

**MARKET PRACTICE GUIDE FOR SECURITIES  
SETTLEMENT**

February 2009

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## ***1. Introduction***

### ***1.1. The purpose of the market practice guide***

This market practice guide describes post-trading settlement procedures and timetables for trades concluded on the NASDAQ OMX Tallinn, the NASDAQ OMX Riga and the NASDAQ OMX Vilnius as well as the OTC transaction environment of the Estonian Central Securities Depository, the Latvian Central Depository and the Central Securities Depository of Lithuania. It also describes how settlement instructions on shares and debt instruments registered at the Baltic Central Securities Depositories (CSDs) shall be formatted by market participants and provides market cut-off times in order to ensure due settlement. Market participants may require their clients to adhere to earlier cut-off times or supplementary conditions to those prescribed by Baltic Exchanges and CSDs. In such cases, the market participant/client agreements shall prevail.

## **2. Market practice for securities settlement in Estonia**

### **2.1. Clearing and settlement organization**

Clearing and settlement in Estonia is organised by the Estonian Central Securities Depository (hereinafter EVK).

Established in 1994, EVK is a public limited company, operating under the name "AS Eesti Väärtpaberikeskus". EVK is wholly owned by the NASDAQ OMX Tallinn, which is also a public limited company. Both companies belong to the NASDAQ OMX Group. EVK operates in accordance with the Estonian Central Register of Securities Act authorized by the state, pursuant to the signed Registrar Contract.

In Estonia the beneficiary accounts model is applied, however the nominee concept is also permitted and professional participants in the Estonian securities market have the right to own a nominee account as a special type of securities account. Foreign legal entities also have the right to own a nominee account if, according to the applicable law, they have the right to hold securities in their own name and on behalf of another entity/person.

Professional participants in the Estonian market include investment firms, credit institutions, the operator of the regulated market, the operator of the securities settlement system and other persons prescribed by law.

### **2.2. Applicable laws, rules and regulations**

The securities clearing and settlement process is covered by statutory provisions set out in the relevant Estonian legal acts and EVK rules and regulations. The member firms of the NASDAQ OMX Tallinn (hereinafter TSE) and the EVK account operators are bound by these legal acts, rules and regulations in their relations with the EVK and each other.

More information can be obtained on the following websites:

- EVK Rules and Regulations on the site:  
<https://www.e-register.ee/index.php?id=2196>
- TSE Rules and Regulations on the site:  
<http://www.ee.omxgroup.com/?id=2677>

### **2.3. Operating hours and public holidays**

Any reference to time in this section of the document is Estonian time, which is CET+1.

The EVK operating hours are 08:00 to 18:00, Monday - Friday, with the exception of public holidays.

Following is a list of public holidays in Estonia for 2009:

<b>Weekday</b>	<b>Date</b>	<b>Public holiday</b>
Thursday	January 1	New Year's Day
Tuesday	February 24	Independence Day
Friday	April 10	Good Friday
Friday	May 1	May Day
Tuesday	June 23	Victory Day

Wednesday	June 24	Midsummer Day / St. John's Day
Thursday	August 20	Day of Restoration of Independence
Thursday	December 24	Christmas Eve
Friday	December 25	Christmas Day

## **2.4. Clearing agents**

A clearing agent is a credit institution that provides cash clearing services for domestic and cross-border stock exchange trades and delivery versus payment (DVP) transactions to account operators and trading members that do not have access to the central bank clearing and settlement system.

The obligations of a clearing agent services provider are as follows:

- It must be a licensed credit institution;
- It must have a correspondent account in the local central bank;
- It must have a correspondent relationship with commercial banks settling in other Baltic central banks;
- It must have an agreement with account operators or trading members that have no access to central bank cash clearing and settlement system;
- It must give its confirmation (or rejection) of cash positions to be settled in the relevant central bank;
- It must make the necessary currency conversions.

## **2.5. Clearing and settlement of NASDAQ OMX Tallinn trades**

### **2.5.1 Settlement cycle**

The default settlement cycle of TSE trades is T+3, trade counterparties may agree on a different cycle (T+1...T+6) for negotiated trades. Settlement time schedules are provided in Appendix 2.

### **2.5.2. Trading and settlement currency**

The trading currency of TSE is the euro (EUR), and the settlement currency is the Estonian kroon (EEK). EVK converts the multilateral net claims and obligations of the clearing agent from EUR to EEK using the official EEK and EUR conversion rate (1 EUR = 15.6466 EEK).

### **2.5.3. Generation of TSE trade information for settlement**

After a TSE trade is executed in the Saxess trading system, it is immediately transferred from Saxess via the Traxess database (an intermediary database used for collecting trading results from Baltic stock exchanges) to EVK's clearing and settlement system - Depository2000. TSE trades concluded by Latvian or Lithuanian trading members are routed to the respective CSD by the EVK and disclosed by the Latvian and Lithuanian CSDs to their participants by 17:15 on the Trade Date (T). The EVK acts as an Issuer CSD and the Latvian and Lithuanian CSDs act as Investor CSDs for TSE trades.

#### **2.5.4. Trade enrichments**

All matched TSE trades routed to Depository2000 have to be enriched by trading members by 10:00 on the Settlement Date (S). The trade enrichment consists of the securities account number, quantity, buy/sell side and the trading member's confirmation of the trade details. More than one enrichment on both sides is possible. The trade is enriched if it has a complete and confirmed set of enrichments.

The trading member can enrich trades manually via the special client application of the Depository2000BOT. If the trading member has informed the TSE of its default clearing details (securities account number and the settlement place) prior to starting to trade or if the clearing information was entered into Saxess with the order/trade, the trades are enriched and confirmed automatically.

Clearing information that was entered into Saxess is validated before it is transferred to the clearing and settlement system.

- If it passes technical validation and the settlement place is LCD/CSDL then enrichments will be transferred to LCD/CSDL. The EVK inserts the trade enrichment into D2000 using LCD/CSDL nominee accounts;
- If it passes technical validation and the settlement place is the EVK then enrichments will be transferred to the EVK and disclosed to the relevant account operators;
- If it does not pass technical validation then default values will be used. Each trading member provides the respective stock exchange with default values before starting to trade in the Saxess environment.

#### **2.5.5. Change of the settlement date**

The trading member can change the settlement date until S 10:00, by submitting the relevant application to the TSE. Approval from both parties involved in the trade is required. The earliest possible new settlement date is T+1.

#### **2.5.6. Change of settlement place**

The trading member can change the settlement place until S 10:00, by submitting the relevant application to the TSE; for example, it can choose either the EVK or LCD/CSDL as settlement place. In this case, the initial designated CSD (settlement place) must send the trade information for settlement to the new settlement place.

#### **2.5.7. Trade confirmations**

TSE trades shall be confirmed by S 11:00.

