

# JAMAICA STOCK EXCHANGE (JSE)PRIVATE MARKET RULES

JAMAICA STOCK EXCHANGE  
40 HARBOUR STREET, KINGSTON

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# **JAMAICA STOCK EXCHANGE** **PRIVATE MARKET RULES**

## **Introduction**

The Jamaica Stock Exchange Private Market Rules (JSE Private Market Rules) govern the administration and operation of the JSE Private Market.

The JSE Private Market facilitates the Private Listing and trading of securities that are issued in accordance with the FSC Guidelines for Exempt Distributions. Consistent with this requirement, issuers of securities in the private market must first be registered with the FSC, in accordance with the FSC Guidelines for Exempt Distributions, for securities to be considered for Private Listing on the JSE Private Market.

Private Listing of exempt distributed securities on the JSE Private Market facilitates secondary trading by investors as permitted by the FSC Guidelines for Exempt Distributions.

## **The Regulatory Framework**

The regulatory framework for participation in the JSE Private Market includes:

- The JSE Private Market Rules.
- The Securities Act, Regulations and Guidelines issued under the Act to include (the FSC Guidelines for Exempt Distributions).
- The Companies Act.
- The Jamaica Stock Exchange (JSE) Main Market Rules, where applicable.

Issuers who privately list securities on the JSE Private Market shall comply with the disclosure requirements of the FSC Guidelines for Exempt Distributions and the JSE Private Market Rules.

The JSE may amend the JSE Private Market Rules from time to time.

## Definitions

1. Words and expressions defined in the Securities Act, the FSC Guidelines for Exempt Distributions, the Companies Act and the JSE Main Market Rules have the same meaning when used in the JSE Private Market Rules.
2. These terms have the following meaning in the JSE Private Market Rules:
  - a) ***“FSC Guidelines for Exempt Distributions”*** means all guidelines issued by the FSC for the attention of persons who intend to issue securities in Jamaica by way of an exempt distribution.
  - b) ***“JSE Private Market”*** means the market available for the trading and distribution of securities registered pursuant to the FSC Guidelines for Exempt Distributions.
  - c) ***“JSE Public Market”*** includes the JSE Main Market, Junior Market, Bond Market, US Dollar Denominated Market and any JSE market open to the public for the issuance and trading of securities.
  - d) ***“Participants”*** means investors as permitted by the FSC Guidelines for Exempt Distributions, issuers, Member/Dealers, and any other entity or person who may participate in an exempt distribution offering.
  - e) ***“Private Listing”*** means listing of securities in compliance with the JSE Private Market Rules and any derivative of this defined term employed herein shall be construed accordingly.

Words importing the plural include the singular and vice versa and references to the masculine, feminine or neuter include any of them.

# **GENERAL REQUIREMENTS**

## **700.1. High Level Principles**

- a) The Private Listing of securities on the JSE Private Market is in the sole discretion of the JSE.
- b) Securities listed on the JSE Public Market are not eligible for listing on the JSE Private Market.
- c) The JSE Main Market Rules shall apply in the absence of applicable provisions in the JSE Private Market Rules.

## **700.2. Applicable Laws**

The following laws and guidelines shall apply to the Private Listing and trading of securities on the JSE Private Market:

- (a) The Securities Act, Regulations and Guidelines issued under the Act to include the FSC Guidelines for Exempt Distribution.
- (b) The Companies Act.
- (c) The JSE Main Market Rules.
- (d) All applicable laws, subsidiary and subordinate legislation, orders, rules, and regulations having the force of law in Jamaica from time to time.

## **700.3 Translation**

The documents required under the JSE Private Market Rules shall be in English and where they are not in English the JSE requires a certified translation of such document(s).

## **700.4 Communication**

All communication between the JSE and Participants shall be in electronic format and/or other methods of communication as prescribed by the JSE from time to time.

# LISTING REQUIREMENTS

## 701. Minimum Capital

- a) An application for Private Listing of securities on the JSE Private Market must be for a cash value of no less than J\$100 million or of the equivalent value in any other currency.

