
2013/2014

Annual Report

Fair Trading Commission

Mission Statement

*To provide for the maintenance & encouragement of competition
in the conduct of trade, business and in the supply of services
in Jamaica with a view to providing consumers with competitive
prices and product choices.*

FAIR TRADING COMMISSION

52-60 Grenada Crescent

Kingston 5

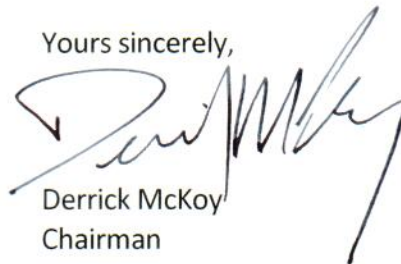
October 18, 2017

The Honourable Karl Samuda
Ministry of Industry, Commerce, Agriculture & Fisheries
4 Saint Lucia Avenue
Kingston 5

Dear Minister:

In accordance with Section 14(1) of the Fair Competition Act, I have the honour of transmitting herein the Commission's Report for the Financial Year 2013/2014 and a copy of the Financial Statements of the Commission's Accounts as at March 31, 2014 duly certified by the Auditors.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Derrick McKoy', with a long, sweeping flourish extending from the end.

Derrick McKoy
Chairman

Members of the Commission 2017-2018

Dr. Derrick McKoy (Chairman)

Mr. Stuart Andrade

Mr. Robert Collie

Dr. Lloyd Waller

Mr. David Miller (Executive Director)

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FINANCIAL STATEMENTS

Executive Director's Overview

During the 2013/2014 Financial Year, the Fair Trading Commission (FTC) celebrated twenty years of existence. It seems recent, but the FTC opened its doors in September 1993 and has steadily climbed the ladder to becoming another of Jamaica's institutions that is critical to economic development in the modern world. Through its growth there are several principles that are embraced and practiced by the FTC in its daily operations. Independence, transparency, objectivity, responsibility, accountability, credibility and recognizable outputs and outcomes are some of the principles that guide the Staff in its day-to-day duties.

Later in this Report you will see highlights of our achievements through the years; and it is notable that each of these achievements has resulted in tangible benefits to Jamaican consumers.

Competition advocacy is a very important tool that complements enforcement of the legislation. Working with other Government agencies and with Government Ministries is fundamental to influencing general government policies in the direction of competition considerations.

In this regard our work during the 2013/2014 Financial Year included initiatives in several sectors, namely banking, real estate, petroleum and telecommunications. More broadly, an important body of work that is intended to

cover all sectors of our economy, was completed. That is, a draft Cabinet Submission which describes the importance and usefulness of having a merger review regime. This is another stage in our continued efforts to bring one of the pillars of competition into our competition legislation.

The headline item of our public education and awareness activities during the year was the launch of a series of courses in Competition Law, specifically designed for regulators, competition law practitioners, business persons, judges, economists, attorneys and policymakers. Our premier stage for bringing a topical competition issue to the public, that is, the 14th Annual Shirley Playfair Lecture was held in September. On this occasion Mr. Brian Pangelley, President of the Jamaica Manufacturers' Association, presented on the topic *"Emerging Business Strategies & Implications for Competition"*.

The next twenty years will see even more interventions from the FTC. Facilitating the development of markets will be our part in assisting Jamaica to obtain its Vision 2030 national outcomes; and the creation and administration of an effective merger review regime will be a part of our contribution to building Jamaica's industry structures.

David Miller
May 2014



About us

The Fair Trading Commission (FTC) was established in 1993 to administer the Fair Competition Act (FCA), which provides for the maintenance and encouragement of competition in the conduct of trade and business and in the provision of services in Jamaica, with a view to ensuring that markets are competitive and that consumers are provided with competitive prices and product choices.

Functions of the FTC

The functions of the FTC as set out in section 5 of the FCA are to:

- Carry out, on its own initiative or at the request of the Minister or any other person, investigations in relation to the conduct of business in Jamaica in connection with matters falling within the provisions of the FCA;
- Advise the Minister on matters relating to the operation of the FCA;
- Make available to businesses and consumers, general information with respect to their rights and obligations under the FCA;
- Cooperate with and assist any association in developing and promoting the observance of standards of conduct for the purpose of ensuring compliance with the FCA; and
- Undertake studies and publicize reports and information regarding matters affecting the interests of consumers.

The FCA contains two broad categories of prohibitions, those dealing with anti-competitive behaviour and those dealing with anti-consumer behaviour. Regarding anti-competitive behaviour, the FCA addresses abuse of a dominant position, agreements that substantially lessen competition, exclusive dealing, market restriction, resale price maintenance, tied selling, price fixing and bid rigging. Regarding anti-consumer behaviour, the FCA addresses misleading advertising, sale above advertised price, double ticketing and the unavailability of goods advertised at a bargain price.

For the purposes of its investigation, the FTC has the power to obtain any information that it considers necessary. Where the Court determines that the FCA has been breached, the Act allows for a fine of up to JA\$5 million in the case of an enterprise and up to JA\$1 million in the case of an individual.

Governance

The FTC, a portfolio agency of the Ministry of Industry, Investment and Commerce, is governed by a maximum of five Commissioners, who are appointed by the Minister. The Executive Director is an ex-officio Commissioner, who is by appointed the Commissioners. During the Year 2013/2014, the FTC was governed by four Commissioners, who were appointed in June 2012, and the Executive Director.

The Commissioners

Mr. Christopher Samuda (Chairman)

Mr. Samuda, an Attorney-at-Law, holds a Bachelor of Laws Degree with Upper Second Class Honours, from the University of the West Indies and a Certificate of Legal Education from the Norman Manley Law School. He was admitted to the Jamaican Bar in 1986. He also served as the Chairman of the Board of Directors of the Creative Production & Training Centre Limited, the Board of Governors of the Media Technology Institute; and as President of the Jamaica Paralympics Association.

Ms. Michelle Brown, an Attorney-at-Law, was admitted to the Jamaican Bar in 1996. In addition to being an attorney, she has a MBA in International Business with special emphasis on International Economic Relations from the George Washington University in Washington DC and has worked as a management consultant in Washington D.C. She also has a Masters in Law and Economics from the World Trade Institute in Switzerland. She served also as a Commissioner of the Anti-Dumping and Subsidies Commission.

Ms. Dena Davis has over 20 years experience in the insurance industry and has received professional insurance training in Jamaica, United States of America and Canada where she studied the different distribution systems of insurance and their effects on client services.

Dr. Densil Williams was appointed Commissioner while serving as the Deputy Executive Director of the Mona School of Business and Management and as a Senior lecturer of International Business with research interests in the areas of international business with special focus on the international activities of small firms, strategy and international development.