There are 2 types of TSE trade confirmations:

- A-confirmation – the account operator's confirmation. By giving an A-confirmation, the account operator confirms that it has received the relevant affirmation for the trade from the buyer or seller and that the party has sufficient securities or cash for settlement;
- B-confirmation – the trading member's confirmation. This confirmation is given for the buyer's side only. By giving this confirmation the trading member assumes the responsibility of providing cash for the settlement of the trade.

Cash details are generated automatically in the system based on confirmations.

Trades that are settled cross-border to the LCD/CSDL shall also be confirmed to the relevant CSD by S 11:00. Immediately afterwards, the LCD/CSDL validates the

confirmations, checks that there are sufficient securities on the account managers' accounts and, in successful cases, sends confirmations to EVK.

If some part of the confirmation is missing or the securities amount is insufficient, trades that cannot be settled are reported by the LCD/CSDL to the EVK. Based on this information, the EVK then decides how to proceed with a defaulting trade; for example, the settlement date of the trade may be postponed.

At S 11:00, the TSE checks whether all trades to be settled have a full set of confirmed trade details. If not, amendments will be requested from the trading member or made by the TSE. Default procedures are stipulated in the TSE's clearing and settlement rules.

### **2.5.8. Pre-settlement activities**

The calculation of the position of TSE trades is based on DVP Model 3, i.e. net settlement of both securities and cash.

At S 11:45, (after the settlement of Batch 1 and 2 of OTC DVP transactions) EVK calculates the preliminary securities and cash net positions for information purposes; information is passed on to trading members and account operators. If the quantity of securities on a securities account is insufficient for executing the trade, the relevant account operator is informed. An account's balance can be changed by a free-of-payment transfer or a real-time OTC DVP transaction, i.e. borrowing the relevant securities or transferring from another account. If borrowing or another similar activity is not possible within the agreed deadline, then the relevant trades will be postponed. Default procedures are stipulated in the TSE's clearing and settlement rules.

At S 12:45, EVK starts pre-settlement procedures by calculating the settlement amount in securities on the securities account level. Securities necessary for settlement are blocked. Based on the results, EVK calculates the cash position for clearing agents.

By S 13:15, the clearing agents shall have provided their negative net-position of cash confirmations. If a clearing agent has not confirmed its cash position, an explanation will be requested to identify the reason. If the problem cannot be solved, the relevant trades will be excluded from the settlement and postponed. In such a case, the pre-settlement process will be repeated.

### **2.5.9. Cash settlement at the Bank of Estonia**

At S 13:30, EVK sends cash settlement instructions to the Bank of Estonia (hereinafter BoE). Settlement of calculated monetary multilateral net claims and obligations takes place in the EP RTGS system (payment system managed by the BoE) by debiting and crediting the clearing agents' correspondent accounts. Settlement is final after cash settlement in the BoE.

If there is an insufficient amount of cash on the clearing agent's account, BoE sends a rejection message to EVK and reports the defaulting party. After that, the EVK determines whether it was a temporary or long-term insolvency and

- re-sends the same cash settlement instruction or
- eliminates the insolvent clearing agent, calculates new positions and sends new cash settlement instructions.

### **2.5.10. Settlement of securities**

Immediately after receipt of confirmation from the BoE on the settlement of monetary obligations, the EVK makes the respective securities transfers.

Immediately after settlement of securities, the results are available for account operators and the EVK sends settlement confirmations to the LCD/CSDL. Based on the confirmations, the LCD/CSDL makes securities transfers in the Latvian/Lithuanian systems.

### **2.5.11. Default handling**

In order to guarantee the execution of the transaction, the TSE has the right to impose sanctions on its members. These default measures are stipulated in the rules and regulations of the TSE, including the submission of special orders to the EVK, buying or selling securities, usage of TSE Guarantee Fund etc. These default measures can be imposed if the TSE trading member has not provided the necessary trade enrichments for the execution of TSE trades or if the trade cannot be settled for some other reason.

## **2.6. Settlement of OTC DVP Transactions**

### **2.6.1. Currencies**

Over-the-counter delivery versus payment (OTC DVP) transactions are settled in the Estonian kroon (EEK). If supported by the account operator, the instructions can also be given in euro (EUR). EVK converts the multilateral net claims and obligations of the clearing agent from EUR to EEK using the official EEK and EUR conversion rate (1 EUR = 15.6466 EEK).

### **2.6.2. Instructions and enrichments**

Matching criteria of OTC DVP transactions are set as follows

- ISIN
- Quantity
- Price
- Currency
- Securities quantity
- Inserting party account operator
- Counterparty account operator
- Trade date
- Intended settlement date
- Trade type

After the seller and the buyer have agreed on an OTC DVP transaction, their account operators must enter the respective transaction orders for the securities transfer into the EVK system. Counterparties can enter transactions and settlement enrichments independently from each other. If the underlying securities are available on the seller's securities account, and the seller's account operator confirms the transaction order, the securities necessary for settlement will be blocked by the EVK.

### **2.6.3. Settlement of OTC DVP transactions**

Settlement of OTC DVP transactions can either be executed in designated time batches (DVP Model 2 – gross settlement of securities and net settlement of cash) or real time gross settlement (DVP Model 1 – gross settlement of securities and cash).

### 2.6.3.1. Settlement of OTC DVP transaction batches

There are four OTC-DVP settlement batches a day. Transaction orders that are duly entered, matched and confirmed to the EVK system are included in the first possible processing period. EVK begins the settlement process of OTC-DVP batches at 9:45, 10:45, 13:45 and 14:45.

#### **Cash settlement**

Cash settlement of OTC DVP batches is based on multilateral net claims and obligations calculated by the EVK during the pre-settlement process. By 10:15, 11:15, 14:15 and 15:15, respectively, the clearing agent's confirmation on negative net positions is requested.

At 10:30, 11:30, 14:30 and 15:30, the EVK sends cash settlement instructions to the BoE. Settlement of calculated monetary multilateral net claims and obligations takes place in the EP RTGS system by debiting and crediting the account operators'/clearing agents' settlement accounts. The settlement of OTC DVP transactions is final after cash settlement in the central bank.

#### **Securities settlement**

Immediately after BoE has sent the confirmation of the settlement of monetary obligations to the EVK, the respective securities transfers are executed in the EVK system.

### 2.6.3.2. Settlement of real-time OTC DVP transactions

Real-time OTC DVP transactions can be entered, matched and confirmed to the EVK system from 08:00 to 17:00 for settlement with the same day value. The settlement process starts immediately after transaction orders are matched and confirmed and there is a sufficient quantity of securities on the seller's account.

#### **Cash settlement**

Cash settlement of real time OTC DVP transactions takes place on a gross basis. Immediately after receipt of clearing agent confirmation of the negative gross settlement amount, the EVK sends the cash settlement instruction to the BoE. Cash settlement takes place in EP RTGS system by debiting and crediting the settlement accounts of the account operator/clearing agent. The settlement of real-time OTC DVP transaction is final after cash settlement in the central bank.