## 702. Application for Private Listing

- a) An issuer that has been registered for exempt distribution of securities by the FSC may apply to privately list such securities on the JSE Private Market.
- b) Such application shall be submitted to the JSE along with the prescribed initial Private Listing fee and accompanied by the following documents:
  - i. Completed form of Application for Private Listing in the prescribed form set out in Appendix 2,
  - ii. Completed Private Listing Agreement in the prescribed form set out in Appendix 3.
  - iii. Letter from the FSC confirming exempt distribution registration status of the securities.
  - iv. Certified copy from the issuer of Form XD F-2 – Exempt Distribution Report or where the application for Private Listing is not done immediately after the closure of the offer, a certified copy of the register of investors from the registrar or, where applicable, the trustee.
  - v. Certified copy of the Articles of Association/Incorporation or other corresponding document of the issuer.
  - vi. Certified copy of the resolution of the directors or shareholders authorizing the application for Private Listing.
  - vii. Certified copy of the executed Trust Deed, where applicable.
  - viii. A legal opinion from the issuer's legal counsel verifying that the issuer is validly existing, incorporated and in good standing in the jurisdiction of incorporation; that it has full corporate and organizational power and authority to apply for Private Listing of the securities on the JSE Private Market and that all documents submitted to the JSE are valid and enforceable.

## **703. Suspension & Removal of Securities**

### **703.1 Suspension of Trading**

The JSE may at any time and for any reason deemed appropriate suspend the trading of securities in the JSE Private Market. Such reasons may include but may not be limited to the following:

- a) If the issuer fails or ceases to comply with any of the rules of the JSE and any of the requirements of JSE Appendix 3 - Private Listing Agreement.
- b) If any fee for Private Listing as prescribed by JSE Rule Appendix 1 – Private Listing Fees – Private Market has not been paid within fourteen (14) days of the due date.
- c) Where applicable, the trustee has notified the JSE in writing that there has been an event of default of the issuer under the terms of the governing Trust Deed.
- d) If, in the opinion of the JSE, a suspension is deemed necessary to maintain a fair and orderly market.

Where the security of an issuer has been suspended from trading for breach of the JSE Private Market Rules and the issuer has remedied the breach, the JSE may in its sole discretion terminate the suspension and allow for resumption of trading of the security.

### **703.2 Application for Suspension or Removal of Securities**

- a) An issuer may make an application to have the Private Listing of its securities suspended or removed from the JSE Private Market. Any such application shall be in writing, stating in detail the reasons for the application, and accompanied, by a certified copy of the resolution of the Board of the issuer, or such other documents as the JSE may require, authorising the application for suspension or removal.
- b) An application by an issuer for suspension or removal of securities from the JSE Private Market will not be considered if the issuer is not in compliance with the rules of the JSE. Where the issuer is in breach of the rules, the JSE will apply the provisions of Rule 703.1 or 703.3 (b).

Where the security of an issuer has been suspended from trading by way of an application for suspension, the JSE may in its sole discretion terminate the suspension and allow for resumption of trading of the security once it is satisfied that the reason for suspension has been addressed.

### **703.3 Removal of Securities**

- a) Where securities have been suspended from trading for 180 days or more under Rule 703.1 and 703.2, such securities shall be removed from the JSE Private Market.
  
- b) Notwithstanding the above provision, the JSE reserves the right to remove at any time, and for any reason deemed appropriate, the securities of an issuer.

## **OTHER REQUIREMENTS**

### **704. LIABILITY ON FAILURE TO SETTLE**

The JSE and its subsidiaries shall not be liable for any damages or losses arising from the failure to complete the sale and/or purchase of securities on the JSE Private Market for any reason.

### **705. RIGHT TO PUBLISH INFORMATION**

The JSE reserves the right in its sole discretion and at any time, to publish information on the JSE Private Market concerning any securities listed on the JSE Private Market.

### **706. KNOW YOUR CUSTOMER REQUIREMENTS**

The Member/Dealer facilitating or introducing investor's trading on the JSE Private Market shall be solely responsible for securing the required anti-money laundering and "know your customer" documentation and/or information and any resale restrictions as required by law, regulations, the FSC Guidelines for Exempt Distributions and/or best practice on an ongoing basis.