Mr. David Miller was appointed Executive Director in November 2009 after serving as General Manager of the FTC for 9 years. He holds a Masters Degree Accounting and a Bachelor Degree in Management Studies from the University of the West Indies.

Priority Programmes

In line with its mandate as set out in section 5 of the FCA and mission, “to provide for the maintenance and encouragement of competition in the conduct of trade, business and in the supply of services in Jamaica with a view to providing consumers with competitive prices and product choices”, the FTC sets the following priority programmes to focus its work:

Enforce the FCA

Increase emphases on enforcing the provisions of the FCA through the Courts, in relation to business conduct deemed inimical to the competitive process to reduce and deter anti-competitive business practices.

Advocate for competitive markets

Improve market efficiency by promoting least restrictive existing and proposed policies to ensure that those policies do not result in the hindering of competition.

Educate the public

Inform and educate policymakers, decision makers, businesses and consumers on the benefits of competitive markets to promote a better understanding of the role of the FTC in fostering a competitive economic environment.

Collaborate with other agencies

Maintain and enhance a presence in the international competition arena to further facilitate the growth and development of the Staff of the FTC; and provide advice on regional competition issues to other CARICOM member States.

Streamline processes

Streamline and improve internal processes to enhance the delivery of services to all external Stakeholders as well as to the Staff and Commissioners of the organization.

Performance

Enforcement

Court Matters

FTC v Crichton Automotive Limited

On August 22, 2013, the FTC filed suit in the Supreme Court against Crichton Automotive Limited following an investigation into allegation of misleading representation. The allegation is that Crichton misled a customer regarding the model year of a Nissan Sunny motor car. At the time of sale, the car was represented as a 2007 model, but subsequently valuers have indicated that it is a 2005 model. At the end of the financial year, a date for hearing was not set by the Court.

Digicel & Claro v FTC

Following on the FTC's 2011 claim in the Supreme Court challenging the acquisition agreement between Digicel & Claro, the Defendants contested FTC's jurisdiction. The FTC was successful on the issue of jurisdiction in the Supreme Court. Digicel & Claro filed an appeal, which was heard on May 13 to 15, 2013. The decision was not yet delivered at the end of the review period.

Consent Agreements



During the review period the FTC entered into three consent agreements, having concluded that the Respondents' conduct were likely to be in breach section 37 of the FCA, which addresses misleading advertising. A total of JA\$195,000.00 was recovered as costs. Two agreements were with Singer Jamaica Limited (Singer) and the third with Cable & Wireless Jamaica Limited (LIME).

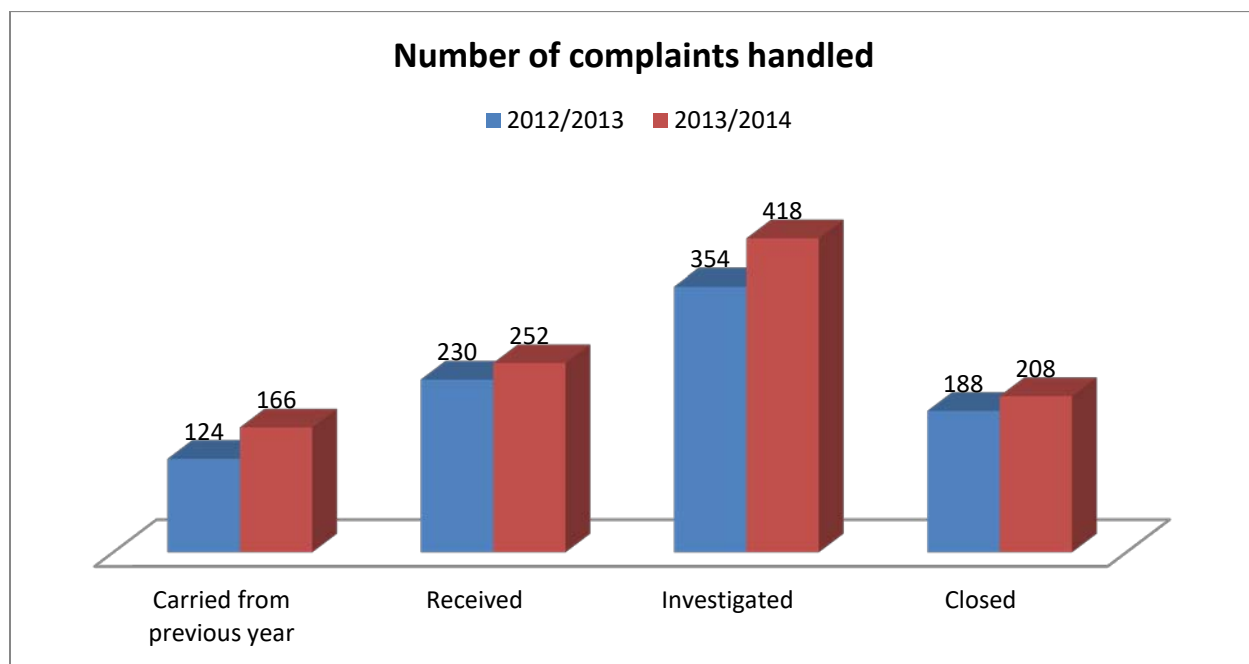
In 2012, Singer advertised a clearance sale in the Daily Gleaner newspaper where refrigerators were priced as low as \$31,995. The FTC received a complaint that refrigerators in stores were unavailable for less than \$37,000. The other matter arose from a complaint received in late 2013, whereby a consumer alleged that Singer incorrectly advised her of the warranty period

on a mattress that she had purchased. The Staff's investigation revealed that Singer's actions resulted in the original representation, upon which the consumer had relied, being altered in material respects, to the detriment of the consumer; and consequently took the position that Singer's conduct was likely to contravene section 37 of the FCA.

In June 2013 the FTC received a complaint stating that LIME's advertisements about its \$2.99 Talk EZ Plan contained statements which were either factually incorrect or were likely to mislead consumers. The FTC concluded that the statements were likely to be in breach of the FCA.

The FTC enters into Consent Agreements in situations where it believes that the FCA has been breached and the Respondents are amenable to settling the matter out of Court and in accordance with the Fair Competition (Notices and Procedures) Regulations 2000. These agreements usually require that the Respondent commit to not repeat the offensive conduct, issue a public apology, provide redress to the Informant(s) as well as pay the Commission's costs. The FCA allows for a fine of up to \$5 million in the case of an enterprise and up to \$1 million in the case of an individual, where the Court determines that the FCA has been breached.