#### **Securities settlement**

Immediately after the BoE has sent confirmation of the settlement of monetary obligations to the EVK, the respective securities transfers are executed in the EVK system.

### 2.6.4. Failure of settlement

The performance of transfer requests is not guaranteed for OTC DVP transactions. If one of the transaction parties has not submitted the transfer request via their account operator, or the submitted transfer request cannot be processed for some other reason, for example, the relevant securities are not available on the account to be debited or the clearing agent's confirmation has not been received, then the transfer will not be executed.

## ***2.7. Free-of-payment transfers***

Free-of-payment (FOP) transfers are settled online and can be submitted and executed during EVK operating hours. Cash payments are not controlled by the EVK in the case of FOP transfers. The transfer from seller to buyer takes place promptly after the buyer's account operator has confirmed the incoming transfer request and the EVK has checked whether the securities requested are available on the securities account to be debited.

### **3. Market practice for securities settlement in Latvia**

#### **3.1. Clearing and settlement organization**

Clearing and settlement in Latvia is organized by the Latvian Central Depository.

Established in 1995, the Latvian Central Depository or the AS Latvijas Centrālais Depozitārijs (hereinafter LCD) is a private joint stock company. An operating license was issued by the Ministry of Finance on April 28, 1995, and operational activities commenced on June 27, 1995. The LCD is wholly owned by the NASDAQ OMX Riga (hereinafter RSE), which in turn is 92.98% owned by the NASDAQ OMX Group. Both the LCD and RSE are subsidiaries of NASDAQ OMX Group.

Law on Financial Instrument Market gives LCD the legal authority to act as a CSD in Latvia and take responsibility for the administration of all accounting and settlement of all publicly issued securities in Latvia. Accordingly, one of the LCD's key tasks is to ensure a secure and efficient securities clearing and settlement system in Latvia.

LCD operations are supervised and regulated by the Financial and Capital Market Commission (hereinafter FCMC).

#### **3.2. Applicable laws, rules and regulations**

Pursuant to Law on Financial Instrument Market, procedures for the clearing and settlement of securities are described in the rules and regulations of the LCD. LCD market participants are bound by these rules and regulations in their dealings with the LCD and each other.

The Rules and Regulations can be obtained on the following web sites:

- LCD Rules and Regulations on the site:  
<http://www.baltic.omxnordicexchange.com/?id=1981446>
- RSE Rules and Regulations on the site:  
<http://www.baltic.omxnordicexchange.com/?id=1979707>

The Financial and Capital Market Commission supervises all financial market participants in Latvia.

In Latvia the omnibus accounts model is applied.

#### **3.3. Operating hours and public holidays**

Any reference to time in this section of the document is Latvian time, which is CET+1.

The operating hours of the LCD back-office are 08:30 to 18:00 Monday - Friday, with the exception of public holidays. The operating hours of the securities settlement system are 09:00 to 18:00, Monday - Friday, again with the exception of public holidays.

Following is a list of public holidays in Latvia for 2009:

<b>Weekday</b>	<b>Date</b>	<b>Public holiday</b>
Thursday	January 1	New Year's Day

Friday	April 10	Good Friday
Monday	April 13	Easter Monday
Friday	May 1	International Labour Day
Monday	May 4	Declaration of independence
Tuesday	June 23	Midsummer Eve
Wednesday	June 24	Midsummer Day
Wednesday	November 18	Proclamation of the Republic of Latvia
Thursday	December 24	Christmas Eve
Friday	December 25	Christmas Day
Saturday	December 26	Boxing Day
Thursday	December 31	New Year's Eve

### **3.4. Clearing agent**

An LCD account manager that has not entered into a three-party agreement with the LCD and the Bank of Latvia (hereinafter BoLV) for cash settlements for transactions with DVP settlement, must appoint another LCD participant as its clearing agent. The relevant agreement must be presented to the LCD before LCD participant rights are granted.

The agreement or the letter of attorney issued pursuant to the agreement shall indicate the maximum sum that an LCD participant, utilizing the cash clearing agent service, is entitled to use each day for the settlement of net and gross settlements of transactions. In this agreement, it may be specified that the LCD participant, providing the cash clearing agent service, shall submit a statement to the LCD on a daily basis indicating the amount of funds they agree to utilize to settle transactions performed by another LCD participant.

### **3.5. Clearing and settlement of NASDAQ OMX Riga trades**

#### **3.5.1. Settlement cycle**

Automatically matched trades are always settled on the third day after the trade (T+3), where T is the day of conclusion of the transaction. RSE negotiated deals may have a settlement period between T+0 and T+40 (inclusive). Settlement time schedules are provided in Appendix No 2.

#### **3.5.2. Trading and settlement currency**

The official trading and settlement currency of RSE trades is the Latvian lat (LVL). RSE listed securities can also be traded in euro (EUR) and US dollars (USD). In such cases the settlement of such transactions will be also be carried out in the respective currency.

#### **3.5.3. Settlement principles**

Settlement of RSE trades can either be based on net or gross principle. The gross principle is applied in case of negotiated trades with settlement cycles of T+0 and settlement on Treasury securities purchased at auctions on RSE. All other RSE trades are settled by net principle.

### 3.5.3.1 Settlement by net principle

- **Generation of RSE trade information for settlement**

At the end of the trading session at 16:30, details of executed RSE trades are derived from the Saxess trading system and sent via direct electronic link to the LCD settlement system DENOS.

- **Trade enrichments**

RSE trades are automatically enriched with the settlement details indicated in the trade. If the trade enrichment inserted by the trading member is technically incorrect or not inserted at all, the trade will be enriched with the values of default account manager in the LCD system.

RSE trades concluded by Estonian or Lithuanian trading members are routed to the respective CSD by the LCD and further forwarded by the Estonian and Lithuanian CSDs to their participants by 17:15 on T.

- **Change of settlement date**

Until S 10:00, it is possible for the trading member to change the settlement date by submitting the relevant application to RSE. The RSE then cancels the previous trade and enters a new one containing the changed settlement details into DENOS. The account managers of both parties are requested to confirm the settlements details of the trade by S 11:00.

- **Change of account manager for securities settlement**

Account manager, that has received the request to confirm the settlement of RSE trade, but doesn't have grounds for that, can submit their rejection until S 10:00 by sending an appropriate message to LCD. The account manager may indicate new account manager in their rejection message.

LCD will require confirmation from the respective new account manager before proceeding with the settlement.

- **Trade confirmations**

RSE trades shall be confirmed by S 11:00 in DENOS.

Trade confirmations are only requested from account managers in the following cases:

- a trade enrichment inserted by a trading member was technically incorrect;
- trade enrichment was not inserted or was inserted incompletely by a trading member;
- the settlement of the trade will be provided by the account manager, which is not the same legal entity that concluded the trade on the RSE (e.g. cross-border settlement);
- a trading member has indicated in the trade that the buyer/seller's account manager confirmation is required.

If trade confirmation from the account manager is not required, no information is sent to the account manager.

