



# Jamaica Stock Exchange Monthly Regulatory Report August 2023

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## Overview

This is the Jamaica Stock Exchange's (JSE) August 2023 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.

The report also provides market education through its Market Awareness Page, which this month features understanding JSE Net Free Capital requirement.

Arising from the discharge of the abovementioned regulatory activities, the Jamaica Stock Exchange is satisfied with the state of compliance to the rules of the Exchange by Member/Dealers and Listed Companies as at the end of the month August 2023. The exception, however, relates to the timely filing of Audited and Annual Reports by listed companies and member-dealers, which is a matter that is being reviewed by the JSE.

## Member-Dealers' Reporting

In accordance with JSE Rule 209 (A) member-dealers are required to file Monthly Returns for the period ended July 31, 2023, by August 31, 2023. For the reporting period ended July 31, 2023, fourteen (14) member-dealers' Monthly Return fell due and were submitted on time.

In accordance with JSE Rule 209 (B) member-dealers are required to file Quarterly Returns for the period ended July 31, 2023, by August 31, 2023. For the reporting period ended July 31, 2023, one (1) member-dealer Quarterly Return fell due and was submitted on time.

Under JSE Rule 209 (C) member-dealers with financial year ended May 31, 2023, were required to file their Annual Returns by August 31, 2023. There were no Annual Returns due in August 2023.

The aggregate compliance rate for member-dealers' filing of financial returns due for the month ended August 2023, was 100%. For the comparative period ended August 2022, member-dealers' aggregate compliance rate was also 100%.

For the reporting period ended July 2023 all member-dealers reported an Excess in Net Free Capital (ENFC). The bucket classification of each member-dealer ENFC for the reporting period ended July 2023 are represented in Table 1 below:

**Table 1**

| <b>Member-Dealers' Excess Net Free Capital (ENFC) as at July 2023</b> |                                      |                                      |
|---|--------------------------------------|--------------------------------------|
| <b>ENFC Range(\$M)</b>  | <b># Of Member-Dealers July 2023</b> | <b># Of Member-Dealers July 2022</b> |
| Below 0   | 0                                    | 0                                    |
| 0 - 299   | 3                                    | 6                                    |
| 300 – 899   | 3                                    | 3                                    |
| 900 – 1,999   | 5                                    | 1                                    |
| 2,000 – 5,999   | 1                                    | 2                                    |
| 6,000 and above   | 2                                    | 3                                    |

## Listed Companies' Submissions

Listed Companies were required to file Unaudited Reports for the period ended June 30, 2023, by August 14, 2023. Listed Companies with year ended June 30, 2023, that selected the 60 days filing option were required to file Audited Reports by August 29, 2023. Listed Companies with year ended May 31, 2023, that selected the 90-days filing option were also required to file Audited Financial Statements by August 29, 2022. Listed Companies with year ended April 30, 2023, were required to file their Annual Reports by August 28, 2023. The filing statistics are represented in Table 2 below:

**Table 2**

| Listed Companies' Financial Submissions |           |               |      |             |             |               |      |                                |
|---|-----------|---------------|------|-------------|-------------|---------------|------|--------------------------------|
| August 2023                             |           |               |      |             | August 2022 |               |      |                                |
| Reports                                 | Total Due | Timely Filing | Late | Outstanding | Total Due   | Timely Filing | Late | Outstanding/ Extension Relief* |
| Unaudited                               | 75        | 66            | 8    | 1           | 75          | 66            | 9    | 0                              |
| Audited                                 | 6         | 3             | 0    | 3           | 6           | 4             | 0    | 2*                             |
| Annual                                  | 3         | 2             | 0    | 1           | 3           | 0             | 0    | 3*                             |

*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 August 2023 amounted to Forty-Two (42) versus thirty (30) 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 |           |
| Aug 2023                             | Aug 2022  | Aug 2023      | Aug 2022  | Aug 2023        | Aug 2022  |
| 42                                   | 30        | 33            | 24        | 9               | 6         |
| Y-T-D '23                            | Y-T-D '22 | Y-T-D '23     | Y-T-D '22 | Y-T-D '23       | Y-T-D '22 |
| 204                                  | 246       | 187           | 206       | 17              | 40        |

## List of Regulatory Breaches and Enforcement Actions

The list of regulatory breaches and enforcement actions for the period ended August 2023, is represented at Table 4.