# Appendix 1

## PRIVATE LISTING FEES AND TRADING CHARGES

MARKET CAPITAL	INITIAL/ANNUAL PRIVATE LISTING FEE (Effective 2020)	SUPPLEMENTARY PRIVATE LISTING/REMOVAL FEE (Effective 2020)
\$100m - \$500m	\$200,000	\$41,312
Over \$500m - \$1b	\$300,000	\$61,968
Over \$1b - \$2b	\$420,000	\$86,755
Over \$2b - \$5b	\$575,000	\$118,772
Over \$5b - \$10b	\$650,000	\$134,264
Over \$10b - \$20b	\$850,000	\$175,576
Over \$20b	\$1,000,000	\$206,560

Charges for the Private Listing of securities on the JSE Private Market comprise an initial Private Listing fee, an annual Private Listing fee and a supplementary Private Listing fee which includes the Private Listing of additional shares or removal of the securities from the Exchange or any part thereof. These fees are in accordance with the scales set out by the Exchange from time to time.

(i) **Initial Private Listing Fee**

The Initial Private Listing Fee, which is based on total market capital value of each new Private Listing of securities not already placed, must accompany each application for Private Listing. The minimum charge for the Initial Placement Fee is \$200,000.

(ii) **Annual Private Listing Fee**

The Annual Private Listing Fee is based on the ***average market value at month-end for the previous twelve-month or shorter period*** of all classes of an issuer's securities which are the subject of Private Listing. The minimum charge for the Annual Private Listing Fee is \$200,000.

(iii) **Supplementary Private Listing/Removal Fee**

Where a Supplementary Private Listing Fee is applicable, the calculation is based on the ***market value of the security on the date of the request for the Private Listing or removal*** (where applicable), of the issuer's securities which are the subject of the Private Listing or removal. The minimum charge for the Supplemental Private Listing/Removal Fee is \$41,312.

(iv) **Regular Trading & Block Transaction Fees**

Regular Trading & Block Transaction Fees are 0.25 per \$1,000 of the value of the securities traded. (On each side of the transaction).

(v) **ISIN Registration Fee**

The ISIN registration fee is \$150.

The Annual Private Listing Fee is due on the first business day of each year, following the calendar year of Private Listing and must be paid within fourteen (14) days of that date.

Please note that all fees attract GCT.

## Appendix 2

**The Jamaica Stock Exchange  
P.O. Box 621  
Kingston, Jamaica**

**APPLICATION FOR PRIVATE LISTING**

The entity named at item 1 of this application form, is referred to in this application as (“the Applicant”).

1. Full name of entity:

\_\_\_\_\_

2. Law under which incorporated:

\_\_\_\_\_

3. Date incorporated:

\_\_\_\_\_

4. Address of

(a) Registered Office : \_\_\_\_\_

(b) Administrative Office: \_\_\_\_\_

(c) Tax Registration Number: \_\_\_\_\_

5. Primary Contact Name \_\_\_\_\_

Phone Number \_\_\_\_\_

Email address \_\_\_\_\_

6. Description of existing and future business operations: \_\_\_\_\_

\_\_\_\_\_

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7. Names and address of Registrar and Transfer Agent (must provide letter of engagement):

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8. Names, occupations and addresses of the directors and principal officers of the Applicant:

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9. Capital of the Applicant including funded debt (show in detail each class of security):

(a) Authorised

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(b) Issued and Fully Paid

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10. Number and amount of shares issued for:

(a) Cash

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(b) Other than cash

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11. Are there any lawsuits pending against the Applicant or any of its properties or are there any other circumstances which might adversely affect the Applicant's position or title?

If so please share details

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12. Name of any other stock exchange market on which the Applicant's securities are listed and date when listed.

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13. Have any of the Applicant's securities ever been refused listing on any stock exchange? Give full particulars if applicable.

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14. Date of last Audited Financial Statements or Unaudited Financial Statements of the Applicant (Please provide a copy of same).

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15. Full particulars of securities to be listed on the JSE Private Market.

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16. No. of holders of the security at the date of application.

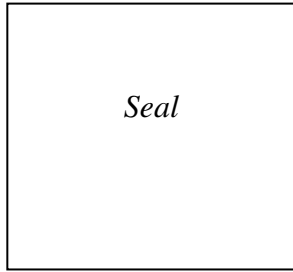
The JSE may request additional documentation to support the application.