Account managers can decline to confirm a trade until S 10:00 if:

- if that was assigned to the default account manager because trade enrichment inserted by trading member was technically incorrect or incomplete or enrichment was not inserted by trading member at all;
- the trade enrichment details are complete and correct, but the information does not conform with the submitted instructions from the investor.

When rejecting the settlement, the account manager has a right to provide correct settlement information or the obligation to settle the trade is passed on to the trading member's default account manager. LCD will request confirmation from the new/default account manager.

Trades that are settled cross-border to the EVK/ CSDL shall also be confirmed to the respective CSD by S 11:00. Immediately afterwards, the EVK/CSDL checks the correctness of the confirmation, blocks the sold securities on the seller's account and sends trade confirmations to the LCD. If the quantity of securities is insufficient, EVK/ CSDL will immediately inform the LCD about those specific trades. Settlement of those trades will be postponed to next day net settlement.

- **Pre-settlement activities**

By S 11:10, at the latest, the account manager providing clearing agent services for other account managers, informs the LCD about the maximum amount of cash which can be used from the clearing agent cash account in BoLV to settle trades for other account managers.

By S 11:15, the LCD calculates the multilateral net securities and cash positions of the account managers involved in the settlement. The LCD will inform the account manager of any insufficiency of securities on the correspondent account at the LCD. FOP transfers can be used to cover the short position in securities.

By S 12:00, account managers are obliged to provide the required funds for the settlement of trades in the cash accounts with the BoLV.

- **1st Settlement cycle**

On S 12:00, LCD checks the availability of securities according to calculated net positions on the account managers' omnibus accounts.

if the quantity of securities is sufficient, they are blocked;

if there is an insufficient quantity of securities for certain transactions, the LCD either selects those transactions and settles them according to gross principle (see 3.5.3.2. Settlement by gross principle) as soon as the required quantity of securities is provided or postpones the trade to next day settlement. The selection of trades is done on a best-effort basis and the maximum settlement execution principle is applied.

On S 12:00 – 12:30, LCD instructs BoLV to execute cash settlement according to multilateral net claims and obligations.

On S 12:30 – 13:00, BoLV checks cash positions and:

if the cash amount is sufficient for settlement, BoLV transfers the cash;

if the cash amount is insufficient on any of the cash accounts, BoLV sends the LCD a rejection of cash settlement by reporting the defaulting party. The LCD immediately informs all involved parties including the RSE about suspension of settlement.

Settlement is final and irrevocable after cash settlement in the BoLV.

By S 13:00, based on the successful cash settlement confirmation from the BoLV, LCD transfers the securities and sends settlement confirmations on a trade-by-trade basis to all concerned account managers including the EVK and the CSDL. Based on information received from the LCD, account managers as well as EVK/CSDL make entries in their book-entry system.

- **2nd Settlement cycle**

The 2nd settlement cycle is carried out only in the case of insufficient funds in the BoLV.

Between the 1<sup>st</sup> and 2<sup>nd</sup> cash settlement attempt RSE may decide whether to involve the Guarantee Fund to cover insufficient cash positions or postpone or cancel the respective trades. The RSE shall inform the LCD about its decision no later than S 13:30.

At S 13:30 – 14:00, LCD verifies whether the required quantity of securities has been blocked. The securities' net positions could change if the RSE decides to cancel or postpone some trades. In this case, the LCD unblocks securities that were blocked for the first cycle of settlement, calculates new net positions and blocks the new quantity of securities.

By S 14:00, LCD will notify all the parties about the new net positions and postponed trades.

At S 14:00, LCD instructs the BoLV to execute cash settlement according to new net positions.

On S 14:00 – 14:30, the BoLV checks cash positions and:

- if the cash amount is sufficient for settlement, BoLV transfers the cash;
- if the cash amount is insufficient on any of the cash accounts, BoLV rejects the cash settlement. The securities remain blocked and the settlement will be suspended until the next settlement day and will be included in the first settlement cycle. LCD notifies all involved parties and RSE about suspension of settlement.

By S 14:30, on receipt of confirmation of successful cash settlement from the BoLV, the LCD immediately transfers the securities and sends the settlement confirmations on a trade-by-trade basis to all concerned account managers including the EVK and CSDL.

### 3.5.3.2. Settlement by gross principle

Settlement by gross principle is applied to RSE trades with settlement date T+0 and settlement on Treasury securities purchased at auctions on RSE.

#### **RSE Trades with T+0 settlement**

- **Trade information**

To settle a RSE trade on a real-time basis (T+0), RSE sends trade information to the LCD immediately after the trade is concluded, however no later than S 14:30.

The account managers that are responsible for T+0 trade settlement are obliged to provide the necessary quantity of securities on the seller's correspondent account at the LCD and the necessary amount of funds in the buyer's cash account at the BoLV for settlement no later than the execution of the trade at the RSE.

- **Trade confirmation**

After the receipt of the trade information from the RSE, the LCD immediately checks if the execution of the trade settlement requires any trade confirmation from the account managers - consent regarding securities settlement and/or funds settlement. If consent is required, the LCD sends a confirmation request to the respective account

manager/clearing agent. The investor should confirm the trade immediately, but no later than S 16:00.

The LCD participant has the right to reject the execution of the settlement until S 15:00 based on the same criteria as for settlement by net principle (See 3.5.3.1. *Settlement by net principle, Trade confirmations*).

- **Settlement**

Once all the required confirmations are received, but no later than S 16:00, the execution of DVP settlement commences.

Settlement for each transaction is executed separately (DVP Model 1). Securities transfer is linked to cash transfer on a trade-by-trade basis.

The LCD checks the sufficiency of securities on the seller's account manager's account and blocks the required securities. No later than S 16:15, the LCD submits the order to transfer cash according to the received settlement instructions to BoLV.

If the amount of fund is sufficient, the BoLV transfers the cash and sends the confirmation on execution of cash settlement to LCD no later than S 16:45.

Immediately after receipt of the confirmation from the BoLV, the LCD transfers the securities and sends a confirmation of the settled trades to the account manager.

- **Postponement**

If there are insufficient funds for settlement on the buyer's account manager's correspondent account, the BoLV sends a rejection to execute the settlement. LCD immediately informs RSE and the account manager about the insufficiency of funds and moves the settlement to next day settlement. Both the RSE and the account manager are notified about the postponed settlements.

### **Settlement of RSE auction trade on Treasury securities**

On the date of initial placement of Treasury securities, RSE forwards the settlement orders to the LCD.

By 16:00 on S-1, the account manager confirms settlement in response to the LCD's confirmation request. If the LCD fails to receive the confirmation the obligations to settle the trade will be transferred to the RSE trading member who concluded it.

By 17:00 on S-1, the cash clearing agent submits confirmation of the maximum amount of funds which can be used for each separate order, if required.