**Table 4**

| # | Entity                          | Code | Rule   | Details   |
|---|---------------------------------|------|--|---|
| 1 | CUMAX Wealth Management Limited | M/D  | JSE Rule 209 (C) - Annual Returns  | The firm's Annual Return for the year ended December 31, 2022, which was granted an extension relief due to challenges it had in completing its Audited Financial Statements is outstanding as at the end of August 2023. <sup>1</sup>  |
| 2 | Seprod Group Limited            | MMC  | JSE Rule 408 - Audited Annual Financial Statements   | The Company's Audited Financial Statements for the year ended December 31, 2022, which was granted an extension relief was submitted on August 31, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vi).   |
| 3 | Proven Group Limited            | MMC  | JSE Rule 408 - Audited Annual Financial Statements   | The Company's Audited Financial Statements for the period ended March 31, 2023, which became due on May 30, 2023, was submitted on August 3, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vi).   |
| 4 | iCreate Limited                 | JMC  | Junior Mkt Listed Co. - Violation - JSE Rule Appendix 2, Part 4 (2) (a)(i) - Audited Annual Financial Statements | The Company's Audited Financial Statements for the year ended December 31, 2022, which was granted an extension relief is outstanding as at the end of August 2023. The Company advised that it expected to file its report by September 30, 2023. Due to the delay, trading in the |

<sup>1</sup> CUMAX filed its Annual Return on September 25, 2023, and was subjected to penalties in keeping with JSE Rule 211 – Fines.

|    |                                  |     |  |  |
|----|----------------------------------|-----|--|--|
|    |                                  |     |  | securities was suspended pending the submission of the outstanding report.   |
| 5  | Gwest Corporation Limited        | JMC | Junior Mkt Listed Co. - Violation - JSE Rule Appendix 2, Part 4 (2) (a)(i) - Audited Annual Financial Statements | The Company's Audited Financial Statements for the year ended March 31, 2023, which became due on May 30, 2023, was filed on August 11, 2023.  |
| 6  | Caribbean Cement Company Limited | MMC | JSE Rule 409 - Annual Report   | The Company's Annual Report for the year ended December 31, 2022, which was granted an extension relief was filed on August 3, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vii). |
| 7  | iCreate Limited                  | JMC | JSE's Junior Market Rule Appendix 2, Part 4 (3) - Annual Report and Audited Financial Statements                 | The Company's Annual Report for the year ended December 31, 2022, which was granted an extension is outstanding as at the end of August 2023.  |
| 8  | ISP Finance Limited              | JMC | JSE's Junior Market Rule Appendix 2, Part 4 (3) - Annual Report and Audited Financial Statements                 | The Company's Annual Report for the year ended December 31, 2022, which was granted an extension is outstanding as at the end of August 2023.  |
| 9  | Jetcon Corporation Limited       | JMC | JSE's Junior Market Rule Appendix 2, Part 4 (3) - Annual Report and Audited Financial Statements                 | The Company's Annual Report for the year ended December 31, 2022, which was granted an extension is outstanding as at the end of August 2023.  |
| 10 | Seprod Group Limited             | MMC | JSE Rule 409 - Annual Report   | The Company's Annual Report for the year ended December 31, 2022, which was granted an extension relief is outstanding as at the end of August 2023.   |

|    |                                   |     |  |   |
|----|-----------------------------------|-----|--|---|
| 11 | JMMB Group Limited                | MMC | JSE Rule 409 - Annual Report   | The Company's Annual Report for the year ended March 31, 2023, which became due on July 29, 2023, was filed on August 30, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vii). |
| 12 | Proven Group Limited              | MMC | JSE Rule 409 - Annual Report   | The Company's Annual Report for the year ended March 31, 2023, which became due on July 29, 2023, is outstanding as at the end of August 2023.  |
| 13 | Radio Jamaica Limited             | MMC | JSE Rule 409 - Annual Report   | The Company's Annual Report for the year ended March 31, 2023, which became due on July 29, 2023, was filed on August 9, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vii).  |
| 14 | Wigton Windfarm Limited           | MMC | JSE Rule 409 - Annual Report   | The Company's Annual Report for the year ended March 31, 2023, which became due on July 29, 2023, is outstanding as at the end of August 2023.  |
| 15 | Access Financial Services Limited | JMC | JSE's Junior Market Rule Appendix 2, Part 4 (3) - Annual Report and Audited Financial Statements | The Company's Annual Report for the year ended March 31, 2023, which became due on July 29, 2023, was filed on August 31, 2023.   |
| 16 | Gwest Corporation Limited         | JMC | JSE's Junior Market Rule Appendix 2, Part 4 (3) - Annual Report and Audited Financial Statements | The Company's Annual Report for the year ended March 31, 2023, which became due on July 29, 2023, is outstanding as at the end of August 2023.  |
| 17 | Medical Disposables and           | JMC | JSE's Junior Market Rule Appendix 2, Part 4 (3) -  | The Company's Annual Report for the year ended March 31, 2023, which became due on July   |