Complaints handled



For the review period, April 1, 2013 to March 31, 2014, the FTC investigated 418 cases. This represents 252 complaints received during the year in addition to 166 complaints which

remained unresolved at the end of the previous year. For the current review period, 208 complaints were resolved and closed.

The number of anti-consumer complaints handled by the FTC continues to significantly exceed complaints alleging anti-competitive conduct. During the year 82 per cent of the complaints investigated were classified as anti-consumer conduct; 8 per cent as anti-competitive conduct and the remaining 10 per cent were classified as either Request for Information/Opinion or matters that fall outside the purview of the FCA.

Major investigations

Cement Industry

- Pursuant to section 17 of the FCA which addresses agreements that lessen competition, the FTC reviewed the distributor agreement between Caribbean Cement Company Limited (CCCL) and ARC Systems Limited (ARC), which granted ARC, a former importer of cement, the exclusive distributorship of CCCL's cement.

It was concluded that the agreement was unlikely to adversely affect competition in the industry; and that competition in the industry was being unduly restricted by the quota restriction that has been placed on importers of cement.

Used Motor Vehicle Sector

- The FTC continued discussions with the Jamaica Used Car Dealers Association with regard to allegations of discrepancy in the model year of motor vehicles that were imported by several Used Car Dealers during the years 2008-2013. Consumers of motor vehicles have complained that the age represented to them by used car dealers turned out to be understated, thereby resulting in lower valuation of the vehicles. The discussions were aimed at arriving at an agreement through which affected consumers could obtain a refund based on the difference in value of the vehicle as well as having the registration documents amended by the relevant authorities.

Retail Sector

- The FTC investigated several complaints alleging the offence of double-ticketing which is prohibited under section 39 of the FCA. The section prohibits the supply of a product at a price that exceeds the lowest of two or more prices clearly expressed in respect of the product. Allegations were made against a wide cross-section of merchants including retail groceries stores, fast food restaurants, book shops and convenience stores. Notwithstanding that the FTC was not able to prove the allegations, letters were sent to the merchants to make them aware that such practice is an offence under the FCA; and that care should be taken to have only one price attached to a product.

Advocacy

Competition advocacy is a very important tool used by competition agencies to promote and protect effective competition. As a complement to competition enforcement which addresses restrictions by private enterprises, competition advocacy seeks to prevent and remove restrictions to competition by public bodies through legislation, regulation and general government policies.

Competition advocacy activities therefore include assessing current and or proposed policies to recommend less restrictive conditions without compromising the objective of the policies.

During the review period the FTC engaged in several activities geared toward promoting competition in several industries. Additionally, and most critically, the FTC renewed its call for a framework for merger review recognizing the incompleteness of Jamaica's competition law without explicit rules for the control of mergers and acquisitions.

The following are highlights of the FTC's advocacy efforts for the year:

1. *Amendment to the FCA to involve a framework for merger review*

The FTC submitted to the Ministry of Industry, Investment and Commerce a draft Cabinet Submission which set out the importance of merger control as a critical tool to effectively promote and protect competition. Such framework would allow the FTC to address combinations (mergers and acquisitions) that may impede competition before the transaction occurs.

2. *Amendment to the Office of Utilities Regulation Act*

Comments were submitted to the Office of Utilities Regulation (OUR) on several sections to the OUR Act that were being considered for amendment.

3. *Bank of Jamaica Interim Report of Bank Fees*

In response to a request for feedback on the Bank of Jamaica Interim Report on Bank Fees, the FTC submitted its comments which were informed by the findings from market studies of the Commercial Banking and Credit Union sectors as well as trends in the movement of fees over the 5 years between 2007 and 2012.

4. *Spectrum Auction*

Comments were submitted to the Spectrum Management Authority (SMA), with regard to the conditions for the licensing of the 700 MHz Band that was slated to be auctioned in the later part of 2013. The FTC also participated in discussions with the SMA and the OUR regarding the specific conditions of the auction as well as the licensing process.

5. Gated Communities

Regarding the matter of a standard for classifying housing developments as Gated Communities, the FTC expressed its concerns to the Real Estate Board which was in the process of identifying areas of concern regarding gated communities with a view to having legislation to address those concerns. The FTC asked that the maximum number of entrances and exits and the existence of and type of perimeter wall be considered.

The FTC, since as far back as 2002, has been receiving complaints from purchasers of housing units, which are advertised as being located in a gated community. They complained that the infrastructure that is provided by the respective developers does not meet their expectation of what they consider to be a gated community.

6. Minimum Petroleum Haulage Rates

In response to a recommendation by the Ministry of Science Technology Energy and Mining (MSTEM) that “...all marketing companies adopt [its] proposed minimum petroleum haulage rates in order to ensure that the policy objectives are achieved and sustained in the petroleum industry, as well as fairness and equity”, the FTC issued a statement stating that it does not support the recommendation of MSTEM as such recommendation would likely have the unintended effects of adversely affecting competition in the petroleum industry by harming motorists, through higher prices, as well as harming efficient petroleum haulage contractors in Jamaica, whose cost structure could support rates that are lower than the minimum.

The FTC put forward the following negative likely effects of the recommendation:

- (i) An increase in the rates that marketing companies pay for haulage services;
- (ii) No discernible increase in the incentives for Private Haulage Contractors to meet industry standards with respect to operational and maintenance requirements;
- (iii) A reduction in the incentives for PHCs to operate efficiently;
- (iv) Harm to efficient PHCs who would be willing and able to operate at haulage rates below the published rates but would face (artificially engineered) competition from inefficient PHCs who could operate only at the higher rates established by the Government; and
- (v) Harm to motorists in terms of increased prices at the pump due to increased haulage rates faced by marketing companies.

Public education

Several Public Education and Awareness activities were undertaken during the year.



Dr. Delroy Beckford, Senior Legal Counsel (center) engages course participants

Competition Law Course

To enhance competition culture and the general understanding of Competition Law in Jamaica and in the Caribbean, the FTC launched three levels of courses in Competition Law and Policy, specifically designed for regulators, competition law practitioners, business persons, judges, economists, attorneys and policymakers.

The first Intermediate level Course was held on October 28-29, 2013; and was conducted by Dr. Kevin Harriott, Competition Bureau Chief and Dr. Delroy Beckford, Senior Legal Counsel. In attendance were eight Attorneys-at-Law and two Economists, from the private and public sector. The syllabus included discussions on the objectives and benefits of Competition Law; market definition; market power assessment; and the interaction between competition law and sector specific laws. The course was accredited by the General Legal Council.

