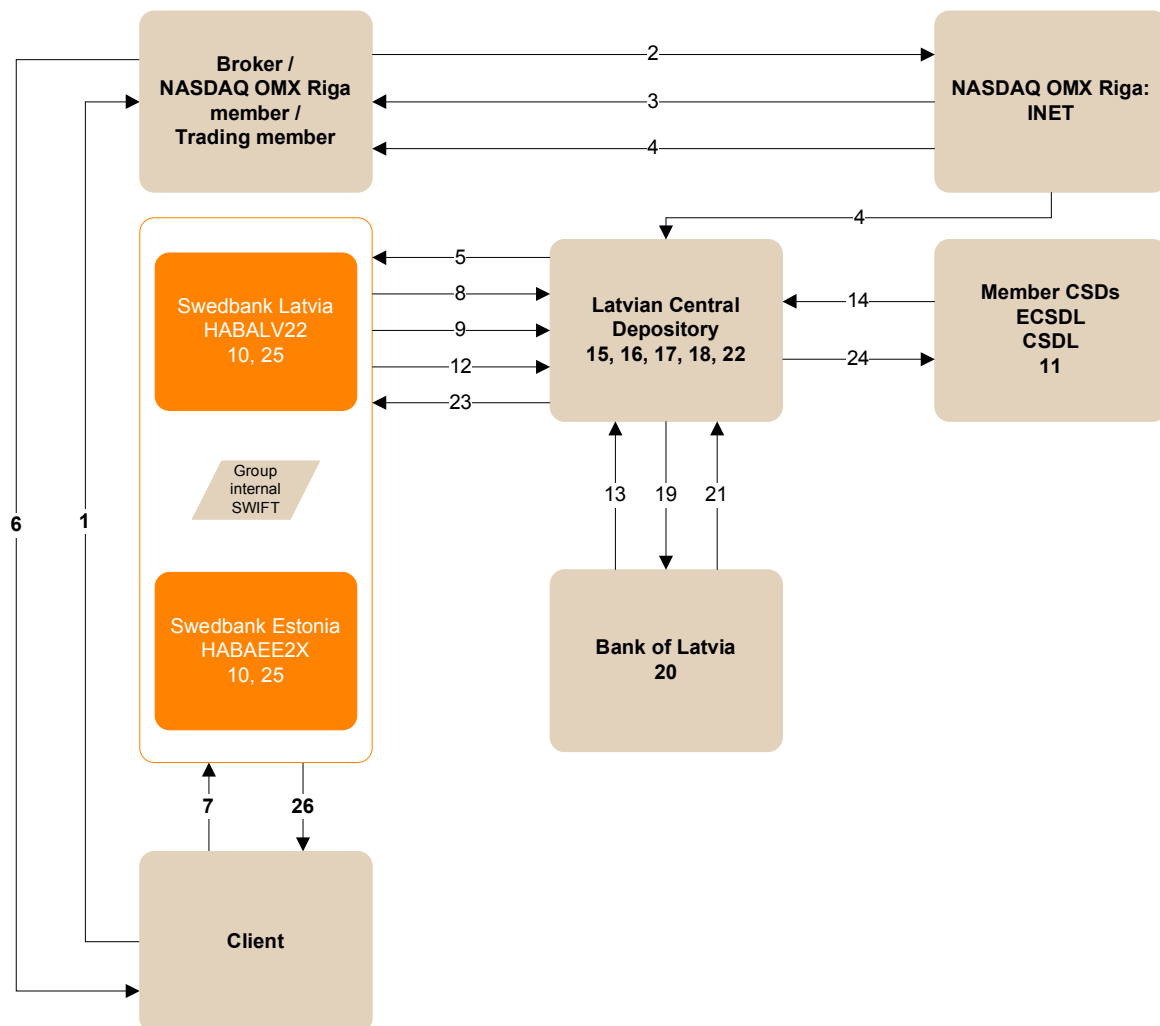


# NASDAQ OMX Riga Trade Settlement Flow\* Latvia



	Description of Act	Date	Period of Time / Cut-Off
1	The client submits a trade order to the broker		Any time before next trading session / at the time of trading session
2	The client's trade order is submitted by the broker to NASDAQ OMX Riga	TD	10:00 – 16:00
3	The broker is automatically notified by NASDAQ OMX Riga of the trade execution	TD	10:00-16:00 upon execution
4	The trading results are sent to the broker and LCD	TD	Immediately after the trading session
5	LCD sends request for confirmation to custodian bank if: a) the trade was registered against the custodian bank account with LCD by a broker that is not the brokerage of the same	TD	Immediately after receipt of results from NASDAQ OMX Riga

	custodian bank b) the brokerage of the custodian bank has not completed all the settlement details at the time of the trade registration		
6	The broker sends the trade confirmation to the client	TD	By 17:00
7	The client submits a settlement instruction to the custodian bank	SD-1	<b>16:00**</b>
8	LCD receives trade enrichments or settlement instructions or amendments of a trade settlement data from custodian bank	SD	By 10:00
9	Custodian bank sends trade settlement cancellations to LCD	SD	By 10:00
10	Custodian bank checks the balance of cash and securities	SD	By 11:00
11	Member CSD-s check sufficiency of securities for non-local Baltic trades on custodian bank accounts (internal) – net positions per account are calculated – and block the securities on their accounts	SD	By 11:00
12	Custodian bank sends settlement affirmation of the trade to LCD (for both local and non-local Baltic trades)	SD	By 11:00
13	BoL informs LCD of the maximum cash amount per trading member	SD	11:00
14	Member CSD-s send settlement affirmations for non-local Baltic trades to LCD via LinkGW	SD	11:05 – 11:10
15	LCD to calculate preliminary securities and cash positions for information purposes: information is passed on to trading members and custodian banks	SD	11:10 – 11:15
16	LCD checks securities available	SD	11:15
17	LCD calculates final net securities and cash positions	SD	12:00
18	LCD blocks the securities on accounts of custodian banks	SD	12:00