By 09:30 on S, the LCD starts execution of the settlement separately for each settlement order. The required quantity of securities is blocked on the account of unplaced Treasury securities separately for each order. The BoLV will receive instructions to transfer funds from the account manager's cash account to the Treasury account opened with the BoLV.

By 10:00 on S, on receipt of confirmation about executed cash settlement for each separate order, the LCD immediately transfers the blocked securities to the respective account manager and forwards settlement confirmations to the account manager, the State Treasury and the RSE.

### **3.5.4. Default handling**

Instructions executed on the stock exchange become binding immediately after registration of the trade. The principles of handling trading member or account manager default in settlement of stock exchange trades are described in provisions of the "NASDAQ OMX Riga Rules on Cash Clearing and Financial Instrument Settlement". The RSE runs a Guarantee Fund that can be enacted in the case of cash default. In the case of trade default, the defaulting member will also be subject to penalty fees imposed by the RSE.

## **3.6. Settlement of OTC DVP transactions**

### **3.6.1. Trade and settlement currency**

The settlement of OTC-DVP transactions can be executed in Latvian lat (LVL), US dollars (USD) and euro (EUR) currencies.

### **3.6.2. Settlement period**

The counterparties of OTC trade can choose any settlement period from T+0 (in real time) to T+360. The account manager shall state a specific settlement date by submitting a DVP settlement instruction to the LCD. Settlement of OTC DVP is executed from 09:00 to 17:00 on each business day.

### **3.6.3. Instructions and confirmations**

The account manager shall provide a unique reference for each DVP transaction, which is used for further identification in the LCD securities settlement system.

Once the seller and buyer have agreed on an OTC market DVP transaction, their account managers submit DVP instruction to the LCD in order to initiate the settlement of the trades. The DVP instruction can also be submitted by LCD participant with whom neither the seller nor the buyer has opened securities account.

To facilitate settlement in a timely manner, the instruction can be submitted by one of the transaction parties while the other party submits its instruction as a reply to the LCD's request for a matching instruction. The LCD will verify and review whether the account manager or cash clearing agent's confirmations are required before the settlement. Once the instructions have been received the LCD matches them and sends the settlement status information to the parties involved in the transaction.

The LCD verifies the following matching criteria in the DVP instructions:

- counterparties involved in the settlement
- ISIN code
- quantity of securities
- price
- settlement currency
- trade date
- settlement date

### **3.6.4. Settlement of OTC DVP transactions**

On S, once the transactions are matched, the LCD immediately checks the availability of securities on the seller's account manager's account at the LCD. If there is a

sufficient quantity of securities for settlement, LCD immediately blocks the securities and sends the instructions to the BoLV to execute cash settlement on a trade-by-trade basis. Once the required funds are transferred, the BoLV confirms the settlement of monetary obligations and, upon receipt of relevant confirmation from the BoLV, the LCD immediately transfers the securities and informs the counterparties of the execution of settlement.

The LCD will not execute the settlement of the transaction if there is an insufficient quantity of securities or funds on the account manager's account.

Cut-off times on S for OTC DVP settlement:

<b>Deadline</b>	<b>Activities</b>
14:30	DVP instructions and confirmations for securities settlement submitted to the LCD
15:30	Instructions and confirmations for cash settlement are submitted by clearing agent, if necessary
16:15	The LCD gives instructions to the BoLV for cash settlement
16:30	The BoLV confirmation for cash settlement
17:00	The LCD confirmation on execution of OTC DVP settlement

### **3.6.5. Failure of settlement**

The settlement of OTC DVP transactions becomes binding after the start of settlement process (counterparties have sufficient securities and cash balance to settle the transaction). If counterparties have not provided sufficient securities and/or cash balance by the end of the settlement day, the instructions are not considered to be binding. There are no penalties in case of default for OTC transactions.

### **3.7. Settlement of transactions in foreign currencies**

The LCD can ensure DVP settlement of transactions both by net and gross principle in cases where related cash settlements are to take place in a foreign currency (EUR and USD only). For DVP settlement in EUR and USD currencies, the LCD has opened correspondent cash accounts with Deutsche Bank AG.

An account manager that wishes to perform DVP settlement in a foreign currency shall provide the LCD with their foreign currency account details.

On S, the account manager of the buyer shall ensure that the necessary amount of cash is transferred to the LCD correspondent cash account before the start of settlement process. Once account has been credited with the cash, LCD receives confirmation of the credited amount from the bank. If the received amount of funds is sufficient to settle monetary obligations for the transactions the LCD starts the settlement process according to the principles described above (Settlement by net principle, Settlement by gross principle).

Calculations of cash and securities net positions are made separately for each currency.

### **3.8. Free-of-payment transfers**

Free-of-payment (FOP) transfers are settled on a gross basis in real time. The FOP order can be submitted and executed throughout the LCD's operating hours, i.e. each business day from 09:00 to 18:00.

The LCD shall immediately execute a FOP transfer order on S once the receiver's account manager has confirmed the incoming transfer and that there is sufficient quantity of securities on the deliverer's account manager's account. Confirmation of receipt is not requested in cases where the deliverer and receiver of FOP are at the same account manager.

If the LCD has not commenced the execution of the transfer order, the latter may be cancelled upon the initiative of either the deliverer or receiver by submitting a transfer cancellation order.

## **4. Market Practice for Securities Settlement in Lithuania**

### **4.1. Clearing and settlement organization**

Clearing and settlement is performed by the Central Securities Depository of Lithuania (hereinafter CSDL).

The CSDL started its activities as a subdivision of the NASDAQ OMX Vilnius (hereinafter VSE, previously NSEL) and became an independent institution - a non-profit company - on February 25, 1994. Currently, CSDL is a special purpose public company. The Bank of Lithuania (hereinafter BoLT) owns 60% of the capital of CSDL and the remaining 40% is owned by private companies (32% - Helsinki Securities & Derivatives Exchange, Clearing House Ltd. (HEX) and 8% - VSE). Both HEX and VSE belong to the NASDAQ OMX Group.

The legal basis for the establishment and operation of the CSDL is provided in the Civil Code, the Law on Financial Instruments Markets, the Law on Securities Market, the Company Law and the Law on Settlement Finality in Payment and Securities Settlement Systems as well as in appropriate regulations. In compliance with ECB guidelines, the BoLT registered the Securities Settlement System (hereinafter SSS) on January 19, 2004, as a systemically important system, whereby official surveillance of the system commenced.

In Lithuania the omnibus account model is applied, however personal (investors) accounts are also permitted in certain circumstances.

Account managers (holder of an omnibus account) must be entitled to execute operations with securities, to open and manage personal accounts of securities issued by themselves or by other issuers. The participants of the CSDL SSS must also be participants of the LITAS-RLS payment system (managed by the BoLT) and hold a settlement account with the BoLT. The status of CSDL participant can be awarded to the following institutions as specified in the Law on Settlement Finality in Payment and Securities Settlement Systems:

- the BoLT or a central bank of a state located in the European economic area or European Central Bank;
- a credit institution licensed in Lithuania or a state located in the European economic area;
- a brokerage firm licensed in Lithuania or a state located in the European economic area;
- a state institution or company whose liabilities are guaranteed by the state;
- any legal entity which is located outside the European economic area and the activity of which is typical of credit institution or brokerage firm licensed in a state located in the European economic area.