Public Lecture

In September 2013, the FTC hosted the 14th Annual Shirley Playfair Lecture. The topic discussed was, “Emerging Business Strategies & Implications for Competition”. The presenter Mr. Brian Pengelley, President of the Jamaica Manufacturers’ Association, articulated the economic

concept of vertical integration with the use of examples of both local and international industries. Listing the key drivers of integration in Jamaica as (a) a lack of depth in the economy where companies are forced to drive more efficiency into their operations; (b) greater opportunity for profitable specialization in narrower segments of the value chain; (c) a need for better supply chain management and reliability; and (d) a desire for firms to become more consumer driven, Mr. Pengelley made reference to several medium sized and large established firms. He cited the experience of a major supplier of chicken meat that is involved in feed production, chicken rearing, preparation and distribution and its competitor which is also involved in egg distribution as well, as success stories.

Other examples from Jamaica's economic landscape that were discussed include a food distributor that is also involved in farming and which has a chain of supermarkets; bakeries which supply baked products islandwide; a seafood retailer that produces and distributes as well; a paint manufacturer which also distributes and retails; and several companies that are involved in production of its inputs, distribution and retailing of its line of products that it manufactures.

The benefits of vertical integration in Jamaica were discussed extensively with the audience. Competitive positioning, market and supply chain expansion, expansion in core competencies, reduced transportation and distribution costs, opportunity for increased investments and barriers to entry through competitive strength were among the benefits discussed. In contrast, risks arising from the need to balance capacity within the firm, internal complacency, organizational bureaucracy and the likelihood of monopolization were identified.



From left to right: The Honourable Anthony Hylton, Minister of Industry, Investment & Commerce; and Mr. Brian Pengelley

FTC Publications

The FTC has two publications through which it provide the public with information on its work and issues relating to competition – an annual magazine, ***Compete***, and quarterly issued newsletters, ***FTCNewsline***.

During the year the 18th edition of ***Compete*** was published in January 2014 under the theme “*Competition 20/20: Looking back, looking forward*”. It contained articles from the Consumer Affairs Commission and CARICOM Competition Commission on matters concerning consumer behavior and competitive markets as well as the implementation and enforcement of the CARICOM competition policy. Other articles which were written by the Staff of the FTC include discussions on the jurisdiction challenges under the FCA; the economic significance of competition policy in Jamaica; as well as on the process of authorization pursuant to sections 29-32 of the FCA, which enable to FTC to authorize either an agreement or a practice that is affected or prohibited by the FCA.

Compete was distributed to over 700 individuals and organizations; as well as posted on the FTC website.

Media Exposure

The FTC participated in several radio and television talk shows. Discussions included (i) FTC’s performance for the 2012/2013 Financial Year (ii) competition issues in the telecommunications sector and the impact of the lowering of mobile termination rates on the relevant market; (iii) misleading representation; and (iv) the introduction of ultra low-sulphur diesel and its impact on consumers and merchants and implications for the market for petroleum products.

Conference participation

The Executive Director participated in a workshop hosted by the World Bank Group and Peru’s competition agency, the Institute for National Development on Competition and Intellectual Property (INDECOPI). The theme was *Making markets work for increased productivity and growth: A reform agenda on competition – Latin America and the Caribbean*. The Executive Director’s presentation focused on the Commission’s 2010 intervention in the telecommunications market with respect to the price of mobile voice termination services on all networks. The presentation was posted on the FTC website.

Collaborate with other agencies

In December 2013, the FTC completed work under a consultancy agreement with the Organization of Eastern Caribbean States (OECS) to propose a structure and budget for an institution that will have oversight responsibility of competition, consumer protection, anti-dumping as well as subsidies and safeguard matters. The OECS Member States agreed to establish a sub-regional authority, the Eastern Caribbean Competition Commission (ECCC), to enforce competition, consumer protection, anti-dumping and subsidies and safeguard legislation in Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines.

The Consultancy was a ten-week project designed to assist the OECS Member States in agreeing upon a feasible structure for the ECCC, taking into consideration the expertise required in the focal areas, the anticipated volume of work, areas in which the major demands are likely to be made and projected increases in volume and complexity of work over the first five years of the operation.

The work included a review of specific legislation, obligations of the Member States in respect of the Revised Treaty of Basseterre, the Revised Treaty of Chaguaramas establishing the Caribbean Community (CARICOM) including the CARICOM Single Market and Economy, and the Economic Partnership Agreement (EPA) between the European Union and CARICOM. Also reviewed were documents specific to the formation of the ECCC; the structure and operations of other national and regional competition authorities as well as other regional regulators. Critical to the process were consultations with key stakeholders within the region.

The key outputs from the consultancy were proposals for institutional design, operational framework and budgetary requirements for funding the operations. The final Report discussed the incremental legal and financial obligations that the OECS would be required to assume over the first five years of its operations if it is to achieve the objective of operating the most efficient and effective Agency; the requisite skills set that would be required to carry out daily operations; minimum budgetary requirements; and likely sources of income.

The FTC recommended that the OECS include procedural provisions in the legislation to ensure a clear separation of adjudicative from investigative functions; as well as implement administrative firewalls to ensure that its crucial function as the competition advocate is not compromised by any internal conflict which is likely to arise in administering the five areas, namely, competition, consumer protection, anti-dumping and subsidies and safeguard matters. The other critical recommendation was that empowering the Commissioners to adjudicate on matters arising in the specialty areas and outsourcing the investigative powers of anti-dumping, subsidies and safeguard matters to an external body is likely to be the most effective structure to achieve the stated objectives of the proposed ECCC.

Streamline processes

In the previous Financial Year, the FTC commenced the process of obtaining ISO certification. This initiative was part of the Ministry's effort to improve the efficiency in the agencies for which it has portfolio responsibility. The Minister had indicated that *"all portfolio agencies of MIIC are mandated to implement the ISO 9001:2008 quality management system and become certified"*. In this effort the FTC reviewed all the processes of its two main units – investigation and administration; and took the opportunity to improve and consolidate some of its processes as well as revise some of its data capture forms.

During the year the Staff of the FTC participated in six sensitization and handholding sessions. These sessions include the conduct of internal audit training, development of procedures and development of a quality manual.

To continually strengthen the technical capacity of the Staff to carry out investigations and conduct market studies several training sessions were held during the year. Topics covered include a review of the International Competition Network Market Studies Handbook, where the Staff familiarized themselves with best practices within the Competition Law arena; as well as consumers' behavior when faced with too many choices.

Progress was made during the year towards answering the question "By how much is consumer welfare enhanced from competition policy?" Specifically, the FTC started the process to identify a methodology to quantify the improvement in consumer welfare from its competition law enforcement and advocacy activities.