|    |                                |     |  |   |
|----|--------------------------------|-----|--|---|
|    | Supplies Limited               |     | Annual Report and Audited Financial Statements   | 29, 2023, is outstanding as at the end of August 2023.  |
| 18 | Express Catering Limited       | JMC | Junior Mkt Listed Co. - Violation - JSE Rule Appendix 2, Part 4 (2) (a)(i) - Audited Annual Financial Statements | The Company's Audited Financial Statements for the year ended May 31, 2023, which became due on July 30, 2023, is outstanding as at the end of August 2023.   |
| 19 | Margaritaville (Turks) Limited | MMC | JSE Rule 408 - Audited Annual Financial Statements   | The Company's Audited Financial Statements for the year ended May 31, 2023, which became due on July 30, 2023, is outstanding as at the end of August 2023.   |
| 20 | Massy Holdings Limited         | MMC | JSE Main Market Rule 407 - Quarterly Financial Statements  | The Company's 2nd Quarter Unaudited Financial Statements for the period ended March 31, 2023, that was filed with the JSE on May 11, 2023, omitted the quarterly information for the periods ended March 31, 2023 and March 31, 2022 (from the Statement of Comprehensive Income) as required by IAS 34.20. The omission was deemed to be a breach of JSE Rule 407 - Quarterly Financial Statements. The Company filed an amended report on June 20, 2023, which satisfied JSE Rule 407 - Quarterly Financial Statements. |
| 21 | JMMB Securities Limited        | M/D | JSE Rule 209 (A) - Monthly Return  | The firm's Monthly Return for the period ended April 30, 2023, which became due on May 31, 2023, was submitted on June 2, 2023. Consequently, the firm was subjected to JSE Rule 211 (A).   |
| 22 | One on One Educatio            | JMC | JSE Junior Market Rule Appendix 2, Part  | The Company's 3rd Quarter Unaudited Financial Statements for the period ended May 31,   |

|    |                       |     |  |   |
|----|-----------------------|-----|--|---|
|    | nal Services Limited  |     | 4 (1) - Quarterly Financial Statements   | 2023, which became due on July 15 2023, was submitted on July 16, 2023.   |
| 23 | iCreate Limited       | JMC | JSE's Junior Market Rule 503 (1) (a) - Appointment of Mentor                   | Due to the failure to appoint a Mentor the company breached the provisions of the Junior Market rules.  |
| 24 | Stanley Motta Limited | MMC | JSE Main Market Rule 407 - Quarterly Financial Statements                      | The Company's 2 <sup>nd</sup> Quarter Unaudited Financial Statements for the period ended June 30, 2023, which became due on August 14, 2023, was submitted on August 15, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (v). |
| 25 | iCreate Limited       | JMC | JSE Junior Market Rule Appendix 2, Part 4 (1) - Quarterly Financial Statements | The Company's 2 <sup>nd</sup> Quarter Unaudited Financial Statements for the period ended June 30, 2023, which became due on August 14, 2023, is outstanding as at the end of August 2023.  |

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.

## Market Awareness Page

### Understanding Take-overs and Mergers – Mandatory Offer

Based on the rules of the JSE, the minority shareholders of a company that is the target of a takeover and merger must be provided with the same offer as was made to the majority shareholder(s). This provision is called a “Mandatory Offer” and is in place to promote equality and to protect minority shareholders during takeovers. The JSE Rule Appendix 1 – Take-over and Mergers, Section 19 – Mandatory Offer states:

*“A mandatory offer must be made to other shareholders of the same class when, any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by person acting in concert with him) carry 50% or more of the voting rights of a company or control of the company.”*

The Securities (Takeovers and Mergers) Regulations, which is the ultimate legislation for takeovers and mergers in Jamaica has a similar provision for Mandatory Offer at Section 26 (1) as follows:

26.—(1) Subject to paragraphs (2) and (3), a mandatory offer shall be made to other shareholders of the same class when any person acquires, whether or not by a series of transactions over a period of time, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 50% or more of the voting rights of a company or control of the company.