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# Jamaica Stock Exchange Monthly Regulatory Report September 2023

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## Overview

This is the Jamaica Stock Exchange's (JSE) September 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 September 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 August 31, 2023, by October 1, 2023. For the reporting period ended August 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 August 31, 2023, by October 1, 2023. There were no Quarterly Returns due by October 1, 2023.

Under JSE Rule 209 (C) member-dealers with financial year ended June 30, 2023, were required to file their Annual Returns by September 30, 2023. There were no Annual Returns due by September 30, 2023.

The aggregate compliance rate for member-dealers' filing of financial returns due for the month ended September 2023, was 100%. For the comparative period ended September 2022, member-dealers' aggregate compliance rate was also 88%.

For the reporting period ended August 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 August 2023 are represented in Table 1 below:

**Table 1**

<b>Member-Dealers' Excess Net Free Capital (ENFC) as at August 2023</b>		
<b>ENFC Range(\$M)</b>	<b># Of Member-Dealers Aug 2023</b>	<b># Of Member-Dealers Aug 2022</b>
Below 0	0	0
0 - 299	2	4
300 – 899	4	5
900 – 1,999	4	1
2,000 – 5,999	2	2
6,000 and above	2	3

## Listed Companies' Submissions

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

**Table 2**

Listed Companies' Financial Submissions								
September 2023					September 2022			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding/ Extension Relief*
Unaudited	8	8	0	0	8	8	0	0
Audited	3	1	1	1	3	1	0	2*
Annual	5	2	1	2	5	2	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 September 2023 amounted to Eighteen (18). For the comparative period in 2022, the JSE also identified eighteen (18) issues. 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	
Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022
18	18	12	11	6	7
Y-T-D '23	Y-T-D '22	Y-T-D '23	Y-T-D '22	Y-T-D '23	Y-T-D '22
222	264	207	221	15	43

## List of Regulatory Breaches and Enforcement Actions

The list of regulatory breaches and enforcement actions for the period ended September 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 was filed on September 25, 2023. Consequently, the firm was subjected to JSE Rule 211 (A).
2	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 September 2023.
3	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 September 2023.
4	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, was submitted on September 6, 2023. The Company's Annual Report was deemed to be late as it was submitted outside of the extension relief provided.

5	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 was submitted on September 5, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vii).
6	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, was submitted on September 6, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vii).
7	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, was submitted on September 29, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vii).
8	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, was submitted on September 16, 2023.
9	Medical Disposables and Supplies 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 submitted on September 1, 2023.
10	Express Catering Limited	JMC	Junior Mkt Listed Co. - Violation - JSE Rule Appendix 2, Part 4 (2)	The Company's Audited Financial Statements for the year ended May 31, 2023, which became due on July 30, 2023,

			(a)(i) - Audited Annual Financial Statements	was submitted on September 14, 2023.
11	Margarita ville (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, was submitted on September 14, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vi).
12	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, was submitted on September 29, 2023.
13	Edufocal Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4 (1) (b) (i) - Quarterly Financial Statements	The Company's 1st Quarter Financial Statements for the period ended March 31, 2023, that was initially filed with the JSE on May 12, 2023, reflected an error in reporting the Statement of Changes in Equity, which resulted in a breach of IAS 34 - Interim Financial Reporting. The revised filing satisfied all concerns.
14	JMMBSL	M/D	JSE Rule 209 (C) - Annual Returns	The firm's Annual Return for the year ended March 31, 2023, which became due on June 30, 2023, was submitted on July 14, 2023. Consequently, the firm was subjected to JSE Rule 211 (A).
15	Proven Wealth Limited	M/D	JSE Rule 209 (C) - Annual Returns	The firm's Annual Return for the year ended March 31, 2023, which became due on June 30, 2023, was submitted on July 7, 2023. Consequently, the firm was subjected to JSE Rule 211 (A).
16	Sygnus Credit Investme	MMC	JSE Rule 408 - Audited Annual Financial	The Company's Audited Financial Statements for the year ended June 30, 2023, which



	nts Limited		Statements	became due on August 29, 2023, was submitted on September 1, 2023. Consequently, the Company was subjected to JSE Rule Appendix 3, Section 16 (vi).
17	Margaritaville (Turks) Limited	MMC	JSE Rule 409 - Annual Report	The Company's Annual Report for the year ended May 31, 2023, which became due on September 29, 2023, is outstanding as at the end of September 2023.
18	Express Catering 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 May 31, 2023, which became due on September 29, 2023, is outstanding as at the end of September 2023.
19	Fosrich Limited	JMC	Junior Market Rule Appendix 2, Part 8- Section 8 ( C)	The Company provided notification on August 4, 2023, of dealings in its securities by a Director on July 24 & 25, 2023. Given JSE Junior Market Rule Part 7, 8 (c), the notice to the Exchange was late.
20	iCreate Limited	JMC	JSE Junior Market Rule Appendix 2, Part 4, Section 1 (a)	The company failed to advise the JSE of a change in its Q4 2022 filing option in accordance with JSE Junior Market Rule Appendix 2, Part 4, Section 1 (a). In 2021 the company had notified of a change in its Q4 filing option to file same in Audited form only within sixty (60) days of the quarter ended December 31, 2021. However, on February 20, 2023, the Company filed its Q4 2022 Unaudited Financial Statements without advising the JSE of a change in its 2022 Q4 election.

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 – Circulars

Once a mandatory offer is in progress, the Offeror and the Offeree Company are required to issue their respective circulars to the shareholders of the company. The circulars are designed to ensure that all shareholders are provided with sufficient information to decide on the mandatory offer. The Offeror is required by the Securities (Take-over and Mergers) Regulations and the Jamaica Stock Exchange's rules to issue a Takeover-Bid Circular, which includes information such as:

- i. The number of any securities of the offeree company beneficially owned by the offeror company, a subsidiary or parent or other associate company of the offeror company, each director and each officer of the offeror company and by a person or company who beneficially owns shares of the offeror company carrying more than 10% of the voting rights attached to the shares of the offeror company,
- ii. The particulars of the method and time of payment of the cash or other consideration to be paid for the shares of the offeree company.
- iii. Where the shares in the offeree company are to be paid for in whole or in part in cash, details of the arrangements that have been made to ensure that the required funds are available to carry out the offer.
- iv. The intentions of the offeror regarding the employees of the offeree and the continuance of the business.

The directors of the Offeree Company are also required by the Securities (Take-over and Mergers) Regulations and the Jamaica Stock Exchange's rules to issue a Directors' Circular, which should include:

- i. *Particulars of any material change in the financial position and prospects of the offeree company since the date of the last published interim or annual financial statements of the company.*

- ii. *A history of the company's profits for the previous five (5) years of its operations.*
- iii. *The most recent audited and unaudited financial statements.*
- iv. *A Valuation Report of the company's fixed assets prepared by a professional valuator.*
- v. *A statement from the directors of its opinion regarding fairness/ value of the offer.*

For further information on the above please refer to JSE Main Market Rule, Appendix 1 – Take-overs and Mergers, JSE Junior Market Rule, Appendix 2, Part 6 Takeovers, Mergers and Amalgamations and the Securities (Take-overs and Mergers) Regulations.