

Examples of Fee Calculation

The examples of the fee calculations below, illustrate the costs that Latvian Securities Depository (hereafter – LCD) charges for provided services related to cash equity transaction clearing and settlement and safekeeping of the securities.

LCD does not apply any rebate or discount schemes in price calculations for the provided services.

Fees and calculated total amounts are net excluding value added tax (VAT). The invoicing occurs at the beginning of the month for the services provided by LCD during previous month. The LCD participant membership fee is invoiced once a year.

The complete list of types and amounts of remuneration for LCD services are set out in LCD Regulations No.14 “On Fees for Services Provided by the LCD”. The references in the examples indicate the paragraph of the Regulations where the particular fees are specified.

1. Membership Fees

A financial intermediary when becoming LCD participant should pay one-time entry-fee of LVL 2000. The status of LCD participant enables the client to open account for security holdings at LCD and make securities and cash settlement transactions.

For LCD participant acting only as cash agent, one-time entry fee is LVL 500.

Annual membership fee of LVL 1000 are charged once a year for all LCD participants.

2. Account Maintenance Fees

Two types of monthly payments are calculated and invoiced for the securities safekeeping in the correspondent accounts at LCD:

2.1. Fixed custody fees - for each opened correspondent account in LCD, if it has positive balance;

Reference	Service Description	Number of accounts	Fee per account	Total amount
4.3.	fixed monthly custody fee	100	Ls 1,60	Ls 160,00
			TOTAL:	Ls 160,00

2.2. Variable custody fees - calculated according to the total market value of LCD participants' holdings as of the last business day of the month

Reference	Place of Security Issue Book-Entry	Value of Holdings (in LVL)	Fee rate	Total amount
4.4.1., 4.4.2.	LCD	100 000 000	0,0048%	Ls 4 800,00
4.5.1.	Lithuanian CSD	50 000 000	0,0017%	Ls 850,00
4.5.2.	Estonian CSD	50 000 000	0,0015%	Ls 750,00
4.5.4.	Euroclear	10 000 000	0,0033%	Ls 330,00
			TOTAL:	Ls 6 730,00

The value of securities in foreign currency is converted into LVL at the exchange rate set by the Bank of Latvia for the day when the invoice is issued.

3. Clearing and Settlement Fees

3.1. DVP Net Settlement

3.1.1. Local DVP Net Settlement Fees

Reference	Description of Service	Number of Trade	Settlement Fee for Each Trade	Total Amount
4.6.6.1.	settlement of RSE trade, if settlement is in lats	1 000	Ls 0,20	Ls 200,00
4.6.6.2.	settlement of RSE trade, if settlement is in a foreign currency	30	Ls 0,20	Ls 6,00
TOTAL:				Ls 206,00

3.1.2. Cross-Border DVP Net Settlement Fees

Reference	Description of Service	Number of Trade	Settlement Fee for Trade	Each	Total Amount
4.6.7.	settlement of TSE trade	100		Ls 0,20	Ls 20,00
4.6.8.1.	settlement for executed trade in VSE	100	Lt 1.00* or	Ls 0,203	Ls 20,30
4.6.8.2.	settlement for registered trade in VSE	10	Lt 5.20* or	Ls 1,056	Ls 10,56
TOTAL:					Ls 50,86

RSE – Riga Stock Exchange
TSE – Tallinn Stock Exchange
VSE – Vilnius Stock Exchange

*Currency rate set by the Bank of Latvia as of 1.12.2006: Lt 1 = Ls 0.2030

- Fee is set out for settlement of each executed or registered trade at a Stock Exchange irrespective of the number of confirmations necessary to settle the transactions.
- Fee for DVP settlement for trades executed or registered at Vilnius Stock Exchange is defined in Lits that is converted into the amount of LVL according to the exchange rate of the Bank of Latvia on the day when invoice is issued for the service.

3.2. DVP Gross Settlement

3.2.1. Local DVP Gross Settlement Fees

Reference	Description of Service	Number of Orders	Fee per Each Order	Total Amount
4.6.4.1.	settlement of buy or sell order, if settlement is in lats*	40	Ls 2.00	Ls 80.00
4.6.4.2.	settlement of buy or sell order, if settlement is in a foreign currency	10	Ls 6.00	Ls 60.00
4.6.4.4.	confirmation necessary for DVP settlement	20	Ls 1.00	Ls 20.00
TOTAL:				Ls 160.00

* Charge is not applicable if as the result of the settlement the balance of the LCD participant's client account has not changed.

- Specified fees are charged for each buy or sell order message that are necessary for DVP settlement of each separate OTC trade.

3.2.2. Cross-Border DVP Gross Settlement Fees

Reference	Description of Service	Number of Orders	Fee per Each Order	Total Amount
4.7.10.1.	settlement of buy or sell order, if settlement is in lats	10	Ls 5,00	Ls 50,00
4.7.10.2.	settlement of buy or sell order, if settlement is in a foreign currency	5	Ls 6,00	Ls 30,00
4.7.10.3.	settlement of buy or sell order, if settlement is in foreign depository and in a foreign	5	Ls 5,00	Ls 25,00
4.7.10.4.	confirmation necessary for DVP settlement	10	Ls 1,00	Ls 10,00
			TOTAL:	Ls 115,00

3.3. Free of Payment Settlement (FOP)

3.3.1. Local FOP Transfer

Reference	Description of Service	Number of Transactions	Fee per Transaction	Total Amount
4.6.2.1	portfolio transfer	5	Ls 0,80	Ls 4,00
4.6.2.4.	Repo transfer	20	Ls 0,80	Ls 16,00
4.6.2.3.	transfer of Initial Register	1	Ls 0,80	Ls 0,80
4.6.2.5.	transfer of open-end fund units	600	Ls 0,35	Ls 210,00
4.6.2.6.	transfer of closed-end fund units	50	Ls 0,80	Ls 40,00
4.6.2.7.	other free of payment transfers	10	Ls 6,00	Ls 60,00
4.6.2.8.	receive free confirmation	300	Ls 0,80	Ls 240,00
			TOTAL:	Ls 570,80

- Above-mentioned FOP fees are not applicable if as the result of the transfer the balance of the LCD participant's client account has not changed.

3.3.2. Cross-Border FOP Transfer

Reference	Description of Service	Number of Transactions	Fee per Transaction	Total Amount
4.7.1., 4.7.3.	transfer to Lithuanian CSD/ Estonian CSD	50	Ls 3,00	Ls 150,00
4.7.2., 4.7.4.	receive free confirmation for FOP transfer from Lithuanian CSD/ Estonian CSD	50	Ls 3,00	Ls 150,00
4.7.7.	transfer of securities registered in Euroclear within Euroclear system	20	Ls 4,00	Ls 80,00
4.7.8.	transfer of securities registered in Euroclear outside Euroclear system	1	Ls 25,00	Ls 25,00
4.7.6.	monthly participation fee for transaction with securities registered in Euroclear*			Ls 70,00
			TOTAL:	Ls 475,00

*The monthly fee is applicable in the case if at least one settlement with Euroclear securities is performed during a month.

The Grand Total Charge is Ls 8 630.66 – the amount the LCD participant will be charged for the above mentioned services for clearing and settlement of cash equity transaction and security safekeeping service (excluding one-time entry-fee and annual membership fee).