



# Jamaica Stock Exchange's Monthly Regulatory Report June 2016

# Jamaica Stock Exchange June 2016 Regulatory Report

## Overview

This is the Jamaica Stock Exchange's (JSE) June 2016 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-Dealer Regulation

In accordance with JSE Rule 209 (A) member-dealers were required to file Monthly Reports for the period ended May 31, 2016 by July 1, 2016. For the reporting period twelve (12) Monthly Reports were due and all were submitted on time.

Based on JSE Rule 209 (B) member-dealers were required to file Quarterly Reports for the period ended May 31, 2016 by July 1, 2016. No Quarterly Reports were due, hence no filings were made.

Under JSE Rule 209 (C) member-dealers with financial year ended March 31, 2016 were required to file their Audited Reports by June 30, 2016. For the reporting period three (3) Audited Reports were due and of the three (3), two (2) were submitted on time.

The aggregate compliance rate for member-dealers' filing of their monthly, quarterly and audited reports for the month ended June 2016 was 93%. For the 2015 comparative period member-dealers' aggregate compliance rate was also 93%. An overview of member-dealers' financial condition as at May 31, 2016 is represented in Table 1 below:

**Table 1**

<b>Member-Dealers' Excess Net Free Capital (ENFC) as at May 31, 2016</b>		
<b>ENFC Range(\$M)</b>	<b># Of Member-Dealers May 2016</b>	<b># Of Member-Dealers May 2015</b>
Below 0	0	0
0 - 299	2	3
300 – 899	5	5
900 – 1,999	1	2
2,000 – 4,999	1	0
6,000 and above	3	2

## Listed Company Compliance

During the month of June 2016 Listed Companies were required to file Unaudited Reports for the period ended April 30, 2016. Listed Companies with year ended April 30, 2016 that selected the 60-days filing option were required to file Audited Statements during the month of June 2016. Listed Companies with year ended March 31, 2016 that selected a 90-days filing option were also required to file their Audited Statements during the month of June 2016. Additionally, Listed Companies with year ended February 29, 2016 were required to file Annual Reports during the month. The filing statistics are represented in Table 2 below:

**Table 2**

<b>Listed Companies' Financial Submissions</b>								
<b>June 2016</b>					<b>June 2015</b>			
Reports	Total Due	Timely Filing	Late	Outstanding	Total Due	Timely Filing	Late	Outstanding
Unaudited	3	3	0	0	2	2	0	0
Audited	2	1	1	0	2	1	1	0
Annual	1	1	0	0	1	1	0	0

*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

The JSE's tally of market surveillance and compliance issues as at June 2016 amounted to fifty-five (55) versus nineteen (19) for the comparative month last year. Further statistics of JSE's market surveillance and compliance activities are presented in Table 3 below.

**Table 3**

<b>Market Surveillance &amp; Compliance Log</b>					
<b>Total Issues</b>		<b>Issues Closed</b>		<b>Issues Unclosed</b>	
<b>June 2016</b>	<b>June 2015</b>	<b>June 2016</b>	<b>June 2015</b>	<b>June 2016</b>	<b>June 2015</b>
55	19	53	17	2	2
<b>Y-T-D '16</b>	<b>Y-T-D '15</b>	<b>Y-T-D '16</b>	<b>Y-T-D '15</b>	<b>Y-T-D '16</b>	<b>Y-T-D '15</b>
<b>158</b>	<b>97</b>	<b>150</b>	<b>91</b>	<b>8</b>	<b>6</b>

## List of Regulatory Breaches and Enforcement Actions

In Table 4 below is the list of regulatory breaches and enforcement actions for the period ended June 30, 2016:

**Table 4**

#	Entity	Code	Rule	Details
1	Consolidated Bakeries	JMC	JSE Appendix 2, Part 4 (3) – Annual Reports -	The Company's Annual Report for the year ended December 31,