Stock exchanges and foreign central or international securities depositories may benefit from being SSS participants without being participants of the LITAS-RLS payment system.

## 4.2. Applicable laws, rules and regulations

The rights and obligations of CSDL participants are governed by laws on three different levels:

### I. Main legal acts:

- Law on Financial Instruments Markets;
- Law on Securities;
- Law on Settlement Finality in Payment and Securities Settlement Systems;
- Rules on the Securities Settlement System of the CSDL, approved by its Board;
- Agreements between the CSDL and participants;

### II. The duties and rights of the CSDL are also described in:

- The Rules on Accounting of Securities and their Circulation;
- The Rules on Settlement of Transactions Concluded on the VSE (approved by the VSE and CSDL);
- the Rules on the Issuance and Trading of Government Securities of the Republic of Lithuania;

### III. Instructions approved by the Board of the CSDL:

- Securities transfer rules (effective as of 29.01.2007);
- The Securities Accounting Instruction;
- The Procedure for the Determination and Payment of the Fees of the CSDL.

The securities clearing and settlement process is covered by statutory provisions set out in the relevant Lithuanian laws, decisions of Lithuanian Security Commission and the BoLT, the rules of the CSDL and the decisions issued there under. The member firms of the VSE and account managers of the CSDL are bound by these laws, rules and decisions in their relations with CSDL and towards each other. More information can be obtained on the following web sites:

- <http://www.cSDL.lt/en/legal/depos.php> (Legal basis > Depository)
- <http://www.lt.omxgroup.com/?id=2921> (Rules and regulations of the VSE)

## 4.3. Operating hours and public holidays

Any reference to time in this section of the document is Lithuanian time, which is CET+1.

The business hours of the CSDL are 08:00 to 17:00, Monday - Thursday and 08:00 to 15:45 on Friday. CSDL as office does not operate during public holidays and non-business days.

The operating hours of the help desk are 08:00 to 18:00, Monday - Friday.

The operating hours of the SSS are 08:00 to 20:00, Monday - Friday.

The business days (operational calendar), public holidays and time schedule of the SSS shall be harmonized with the business days and time schedule of the Bank of Lithuania's LITAS-RLS payment system and the European Central Bank's (ECB) administered payment system TARGET2. Note that some Saturdays are non-trading but settlement business days. These days will be part of the settlement cycle.

Following is a list of public holidays and non-business days in Lithuania for 2009 and the list of non-business days and days with limited operations for CSDL as a Securities Settlement System:

<b>Weekday</b>	<b>Date</b>	<b>Public holiday</b>	<b>SSS non-business days and days with limited operations</b>
Thursday	01.01.2009	New Year's Day	Non-business day
Friday	02.01.2009	Non-business day	All settlement operations will be executed excluding the DVP in <b>litas</b>
Monday	16.02.2009	Day of Re-Establishment of the	All settlement operations will be

		State	executed excluding the DVP in <b>litas</b>
Saturday	21.02.2009	Business (non-trading, only settlement) day	All settlement operations will be executed excluding the DVP in <b>euro</b>
Wednesday	11.03.2009	Day of Re-Establishment of the Independence	All settlement operations will be executed excluding the DVP in <b>litas</b>
Friday	10.04.2009	Business (non-trading, only settlement) day	All settlement operations will be executed excluding the DVP in <b>euro</b>
Sunday	12.04.2009	Easter Day	Weekend
Monday	13.04.2009	Easter Monday	Non-business day
Friday	01.05.2009	International Labour Day	Non-business day
Sunday	03.05.2009	Mother's Day	Weekend
Sunday	07.06.2009	Father's Day	Weekend
Wednesday	24.06.2009	St. John's Day (Midsummer Day)	All settlement operations will be executed excluding the DVP in <b>litas</b>
Monday	06.07.2009	Statehood Day	All settlement operations will be executed excluding the DVP in <b>litas</b>
Saturday	15.08.2009	Assumption Day	Weekend
Sunday	01.11.2009	All Saints' Day	Weekend
Thursday	24.12.2009	Business (non-trading, only settlement) day	All settlement operations will be executed
Friday	25.12.2009	Christmas Day	Non-business day
Saturday	26.12.2009	Boxing Day	Weekend
Thursday	31.12.2009	Business (non-trading, only settlement) day	All settlement operations will be executed

#### **4.4. Clearing agents**

A clearing agent is a CSDL participant that provides cash clearing services for domestic and cross-border stock exchange trades and DVP instructions to account operators, account managers and trading members that do not have access to the central bank clearing and settlement system.

The obligations of a clearing agent services provider are as follows:

- It must be a licensed credit institution or brokerage company;
- It must have a correspondent account in the local central bank;
- It must/could have a correspondent relationship with commercial banks settling in other Baltic central banks;
- It must have an agreement with an account operator/account manager/trading member that have no access to central bank cash clearing and settlement system;
- It must give its confirmation (or rejection) of positions to be settled in the relevant central bank;
- It must/could make necessary currency conversions.

CSDL participants (brokerage firms and banks) that are securities account managers can also be cash clearing agents.

#### **4.5. Clearing and settlement of NASDAQ OMX Vilnius trades**

##### **4.5.1. Settlement cycle**

The default settlement cycle of VSE trades is T+3. The settlement cycle for automatically matched (automatched) trades in Government debt securities is T+1. Trade counterparties can agree on different cycle (T+1...T+6) for manual trades.

#### **4.5.2. Trading and settlement currency**

The trading and settlement currency of the VSE is the Lithuanian litas (LTL). The settlement currency can be changed to Euro, if both transaction parties agreed to that.

#### **4.5.3. Generation of VSE trade information for settlement**

After the closure of the Saxess trading system, VSE trades are automatically transferred from Saxess via the Traxess database to the CSDL securities settlement system until T 16:45. By T 17:00, CSDL delivers information about VSE trades that are going to be settled via an LCD account manager or an EVK account operator in the LinkGW database. The CSDL acts as an Issuer CSD for the VSE trades.

#### **4.5.4. Cancellation of VSE trades**

Transactions cancelled by mutual agreement of the parties are cancelled through VSE, with the exception of transactions related to the initial public offering of shares, public sale of shares and tender offers. Both parties intending to terminate the concluded trade must present their cancellation instructions in writing to the VSE by S 10:00. The VSE enters cancellations into the securities settlement system via a special secure internet area (hereinafter WebPS) until S 11:00. Any transaction, even a confirmed one, can be cancelled. Information related to cancelled transactions is transferred to the LCD or the EVK by the CSDL via LinkGW.