FTC celebrates 20 years

In September 2013 the FTC celebrated 20 years of helping consumers and businesses to reap the benefits of competitive markets. The following highlights some of the major achievements of the FTC as it strives to carry out the mandate to maintain and encourage competition through the detection and deterrence of anti-competitive business practices.

After 20 years

1993-2003

- 1993 The Fair Competition Act took effect on September 9. The doors of the FTC opened in November 1993.
 - 1994 FTC's intervention ended discrimination and collusive practices regarding commissions paid to advertising agents.
 - 1995 Telecommunications of Jamaica (TOJ) agreed to roll back its Internet access charges after the FTC had determined that the charges were unjustifiable and that TOJ's action represented an abuse of dominance.
 - 1996 Agreement with TOJ removing the requirement that consumers use only TOJ's equipment in their homes.
 - 1997 First issue of *Competition Matters*, an annual publication which highlights the work of the FTC. In 2013 the magazine was renamed, '*Compete*'.
 - 1998 Signed Consent Agreement with Executive Motors Limited regarding an instance of misleading representation.
 - 1999 Settlement Agreement with Cable & Wireless Jamaica Limited regarding misleading representation and abuse of dominance relating to its messaging service.
 - 2000 Launch of the Annual Shirley Playfair Lecture, held in honour of the Mrs. Shirley Playfair, the first Chairperson of the FTC. The inaugural lecture was presented to members of the Judiciary.
 - 2001 Court of Appeal Judgement handed down in a suit brought by the Jamaica Stock Exchange against the FTC. It later formed the basis for amendments to the Fair Competition Act.
 - 2002 Following on research into the conduct of Banks, the FTC collaborated with the Jamaica Bankers Association to ensure that information such as the posting of exchange rates, advertising of interest rate, computation of interest charges for credit card purchases, are clearly disclosed to customers.
 - 2003 Issued Guidelines to consumers for the purchase of used cars.
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2004-2013

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| 2004 | Agreement reached with the individual airlines and the Board of Airline Representatives of Jamaica that all airline advertisements indicate the cost of an airline ticket, as well as the relevant taxes and levies. |
| 2005 | The principle that intention is not a consideration for the offence of misleading representation was established in Judgement in favour of the FTC in the matter brought against SBH Holdings Limited and Forrest Hills Joint Venture Limited. |
| 2006 | The FTC's Court action led to consumers who had purchased a particular type of vehicle from Key Motors Ltd., obtaining replacement of the defective dashboards and full compensation for related loss and inconvenience caused. |
| 2007 | Made representation in Parliament on the Jamaica Dairy Development Board Bill advocating that farm gate prices of milk be determined by individual farmers instead of being set by the Board. |
| 2008 | Comprehensive revision of Case Selection Criteria. The Criteria guides the process of selecting and prioritizing matters to be investigated; and ensures transparency, certainty and uniformity in the case selection process. |
| 2009 | Completed a 4-year Inter-American Development Bank project geared at strengthening the technical capacity of the FTC. Components included the development of the technical skills of the Staff; Improvement to the FTC IT infrastructure and public relations activities. |
| 2010 | Issued a Report on fees and charges of Commercial Banks, following which there was an increase in promotional offers, rebates and removal of some fees. A significant recommendation is that building societies be granted licences to operate as Commercial Banks and the creation of a credit bureau. |
| 2011 | Filed suit in the Supreme Court against Digicel and Claro regarding their acquisition agreement. The FTC's report had identified likely harm to consumers. |
| 2012 | The FTC raised concern that the diesel fuel sold in Jamaica is unsuitable for use in some diesel-powered vehicles, due to the high sulphur content. Ultra Low Sulphur Diesel was introduced to the market in the following year. |
| 2013 | Launch of Competition Law Courses and Consultancy Services offered by the FTC. |
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Looking forward to the next 20 years

Twenty years have passed since the FTC commenced operations and much has been done in creating the foundation for building the institution into one which is independent, credible, responsible and accountable. Our achievements are numerous and Jamaica's economic landscape, business environment and development potential are much the better for having the FTC. In creating the list of major achievements, it was indeed a tough task to single out only one achievement each year as we made several significant interventions in each of those years.

The next twenty years will see even more interventions from the FTC. Moving in tandem with our new tagline of "*promoting competitive markets*", economic growth, influencing competition policy, shaping business behavior and facilitating the development of markets will be our part in assisting Jamaica to obtain its Vision 2030 national outcomes of having an enabling business environment and having internationally competitive industry structures.

Building a culture of competition is one of the challenges which both new and established Competition Agencies face, and Jamaica has been no different. In the context of having competition policy engrained in our society, and in the actions of our people, twenty years is not a long time. This building process is ongoing and is treated as integral to our work; and it will continue to be given priority.

Our core values of credibility, effectiveness, accountability and independence will remain at the forefront of our work. The process of achieving the International Organization for Standardization (ISO) certification has begun and we will be certified by the earliest possible time.

Sharpening the three competition-based tools, namely public education, advocacy and enforcement, will be our focus and new initiatives will complement existing activities. We will:

- have enhanced quality control;
- conduct training courses in competition policy;
- offer services that develop and/or strengthen institutions in their knowledge of competition and trade related matters;
- complete the process of amending the Fair Competition Act (FCA) to strengthen several provisions as well as provide the FTC with stronger enforcement powers; and
- have a faster turn-around time for completion of investigations and market studies.

We will continue to build on several aspects of our operations, use the tools in the manner which we have been using them and in keeping with our culture of inward looking and continuous evaluation and assessment of ourselves, these tools will be strengthened or they will be used in different ways to achieve our objectives. As Sir Winston Churchill said "To improve is to change; to be perfect is to change often".

Our broad objectives are:

Education Programmes:

- Increase the volume and quality of information provided to stakeholders.
- Strengthen communication at all stages towards the relevant target groups.
- Continue with the process of repositioning the FTC as the premier competition agency in the region.

Advocacy:

- Target Government policies which restrict competition by conducting analyses on the effects of current and proposed policies and legislation.

Enforcement:

- Focus on proactive enforcement and impartiality and use of an effect-based approach in the selection of cases. Direct internal mechanisms, structures and processes towards transparent, open and objective decision-making, reporting and effective communication.
- Build enforcement strategies on the basis of: (a) prioritizing the sectors that are at the forefront of the economy; (b) employing deterrence mechanisms; and (c) promoting a culture of results primarily through public education.
- Take matters to be heard by the Court; and enter into Consent Agreements with enterprises where appropriate and where necessary.
- Conduct investigations into and undertake market studies on issues which are topical and which negatively affect the competitive environment and consumers.