	Jamaica (Limited)			2015, which was due on April 29, 2016, became outstanding as at April 30, 2016. The Company advised on May 17, 2016 that the report would be available no later than July 1, 2016.
2	1834 Investments Limited (formerly the Gleaner Company. Limited)	MMC	JSE Rule 408 – Audited Annual Financial Statements	The Company's Audited Financial Statements for the year ended March 31, 2016, which became due on May 30, 2016 was outstanding as at May 31, 2016. On May 27, 2016 the company provided notification of the delay. The Company provided a further delay notice on June 30, 2016.
3	Radio Jamaica Limited	MMC	JSE Rule 408 – Audited Annual Financial Statements	The Company's Audited Financial Statements for the year ended March 31, 2016, which became due on May 30, 2016 was outstanding as at May 31, 2016. On May 30, 2016 the company provided notification regarding the delay. The Company provided a further delay notice on June 30, 2016.
4	Jamaica Stock Exchange	MMC	1. JSE Appendix 3 – Listing Agreement, Sections (4a) and (18)  2. JSE Rule Appendix 7, Model Code for Securities Transaction by Directors and Senior Executives of Listed Companies, Section 9(a) and (b)	The Company provided notification on April 29, 2016 of dealings in its securities by a connected party to a Director on April 12, 2016. Given the JSE's rules the notice to the Exchange was eleven (11) days late. Consequently, the company was subjected to JSE Rule Appendix 3, Section 16 (i). The Company also breached JSE Rule Appendix 7, Section 9 (a) &(b)
5	BCW Holdings Limited	M/D	JSE Rule 209 (a) – Financial Returns – Monthly Returns	The firm's financial statement for the month ended April 30, 2016, which became due on May 31, 2016 was submitted on June 1, 2016. Given the breach the firm was subjected to JSE Rule 211 (a).
6	Sagicor Group Jamaica Limited	MMC	JSE Appendix 3 – Listing Agreement, Sections (4a) and (18)	The Company provided notification on May 26, 2016 of dealings in its securities by a senior officer on May 20, 2016. Given the JSE's rules the notice to the Exchange was one (1) day late.

				Consequently, the company was subjected to JSE Rule Appendix 3, Section 16 (i).
7	Palace Amusement Company Limited	MMC	JSE Rule Appendix 3 – Listing Agreement, Sections (14b) & (18)	The Company provided a notice to the JSE on June 1, 2016 regarding the resignation of a member of the company’s Audit Committee May 20, 2016. Given the date that the notification was provided, the company breached JSE Rule Appendix 3, Listing Agreement Section 14b & 18. Consequently the company was subjected to JSE Rule Appendix 3, Section 16 (i).
8	KLE Group Limited	JMC	Section 126 of the Companies Act of Jamaica, 2004 – Annual General Meeting (AGM)	KLE’s last Annual General Meeting (AGM) was held on October 13, 2014 and as a consequence the company is in breach of Section 126 of the Companies Act. KLE issued a notice on June 20, 2016 that advised of the convening of an AGM on July 20, 2016.
9	Jamaica Stock Exchange	MMC	<ol style="list-style-type: none"> <li>1. JSE Rule Appendix 3 – Listing Agreement, Sections (4a) &amp; (18)</li> <li>2. JSE Rule Appendix 7 – Model Code for Securities Transactions by Directors and Senior Executives of Listed Companies, Sections (9a) and (9b).</li> </ol>	The Company notified the market on June 21, 2016 of dealings in its shares by a Senior Manager of the Company on June 15, 2016. Given JSE’s Rules the notice was one (1) day late. Consequently, the company was subjected to JSE Rule Appendix 3, Section 16 (i). Further, given a query that the RMOD made of the JSE in relation to the trading activity by the Senior Manager the RMOD has concluded that the JSE also breached JSE Rule Appendix 7, Model Code for Securities Transactions by Directors and Senior Executives of Listed Companies, Sections 9 (a) and (b).
10	Lasco Financial Services Limited	JMC	JSE Junior Market Rule Appendix 7 – Model Code for Securities Transactions by Directors and Senior Executives of Listed Companies, Sections (4c) and (8).	The Company notified the JSE on June 7, 2016 of dealings in its securities by a Director on the 28 <sup>th</sup> and 29 <sup>th</sup> of April 2016. Given JSE Junior Market Rule Appendix 7, Section 8 (c) the notice of the trades to the Exchange was a total

				of seventy-five (75) days late. The Company also breached JSE Rule Appendix 7, Model Code for Securities Transactions, Section 4 (c) and did not adhere to the requirements of JSE Junior Market Rule Appendix 7, Section 8, Procedures for dealing during Closed Periods. In letter dated June 3, 2016, the company apologized for the breach and advised that it was not intentional. LASF also advised that it will continue to be vigilant and watchful to ensure compliance with the rules by imploring Directors to instruct their brokers to comply with the Blackout Periods.
11	Sweet River Abattoir & Supplies Company Limited	JMC	JSE Junior Market Rule, Appendix 2, Part 4 (2) – Audited Annual Financial Statements	The Company’s Audited Financial Statements for the year ended March 31, 2016, which became due on June 29, 2016 was submitted on June 30, 2016.

**Code Key:**

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 who are found to be in breach of the rules and regulations of JSE.