#### **4.5.5. Trades enrichments**

All VSE trades entered into the securities settlement system have to be enriched. Trade enrichment consists of the settlement place code, the securities omnibus account number in the securities settlement system, the cash clearing agent code and client information. Trades can be enriched by trade members by entering clearing information into the trading system with orders/trades or they will automatically be enriched with default values by the securities settlement system. The following principles are applied:

- a trade is accepted if it contains enough information for settlement and is technically correct;
- if the trade contains enough information for settlement but is technically incorrect, the trade will be enriched with the values of the default account manager and clearing agent, stated in the trading member's standard settlement conditions, taking into account whether it is trading member's own trade or a client's trade;
- if the trade does not contain enough information for settlement, the trade will be enriched with values of default account manager and clearing agent, taking into account whether it is trading member's own trade or client's trade;
- if trade information passes technical validation and the settlement place is LCD/EVK, the trade will be enriched using LCD/EVK nominee accounts.

#### **4.5.6. Change of settlement date**

The trading member can change the settlement date for manual trades until S 10:00 by submitting the relevant application to VSE. Changing the settlement date of automatched trades is not permitted. VSE enters amendments into the securities settlement system via WebPS until S 11:00. The earliest possible new settlement date is T+1. Settlement of manual trades can be postponed until S+2.

#### **4.5.7. Change of settlement place**

The trading member can change settlement place (for example, it can choose either CSDL or LCD/EVK as settlement place) until S 10:00 by submitting the relevant application to VSE. In such cases, the initially determined CSD (settlement place) has to send the trade information for settlement to the other CSD.

The account manager can change the specified settlement conditions (the place of securities custody, requisites of the general securities accounts of the securities custodian with the CSDL, client code in accounting records of the securities custodian) until S 10:00 and the clearing agent can change its code in the settlement conditions to the code of another clearing agent by sending an appropriate instructions to the CSDL. The LCD account manager and the EVK account operator cannot change the terms and conditions of settlements, they can only confirm or reject settlement transactions (see below).

#### **4.5.8. Trade confirmations**

On the basis of enriched trade results the securities settlement system generates settlement entries. Information on settlement entries is sent for further confirmation to the designated CSDL account manager and clearing agent and to the Latvian account manager and Estonian account operator via the LCD and EVK systems. The account manager and clearing agent must confirm their agreement or reject to settle according to the all settlement entries related to them until S 11:00.

Having received rejection from a specific account manager and clearing agent, the securities settlement system makes amendments in trade enrichment by changing the settlement information indicated in the trading member trade to the default information provided in the trading member's standard settlement conditions and transfers information on the settlement movement to the default account manager and clearing agent for confirmation. If after such enrichments the EVK account operator or the LCD account manager is involved, the CSDL informs the EVK or the LCD through the LinkGW database. The EVK or the LCD immediately sends trade settlement details and confirmation request to the EVK account operator or the LCD account manager. If confirmations are not received by the S 11:00 deadline or the trade settlement is rejected, the obligation to settle the trades will be passed on to the trading member's default account manager and clearing agent that concluded the trade; respective information is sent to the trading member's default account manager and clearing agent.

The EVK/LCD is required to calculate securities net positions until S 11:00. This is done to verify and inform the CSDL if there are sufficient securities on the accounts of the EVK account operators and the LCD account managers.

#### **4.5.9. Pre-settlement activities**

Each day, after the close of the settlement day (about 18:00), the CSDL provides the local account manager, via the WebPS, information on:

- aggregate settlement positions in securities of the settlement movements pertaining to all automatched trades and manual trades (only those of which the settlement party is a foreign account manager/account operator) concluded on the VSE, provided separately by every omnibus securities account;
- aggregate settlement positions in securities of the settlement movements pertaining to transactions of every special procedure (tender offer, public sale of shares and public offering of a share issue), provided separately by every omnibus securities account.

Each day, after the close of the settlement day (about 18:00), CSDL provides the clearing agent, via the WebPS, information on:

- aggregate settlement positions in cash of the settlement movements pertaining to all automatched trades and manual trades (only those of which the settlement party is a foreign account manager/account operator) concluded on the VSE;
- aggregate settlement position in cash of the settlement movements pertaining to transactions of every special procedure (tender offer, public sale of shares and public offering of a share issue), given by an individual number assigned by the VSE to every special procedure.

After S 11:00, the CSDL can calculate the multilateral net positions of securities of account managers involved in the settlement and may inform the local account manager, if it has been noted that there is an insufficient quantity of securities. FOP transfers may be used to cover the securities' short position.

At S 13:00, CSDL checks the net positions of securities in the omnibus accounts of the CSDL account managers for automatched trades and also checks the EVK and LCD accounts in the CSDL system for automatched and manual trades:

- if the quantity of securities is sufficient, they are blocked;
- if the quantity of securities is insufficient, CSDL selects the trades for which settlement is possible. The selection is done on a best-effort basis and the maximum settlement execution principle is applied. Trades for which there is an insufficient quantity of securities will be postponed and settled on the next possible settlement day; all concerned parties will be informed about trades for which settlement has been postponed.

#### **4.5.10. Cash settlement in BoLT**

On S 13:00 – 14:45, CSDL sends a payment document to the BoLT to transfer cash according to net positions between clearing agent accounts in LITAS-RLS payment system. The BoLT immediately transfers cash between the accounts of involved clearing agents if the cash amount is sufficient.

If the cash amount is insufficient in any of the cash accounts, the BoLT immediately sends a message to the CSDL and the clearing agent about the blocked cash in settlement accounts of clearing agent that are required for settlement of all automatched trades and manual trades where account manager/account operator from the EVK/LCD are involved. The CSDL immediately suspends settlement movements of participants with a cash deficiency. And, in order to have the least impact on settlements, it selects the non-executable settlement movements, recalculates the aggregate settlement positions of each participant in securities and cash (in such a case the aggregate settlement positions of the clearing agent in securities cannot exceed the quantity of the traded securities, whereas the ones in cash cannot exceed the sum blocked in the settlement account of the clearing agent) and sends new payment document to the BoLT. The BoLT transfers the cash.

#### **4.5.11. Settlement of securities**

After the BoLT has sent confirmation regarding the settlement of monetary obligations to the CSDL, the respective securities transfers will be made.

The CSDL will also send settlement confirmation to the LCD/EVK. Accordingly, the LCD/EVK will make the securities transfers in Latvia/Estonia.

#### **4.5.12. Default handling**

In order to guarantee the execution of the transaction, the VSE has the right to impose sanctions on its members. These default measures are stipulated in the VSE rules and regulations, including the submission of special orders to the CSDL, buying or selling securities, usage of the VSE Guarantee Fund etc. These default measures can be imposed if the VSE trading member has not provided the trade enrichments necessary for the execution of VSE trades or if the trade cannot be settled for some other reason.

### **4.6. Settlement of OTC DVP transactions**

#### **4.6.1. Currencies**

The settlement currency is the Lithuanian litas (LTL) and Euro (EUR).