*Mr. David Miller
Executive Director*

January 2014

This is an extract from the January 2014 issue of Compete

Funding

The FTC is fully funded from Subvention income from the Government. For the Financial Year 2013-2014 the FTC received \$74,834,093 in Subvention and a total of \$3,682,339 from several sources including settlement costs, consultancy and Competition Law course fees. Expenditure for the year totals \$83,968,980.

The following table summarizes expenditure for the 2013-2014 and the previous Financial Year. Also included is the Approved Budgetary Allocation for the 2013-2014 Financial Year.

Object	2013-2014 Approved (\$)	2013-2014 Actual Expenditure (\$)	2012-2013 Actual Expenditure (\$)
Compensation of Employees	54,934,458	55,564,464	49,199,807
Travel Expense & Subsistence	5,382,492	7,230,068	6,497,478
Rental of Bldg., Machinery & Equip.	9,104,112	10,510,220	9,831,452
Public Utility Services	2,060,000	2,759,249	2,389,658
Purchase of other Goods & Services	2,034,000	7,904,978	4,906,313
Asset Purchases	0	1,508,098	40,186
Total	73,515,062	85,477,077	72,864,894

Compensation

- Commissioners Compensation**

Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Christopher Samuda	\$50,000 per month	0	0	0	600,000
Michelle Brown	\$27,500 per month	0	0	0	330,000
Dena Davis	\$27,500 per month	0	0	0	330,000
Densil Williams	\$27,500 per month	0	0	0	330,000

- Senior Executive Compensation**

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Executive Director	2013/2014	6,739,498	0	975,720	321,852	0	0	8,037,070
General Manager	2013/2014	5,800,310	0	975,720	273,362	0	0	7,049,392
Senior Legal Counsel	2013/2014	6,710,333	0	975,720	0	0	0	7,686,053
Competition Bureau Chief	2013/2014	5,820,948	0	975,720	281,149	0	0	7,077,817

Staff of the Commission

Staff of the Commission during the year April 1, 2013 to March 31, 2014

Executive Director	-	Mr. David Miller
General Manager	-	Miss Ann-Marie Grant
Senior Legal Counsel	-	Dr. Delroy Beckford
Competition Bureau Chief	-	Dr. Kevin Harriott
Legal Officer	-	Miss Wendy Duncan
Legal Officer	-	Mr. Marc Jones
Competition Analyst	-	Miss Verlis Morris
Competition Analyst	-	Mr. Desroy Reid
Accountant	-	Mr. Gregory McHargh
Research Officer	-	Miss Kristina Barrett
Research Officer	-	Mr. Lyndel McDonald
Complaints Officer	-	Mr. Paul Cooper
Executive Secretary	-	Mrs. Jean Lally
Legal Secretary	-	Miss Kathleen Francis
Senior Secretary	-	Miss Deborah Wilson
Clerk/Typist	-	Mrs. Latoya Wallace
Telephone Operator	-	Miss Sonya-Cai Burrell
Office Attendant	-	Mrs. Carol Fraser
Driver	-	Mr. Alwyn Hutchinson

FAIR TRADING COMMISSION

FINANCIAL STATEMENTS

Year ended March 31, 2014

Fair Trading Commission

Financial Statements

Year ended March 31, 2014

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Independent Auditor's Report

Financial statements

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AUDITOR GENERAL'S DEPARTMENT
P.O. BOX 455
KINGSTON 5
JAMAICA

Email: audgen@auditorgeneral.gov.jm

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Fair Trading Commission**

Opinion

I have audited the accompanying Financial Statements of the Fair Trading Commission, set out on pages 1 to 14, which comprise the Statement of Financial Position as at March 31, 2014, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the Financial Statements give a true and fair view of the financial position of the Fair Trading Commission as at March 31, 2014, and of its financial performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. My staff and I are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled the other ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standards (IPSAS). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless there are plans to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the audit of the Financial Statements

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. The conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

I have communicated with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that was identified during the audit.



Auditor General

2017-10-27/14

Date

Fair Trading Commission
Statement of Financial Position
as at March 31, 2014

Page 1

	Notes	2014 \$	2013 \$
Non-current assets			
Property, plant and equipment	6	3,546,647	2,624,369
Current assets			
Receivables and prepayments	7	1,246,283	1,117,689
Cash and cash equivalents	8	1,443,637	4,345,234
Total current assets		2,689,920	5,462,923
Current Liabilities			
Accounts payable		5,654,307	2,271,739
Statutory liabilities		16,829,449	15,751,836
Accruals		6,947,821	7,799,830
Total current liabilities	9	29,431,577	25,823,405
Net current liabilities		(26,741,657)	(20,360,482)
Net liabilities		(23,195,010)	(17,736,113)
Equity			
GOJ Capital Fund		9,219	15,568
Accumulated deficit		(23,204,229)	(17,751,681)
		(23,195,010)	(17,736,113)

The financial statements on pages 1 to 14 were approved for issue on behalf of the

Commission on June 28, 2017 and signed on its behalf by:

Dr. Derrick McKoy
Chairman

Mr. Stuart Andrade
Commissioner

The accompanying notes on pages 5 - 14 form an integral part of the financial statements.

Fair Trading Commission
Statement of Financial Performance
for the year ended March 31, 2014

Page 2

	Notes	2014 \$	2013 \$
Revenue			
FTC Company Law Courses		480,000	-
FTC Consultancy Services		2,749,826	-
Income - GOJ Subvention	3(f)	74,834,093	74,681,731
Appropriations-In-Aid		195,000	120,700
Total operating revenue		<u>78,258,919</u>	<u>74,802,431</u>
Operating expenses			
Compensation of employees	10	55,564,464	49,199,807
Travelling and transportation	11	7,230,068	6,497,478
Premises related expenses	12	10,510,220	9,831,452
Public utilities	13	2,759,249	2,389,658
Goods and services	14	6,554,943	4,169,661
Depreciation	6	585,820	651,289
Bank charges	15	105,373	85,363
Project Expenditure	16	658,842	-
Total operating expenses		<u>83,968,980</u>	<u>72,824,708</u>
Net profit/(loss) from operations		<u>(5,710,061)</u>	<u>1,977,723</u>
Other income		136,762	98,162
Interest income	3(f)	114,402	136,579
Foreign exchange gain		-	6,460
Transfer from GOJ/USAID Grant	3(d)	6,349	15,238
		<u>257,513</u>	<u>256,439</u>
Surplus/(Deficit) for the year		<u><u>(5,452,548)</u></u>	<u><u>2,234,162</u></u>

The accompanying notes on pages 5 - 14 form an integral part of the financial statements.