19	LCD sends the payment instructions to BoL by SWIFT	SD	12:00 – 13:00
20	BoL clears the multilateral net position calculated by LCD***	SD	12:00 – 13:00
21	BoL sends confirmations back to LCD	SD	12:00 – 13:00
22	LCD transfers the securities	SD	By 13:00, immediately after receipt of confirmation from BoL
23	LCD sends settlement confirmations to custodians	SD	By 13:00
24	LCD sends settlement information to member CSD-s	SD	Immediately after settlement in LCD
25	Custodian bank transfers the cash and securities	SD	Immediately upon receipt of settlement confirmation
26	Custodian bank sends the settlement confirmation to the client	SD	Immediately upon transfers

\* Default cycle T+3

\*\* **Swedbank cut-off time.** Swedbank uses internal SWIFT messaging when exchanging information.

\*\*\* If BoL cannot transfer the payment because of funds shortage, the 2nd settlement cycle on a gross basis will be executed 13:30 – 14: 30. In order to calculate cash amount necessary for the gross transfer, LCD will exclude the failed trades from the calculated net cash position.

**Definitions:**

- **Account manager** a legal entity that is a participant of LCD and manages personal investors' securities accounts and provides different services to investors. The may or may not have a correspondent cash account in BoL.
- **Clearing agent** a credit institution that has a correspondent cash account in BoL and offers clearing services to brokers and account managers.
- **INET** electronic trading system used for equities and fixed income on the OMX Exchanges.
- **Issuer CSD** LCD (Latvian Central Depository)
- **LinkGW** technical solution for transferring securities between Baltic CSD-s
- **Member CSD** CSDL (Central Securities Depository of Lithuania) and ECSD (Estonian Central Securities Depository).
- **Trading member** a legal entity that has been granted the right to trade in the securities listed on NASDAQ OMX Riga via the INET trading system.

**Penalty fee for LCD participants** for cash or securities default while settling the trades executed or registered with the NASDAQ OMX Riga shall be **LVL 180.00 per settlement day**.

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