – 899 | 5 | 3 |
| 900 – 1,999 | 1 | 4 |
| 2,000 – 5,999 | 2 | 2 |
| 6,000 and above | 4 | 3 |

Listed Companies' Submissions

Listed Companies were required to file Unaudited Reports for the period ended November 30, 2021, by January 14, 2022. Listed Companies with year ended November 30, 2021, were required to file Audited Reports by January 29, 2022. Listed Companies with year ended October 31, 2021, were also required to file Audited Reports by January 29, 2022. Listed Companies with year ended September 30, 2021 were required to file Annual Reports by January 28, 2022. The filing statistics are represented in Table 2 below:

Table 2

| Listed Companies' Financial Submissions | | | | | | | | |
|--|-----------|---------------|------|--------------------------------|---------------------|---------------|------|--------------------------------|
| January 2022 | | | | | January 2021 | | | |
| Reports | Total Due | Timely Filing | Late | Outstanding/ Extension Relief* | Total Due | Timely Filing | Late | Outstanding/ Extension Relief* |
| Unaudited | 8 | 7 | 0 | 1 | 8 | 5 | 1 | 2 |
| Audited | 2 | 2 | 0 | 0 | 1 | 1 | 0 | 0 |
| Annual | 9 | 5 | 0 | 4* | 8 | 7 | 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.

** Due to the prolonged impact of the Covid-19 pandemic, the JSE made available extension relief of 45 days to Listed Companies who were required to file Audited Financial Statements and Annual Reports as at the end 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 2022 amounted to thirty-six (36) versus eleven (11) 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 2022 | Jan 2021 | Jan 2022 | Jan 2021 | Jan 2022 | Jan 2021 |
| 36 | 11 | 28 | 4 | 8 | 7 |
| Y-T-D '22 | Y-T-D '21 | Y-T-D '22 | Y-T-D '21 | Y-T-D '22 | Y-T-D '21 |
| 36 | 11 | 28 | 4 | 8 | 7 |

List of Regulatory Breaches and Enforcement Actions

The list of regulatory breaches and enforcement actions for the period ended January 2022, is presented at Table 4.

Table 4

| # | Entity | Code | Rule | Details |
|----------|-------------------------------|-------------|--|---|
| 1 | Express Catering Limited | JMC | JSE Junior Market Rule, Appendix 2, Part 4 (3) – Published Annual Report and Audited Financial Statements | The Company's Annual Report for the period ended May 31, 2021, which was granted an extension relief due to the impact of COVID-19 remains outstanding as at the end of January 2022. |
| 2 | Margaritaville Turks Limited | MMC | JSE Rule 409 – Annual Report | The Company's Annual Report for the year ended May 31, 2021, which was granted an extension relief due to the impact of COVID-19 remains outstanding as at the end of January 2022. |
| 3 | Stocks and Securities Limited | M/D | JSE Rule 209 (C) – Annual Returns | The firm's Annual Returns for the year ended June 30, 2021, which was granted extension relief due to the impact of COVID-19 was filed on January 5, 2022. The firm's Annual Returns was deemed to be late as it was submitted outside of the extension relief provided. Consequently, the Company was subjected to JSE Rule 211(A). |
| 4 | Honey Bun (1982) Limited | JMC | JSE Junior Market Rule Appendix 2, Part 4 - Requirements for Financial Reporting, Section (2)(c)(ii) and (iii) - | The Company's Audited Financial Statements for the period ended September 30, 2021, that was filed with the JSE on November 30, 2021, did not include the top ten shareholders listing and the shareholdings listing of Directors, Senior Managers and Connected Persons. The Company submitted the omitted listings on December 20, 2021, which satisfied the concern. |
| 5 | Express Catering Limited | JMC | JSE Junior Market Rule, Appendix 2, Ongoing Requirements, Part 4 (1) (a) (i) | The Company's 2 nd Quarter Unaudited Financial Statements for the period ended November 30, 2021, which became due January 14, 2022, remains outstanding as at the end of January 2022. |
| 6 | Dolphin Cove Limited | JMC | JSE Junior Market Rule Appendix 2, Part 4 (1)(b)(i) – Requirements for Financial Reporting. | The Company's 2 nd Quarter Unaudited Financial Statements for the period ended June 30, 2021, that was filed with the JSE on August 16, 2021, had material discrepancies, which resulted in a refiling |

| | | | | |
|---|------------------------|-----|------------------------------------|---|
| | | | | on October 6, 2021. The revised filing on October 6, 2021, satisfied all concerns. |
| 7 | Jamaica Stock Exchange | MMC | JSE Rule Appendix 7, Section 9 (b) | The Company provided notification on September 29, 2021, of dealings in its securities by an alternative director on September 17, 2021. Given the JSE Rules the notice to the Exchange was late. |

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.