Fair Trading Commission
Statement of Changes in Equity
for the year ended March 31, 2014

Page 3

	Notes	GOJ Capital Fund \$	General Reserve \$	Total \$
Balance at March 31, 2012		30,806	(19,985,843)	(19,955,037)
Surplus for the year		-	2,234,162	2,234,162
Transfer to income	3(d)	(15,238)	-	(15,238)
Balance at March 31, 2013		15,568	(17,751,681)	(17,736,113)
Surplus for the year		-	(5,452,548)	(5,452,548)
Transfer to income	3(d)	(6,349)	-	(6,349)
Balance at March 31, 2014		9,219	(23,204,229)	(23,195,010)

The accompanying notes on pages 5 - 14 form an integral part of the financial statements.

Fair Trading Commission

Page 4

Statement of Cash Flows

for the year ended March 31, 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Surplus/(Deficit) for the year		(5,452,548)	2,234,162
Adjustments:			
Depreciation	6	585,820	651,289
Operating surplus before changes in working capital		(4,866,727)	2,885,451
Changes in working capital:			
Increase in accounts receivable		(128,594)	(41,897)
(Decrease)/increase in current liabilities		3,608,172	(2,331,492)
Net cash provided/(used) by operating activities		(1,387,150)	512,062
Cash flows from investing activities			
Capital expenditure	6	(1,508,098)	(40,186)
Net cash provided by investing activities		(1,508,098)	(40,186)
Cash flows from financing activities			
Transfer from Capital Fund		(6,349)	(15,238)
Net cash used by financing activities		(6,349)	(15,238)
Increase/(decrease) in cash and cash equivalents		(2,901,596)	456,638
Cash and cash equivalents at beginning of year		4,345,234	3,888,596
Cash and cash equivalents at end of year		1,443,637	4,345,234

The accompanying notes on pages 5 - 14 form an integral part of the financial statements.

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

1. IDENTIFICATION

The Fair Trading Commission (FTC) was established to enforce the regulations of the Fair Competition Act enacted March 9, 1993 and began operations September 9, 1993. The main activity of the Fair Trading Commission is the maintenance and encouragement of competition in the conduct of trade, business and services with a view to providing consumers with competitive prices and choices.

2. REPORTING CURRENCY

These financial statements are expressed in Jamaica Dollars (\$), which is the Commission's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied for the years presented.

(a) Statement of Compliance and Basis of Preparation

The financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) and interpretations issued by the International Public Sector Accounting Standards Board (IPSASB). The IPSASB is an independent board of the International Federation of Accountant (IFAC). IPSAS are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of the financial statements to conform with IPSAS, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The financial statements are prepared under the historical cost convention, modified for the inclusion of certain investments at fair value.

Where necessary, prior year comparatives have been reclassified to conform to current year presentation.

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line basis at annual rates estimated to write off the carrying value of the assets over the period of their estimated useful lives. Annual rates are as follows:

Motor vehicles	25%
Furniture & Fixtures	10%
Computer equipment	25%

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is the written down immediately to its recoverable amount.

(c) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, and short term deposits.

(d) Capital Fund

This fund represents capital grants received and is written off on a straight line basis over the life of the assets. An amount equivalent to depreciation is charged in the statement of financial performance.

(e) Employee Benefits

A provision is made for the estimated liability for untaken annual vacation leave due as a result of services rendered by employees up to the reporting date.

(f) Revenue recognition

Revenue represents subvention received from the Government of Jamaica and grants received from various multi-national funding agencies.

Interest income is recognized in the income statement for all interest bearing instruments on an accrual basis unless collectability is doubtful.

(g) Taxation

No provision has been made for taxation as the Commission is tax exempt under Section 51 of the Fair Competition Act as provided for by Section 12(l) of the Income Tax Act of Jamaica.

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

(h) Grants

The Commission received funding from various agencies for specific projects. The Inter-American Development Bank (IDB) & the FTC entered in an arrangement in March 2005, which provided US\$439,300 (US\$304,000 from IDB and US\$135,300 from Government of Jamaica) over a period of 3 years for strengthening the Technical Capacity of the FTC. Jamaica Promotions Corporation (JAMPRO) provided JM\$7,273,825.33 in May 2007 through the Private Sector Development Programme for the purpose of Capacity Building.

4. PENSION SCHEME

The Commission operates a contributory pension scheme for its employees, with benefits based on the employees' earnings during recognized service. The Fund balance as at March 31, 2014 was \$88,403,318.62 (2013: \$73,375,066.59).

5. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Commission's activities expose it to a variety of financial risks: market risks (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The Commission's overall risk management policies are established to identify and analyze the risk of exposure, and to set appropriate risk limits and controls to monitor risk and adherence to limits. The risk management framework is based on guidelines set by the Board of Directors together with management and seeks to minimize potential adverse effects on the Commission's financial performance.

(i) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. The Commission mitigates against this risk by assigning a mark-up of ten percent for inflation in the budget. However, when there is a reduction in the budget the Commission institutes measures to deal with the shortfall.

(ii) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Commission manages its foreign exchange risk by holding foreign currency bank accounts in reputable financial institutions.

(iii) Interest Rate Risk

Interest rate risk is that the value of a financial instrument will fluctuate due to changes in market interest rates. The Commission has no significant interest bearing assets or liabilities, income and operating cash flows are substantially

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

independent of changes in market interest rates. The Commission's interest rate risk arises from deposits.

(iv) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission has limited concentrations of credit risk. This risk is managed through adherence to staff loans and advances policy as well as maintaining good relationship with suppliers.

(v) Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Commission manages this risk by keeping committed credit lines available.

(vi) Capital Risk

Capital risk is the risk that the Commission fails to comply with mandated regulatory requirements resulting in breach of those requirements. The Commission's objectives when managing capital are to comply with capital requirements, safeguard the Commission's ability to continue as a going concern and maintain a strong capital base to support the development of its business.

(vii) Operational Risk

Operational risk is the risk of direct or indirect, loss arising from a variety of causes associated with the Commission's processes, personnel, technology and other external factors, other than financial risks. The Commission manages operational risk to avoid financial loss and damage to its reputation by adhering to good corporate governance practices.