The applicant confirms that this Application for Private Listing is submitted along with the applicable Private Listing fee of:

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Private Listing Fee

Please also include details of the method of payment of the Private Listing fee e.g. RTGS details, cheque number etc.



Director \_\_\_\_\_

Director \_\_\_\_\_

Secretary \_\_\_\_\_

Date \_\_\_\_\_

**Instruction Notes:**

- 1. Please respond to all questions and submit to the attention of the JSE's Managing Director.*
- 2. If the space provided on this form is not adequate for a complete response, please provide your response on a separate schedule or document and affix to your application.*
- 3. The Application for Private Listing must be signed by two directors of the issuer and the secretary of the Entity. The seal of the Entity shall also be affixed to the application.*

## Appendix 3

### Private Listing Agreement

The Jamaica Stock Exchange

Full Name of Applicant \_\_\_\_\_

Date Incorporated \_\_\_\_\_

In consideration of the JAMAICA STOCK EXCHANGE (hereinafter referred to as the “Exchange,” “JSE”)) granting the Private Listing of the class(es) of security of the above-named entity (“the Entity”) as set out in the Entity’s Application for Private Listing from time to time, the company agrees to the following conditions:

1. To make application to the Exchange for the Private Listing of additional securities by way of Exempt distribution on the JSE Private Market.
2. To file promptly with the Exchange a certified copy of any amendment to the Memorandum and Articles of Association or Trust Deeds or other documents securing or constituting loan capital.
3. To notify the Exchange promptly of:
  - a) any material disclosure required by as set out in the FSC’s Exempt Distribution Guidelines, which are in effect from time to time.
  - b) dealings in the Entity’s securities which are on the JSE’s Private Market, by directors, senior management and their connected persons.
4. To forward, where applicable, no later than January 31 of each year the schedule that details the payment dates for interest and dividends.
5. To notify the Exchange, where applicable, by confirming immediately after the relevant board meeting has been held and not less than ten (10) business days before the following:
  - a) the record date and the date of payment of any dividend, interest on capital or other cash distribution.
  - b) the record date and full particulars of any capitalisation issue of the Entity or any offers or rights to subscribe to additional Private Listing of the Entity’s capital or any other benefit by the Entity.
  - c) the closing and re-opening dates of the entity’s register of transfer in regard to (a) and (b) above or for any reason whatsoever.
  - d) any corporate or other action which will result in the cancellation, redemption or retirement, in whole or in part, of any of the Entity’s securities placed on the Exchange or any security convertible into securities placed on the Exchange.

6. To inform the Exchange, and all participants of any offer of the Entity's securities, not less than seven (7) days before the opening date of such offer.
7. To publish at least once in each year and to send to shareholders, bondholders or any other investor in the Entity's securities, at least ninety (90) days after the fiscal year end, the Entity's annual audited financial statements.
8. To maintain in Jamaica, a transfer office or agency and a registry office or agency where all securities placed shall be directly transferable and registerable.
9. To forward to the Exchange annually, and in any case, no later than January 31st of the following each year, a list of holders of the Entity's securities as at December 31<sup>st</sup> of the previous year.
10. To furnish to the Exchange, such information concerning the Entity as may reasonably be requested.
11. To be bound by and observe all rules of the JSE Private Market which apply to issuers and all amendments and additions which may hereafter be made thereto.
12. To give the JSE the right to publish information on the JSE Private Market concerning the Entity or its security.

13. Requirement for notification

12.1 Where by provision of this Private Listing Agreement, the Entity is required to make notification to the Exchange, subject to any express provision or rule to the contrary, the Entity shall comply with the following provisions in respect of giving notice to the Exchange of the occurrence of any event, decision, document or transaction namely:

- a. Notification must be made to the Exchange no later than 5 working days after the occurrence of the event, decision, document or transaction, and
- b. Where the last day for giving notification to the Exchange falls on a weekend or a public holiday, the notice may be given on the very next business day.

(Name of Entity): \_\_\_\_\_

(Director) \_\_\_\_\_

(Director) \_\_\_\_\_

(Secretary) \_\_\_\_\_

(Date) \_\_\_\_\_

N.B. *A completed copy of the Private Listing Agreement that bears the seal of the entity and is duly signed by two directors and secretary of the entity should be forwarded to the attention of JSE Managing Director.*