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

6. PROPERTY, PLANT AND EQUIPMENT

	USAID Furniture, Fixtures & Equipment	GOJ Motor Vehicles	GOJ Office Furniture	GOJ Fixtures & Fittings	GOJ Computers	Total
At cost:	\$	\$	\$	\$	\$	\$
April 1, 2013	876,678	1,640,861	1,058,140	3,288,086	12,008,085	18,871,850
Additions	-	-	10,838	1,322,677	174,583	1,508,098
Disposals	-	-	(49,888)	(12,800)	(604,656)	(667,344)
March 31, 2014	876,678	1,640,861	1,019,090	4,597,963	11,578,012	19,712,604
Depreciation:						
April 1, 2013	876,678	1,640,861	897,334	1,956,036	10,876,572	16,247,481
Charge for the year	-	-	28,223	304,882	252,715	585,820
Disposals	-	-	(62,688)		(604,656)	(667,344)
March 31, 2014	876,678	1,640,861	862,869	2,260,918	10,524,631	16,165,957
Net book value:						
March 31, 2014	-	-	156,221	2,337,045	1,053,381	3,546,647
March 31, 2013	-	-	160,806	1,332,050	1,131,513	2,624,369

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

7. RECEIVABLES AND PREPAYMENTS

	2014	2013
	\$	\$
GCT recoverable	487,234	417,417
Interest receivable	1,346	3,154
Salary advance	40,600	5,000
Withholding tax recoverable	527,477	509,744
Prepayments	78,314	71,059
Other receivables	<u>111,312</u>	<u>111,315</u>
	<u>1,246,283</u>	<u>1,117,689</u>

8. CASH AND CASH EQUIVALENTS

	2014	2013
	\$	\$
Short term deposits	1,188,212	2,131,586
Balances at bank	249,425	2,207,648
Petty cash	<u>6,000</u>	<u>6,000</u>
	<u>1,443,637</u>	<u>4,345,234</u>

9. CURRENT LIABILITIES

	2014	2013
	\$	\$
<i>Accounts Payable</i>		
Electricity	340,229	291,619
Rental of office space	1,908,412	1,749,096
Other payables	844,605	231,024
Auditing Fees	851,280	-
Bank overdraft	<u>1,709,781</u>	<u>-</u>
Balance carried forward to next page	<u>5,654,307</u>	<u>2,271,739</u>

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

9. CURRENT LIABILITIES (CONT'D)

	2014	2013
	\$	\$
Balance brought forward from previous page	<u>5,654,307</u>	<u>2,271,739</u>
<i>Statutory liabilities</i>		
Owed by parent Ministry	721,738	721,738
Owed by parent Ministry 2011/2012	878,614	878,614
Owed by FTC	719,019	257,186
Owed by MIIC F/Y 2013/2014	615,780	
Owed to TAJ (i)	<u>13,894,298</u>	<u>13,894,298</u>
	<u>16,829,449</u>	<u>15,751,836</u>
<i>Accruals</i>		
Vacation leave payable	3,930,753	4,220,519
Outstanding retroactive salaries	<u>3,017,068</u>	<u>3,579,311</u>
	<u>6,947,821</u>	<u>7,799,830</u>
	<u>29,431,577</u>	<u>25,823,405</u>

- (i) This represents unpaid Education Tax and PAYE deductions and related interest and penalties charged by the Tax Administration of Jamaica relating to financial year 2013 and prior. The Commission was granted a waiver of \$12,180,415.18 during the financial year 2014/2015 regarding this amount.

10. SALARIES AND OTHER STAFF COSTS

	2014	2013
	\$	\$
Salaries – Permanent	47,945,229	43,071,969
Salaries – Temporary and Wages	837,300	841,367
Vacation leave	2,411,110	1,236,421
Clothing and robing allowance	44,460	44,460
Meal allowances	321,210	302,213
Overtime allowances	290,645	223,162
Staff welfare	177,900	180,050
Health plan	1,729,312	1,700,955
Pension contribution	<u>1,807,298</u>	<u>1,599,210</u>
	<u>55,564,464</u>	<u>49,199,807</u>

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

11. TRAVELLING AND TRANSPORTATION

	2014	2013
	\$	\$
Motor vehicle allowances	7,228,568	6,495,078
Taxi fare	<u>1,500</u>	<u>2,400</u>
	<u><u>7,230,068</u></u>	<u><u>6,497,478</u></u>

12. PREMISES RELATED EXPENDITURE

	2014	2013
	\$	\$
Rental of building	10,405,420	9,747,852
Other rental	<u>104,800</u>	<u>83,600</u>
	<u><u>10,510,220</u></u>	<u><u>9,831,452</u></u>

13. UTILITIES

	2014	2013
	\$	\$
Electricity	1,714,720	1,596,236
Telephone and facsimile	<u>1,044,529</u>	<u>793,422</u>
	<u><u>2,759,249</u></u>	<u><u>2,389,658</u></u>

14. GOODS AND SERVICES

	2014	2013
	\$	\$
<i>Professional Services</i>		
Advertising and public relations	956,499	815,668
Consultancy	820,052	35,000
Consultancy – legal fees	125,250	60,000
Commissioners' stipends	1,590,000	1,165,000
Audit fees	<u>851,280</u>	<u> </u>
Balance carried forward to next page	<u><u>4,343,081</u></u>	<u><u>2,075,668</u></u>

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

14. GOODS AND SERVICES (CONT'D)

	2014	2013
	\$	\$
Balance brought forward from previous page	<u>4,343,081</u>	<u>2,075,668</u>
<i>Office and General Expenses</i>		
Drugs and first aid	12,977	13,251
Text and reference books	-	2,500
Food and drink	200,040	180,059
Printing and stationery	572,677	357,803
Postal and cable	75,489	65,500
Subscriptions	88,909	58,215
Repairs and maintenance	93,454	21,043
Computer expenses	280,388	777,322
Appropriation in aid expenses	-	-
Insurance	181,735	174,002
Sundry expenses	<u>44,539</u>	<u>17,300</u>
	<u>1,550,208</u>	<u>1,666,995</u>
<i>Motor vehicle expenses</i>		
Petrol and oil	230,941	218,969
Motor vehicle repair and maintenance	<u>303,219</u>	<u>128,782</u>
	<u>534,160</u>	<u>347,751</u>
<i>Miscellaneous Expenses</i>		
Sanitation, security services and donations	<u>127,494</u>	<u>79,247</u>
	<u>6,554,943</u>	<u>4,169,661</u>

15. BANK CHARGES

	2014	2013
	\$	\$
RBTT – IDB US\$ Account	4,761	1,049
RBTT Current Account	<u>100,612</u>	<u>83,314</u>
	<u>105,373</u>	<u>85,363</u>

Fair Trading Commission
Notes to the Financial Statements
For the year ended March 31, 2014

16. PROJECT EXPENDITURE

	2014	2013
	\$	\$
FTC Competition Law Courses Expenses	237,273	-
FTC Consultancy Service Expense	241,569	-
ISO	<u>180,000</u>	<u>-</u>
	<u>658,842</u>	<u>-</u>