#### **4.6.2. Instructions**

Matching criteria OTC-DVP transactions are as follows:

- ISIN
- Quantity
- Currency
- Securities quantity
- Inserting party
- Counterparty
- Trade date
- Intended settlement date (or time)
- Trade type

After the seller and the buyer have agreed on an OTC DVP transaction, their account managers must send the respective transfer instructions for the securities transfer to the CSDL. If the securities requested are available on the seller's account manager's account, the securities required for settlement will be blocked by the CSDL.

#### **4.6.3. Real-time gross settlement**

A real-time gross settlement system is implemented in Lithuania, making trading with a T+0 settlement cycle possible. The CSDL performs OTC DVP trade settlement from 08:00 to 16:00 in Litas and from 08:05 to 18:00 in Euro. Execution of the settlement of OTC-DVP trades at a designated time is also possible.

#### **4.6.4. Cash settlement in the BoLT**

Cash settlement of OTC DVP trades is based on claims and obligations calculated by the CSDL during the pre-settlement process.

The CSDL sends payment instructions to the BoLT. Settlement of gross monetary claims and obligations takes place in the BoLT LITAS-RLS payment system by debiting and crediting the clearing agents' settlement accounts. The settlement of OTC DVP transactions is final after cash settlement in the central bank.

#### **4.6.5. Securities settlement**

After the BoLT has sent the confirmation regarding the settlement of monetary obligations to the CSDL, respective securities transfers will be made.

#### **4.6.6. Failure of settlement**

In the case of OTC DVP transactions, the performance of the transfer instructions is not guaranteed. If one of the transaction parties has not submitted the transfer instruction via his or her account manager, or the submitted transfer instruction cannot be processed for some other reason, for example the relevant securities or cash are not available on the accounts to be debited, the transfer will not be executed.

#### **4.7. Free-of-payment transactions**

Free-of-payment transfers are settled online and can be submitted till 17.45 and executed till 18.00.

In case of FOP transfers, cash payments are not controlled by the CSDL. The transfer from seller to buyer takes place promptly after the buyer's account manager has confirmed the incoming transfer instruction and CSDL has checked whether the securities requested are available on the securities account to be debited.

## **5. Cross-border settlement between Baltic States**

To facilitate pan-Baltic cross-border trading the EVK, LCD and CSDL have established a pan Baltic FOP link for cross-border deliveries and a DVP link for stock exchange and OTC DVP transactions. Information exchange between the depositories is carried out through a common database – LinkGW.

### **5.1. Link for cross-border stock exchanges trades**

Stock exchange trades are made by trading members that have cross membership in the relevant stock exchange. Every trade contains information about the settlement place, i.e. in what depository it will be settled. The relevant stock exchange's Issuer CSD distributes trades to the Investor CSD.

Trading members trading cross-border have two solutions for clearing and settlement:

- They may maintain an account in all three CSDs.
  - o In this case all clearing and settlement procedures will take place according to local rules.
- They may maintain an account in one CSD only provided that the member firm has signed a cross-border settlement agreement with a clearing agent.
  - o In this case relevant cross-border clearing and settlement procedures apply
  - o Cross-border cash settlement takes place in the national central bank of the relevant stock exchange. The clearing agent provides cash for settlement through the commercial banking system.
  - o Cross border securities settlement takes place in two steps
    - Step 1 - Securities are transferred to/from the Issuer CSD's omnibus account after receiving a message about successful cash settlement from the national central bank.
    - Step 2 – Securities transfers are made in the Investor CSD.

The Baltic SEs and CSDs have harmonized the time schedule of transactions agreed on Baltic stock exchanges, which is given in Appendix 2.

### **5.2. Link for cross- border OTC DVP transactions**

#### **5.2.1. Eligible transactions**

Eligible cross-border OTC DVP transactions are off-exchange agreed transactions that settle on a delivery versus payment basis, where one of the counterparties or both counterparties are located outside of the applicable security's Issuer CSD.

Baltic Link solution supports pan-Baltic transactions in following currencies

- in case of Lithuanian securities (ISIN LT) – LTL
- in case of Latvian securities (ISIN LV) – LVL
  - o USD and EUR if supported by the local cash clearing agent
- in case of Estonian securities (ISIN EE) – EEK

Baltic Link solution does not support pan-Baltic transactions agreed in other currencies or in other combinations as described above.

## 5.2.2. Main principles of settlement

All cross-border OTC DVP transactions settle on a gross-basis (trade by trade) (DVP Model 1).

The ECSDA's Issuer CSD model is applied, according to which the Issuer CSD is responsible for organizing the final settlement of securities and the cash leg of the transaction (central bank funds).

## 5.2.3. Settlement process

Same day value cross-border OTC DVP transaction orders can be submitted to the EVK and CSDL system from 08:00 and to LCD system from 09:00. Transaction orders can be submitted and confirmed until S 14:30.

The cash clearing agent should give its confirmation (or rejection) of the cash leg

- By S 15:30 for Latvian securities
- By S 17:00 for Estonian securities
- By 15:30 for Lithuanian securities (in litas)
- By 17:30 for Lithuanian securities (in Euro)

The Baltic CSDs exchange information on status (matched, confirmed, settled) of the transactions online. The confirmations of settled cross-border OTC DVP transactions are exchanged by S 17:00 at the latest.

At 18:00 on S, the Baltic CSDs unilaterally cancel all unexecuted cross border OTC DVP transactions for which the designated settlement date has expired.

## 5.2.4. Cancellation of a cross-border OTC DVP transaction

Counterparties can only cancel a cross-border OTC DVP transaction until the start of the settlement process. A party who wishes to cancel the instruction should send its instructions to the relevant CSD.

## 5.2.5. Matching criteria and mandatory information

The following information shall be provided for matching and execution of settlement

- Intended settlement date
- Cash amount including currency
- Securities quantity
- ISIN
- Inserting party
- Inserting party's BIC code
- Client's securities account number
- Money account number (IBAN in issuer CSD country)
- Counterparty
  - o If counterparty is LCD or CSDL, then counterparty's BIC and omnibus account number must be provided
  - o If counterparty is EVK, then counterparty's BIC or counterparty's securities account number must be provided
- Cash clearing agent (in case the account operator/account manager settles cross-border)
  - o BIC code of the clearing agent and BIC code of the instructing account operator/account manager, which has a valid cash clearing agreement with the entity acting as the clearing agent.

### **5.2.6. Information on cash clearing**

The clearing agent is informed of the instruction immediately after matching has taken place in the Issuer CSD and the settlement process has started. A confirmation to proceed with the settlement process is requested.

### **5.3. FOP link**

FOP transfers between EVK, LCD and CSDL are possible from 09:00 to 18:00. Instructions from local account operators/account managers are accepted until 17:30.

In addition to local FOP transfer criteria, cross-border FOP transfer instructions must include information about the counterparty's account in the foreign depository.

## **6. Links with other international institutions**

### **6.1. FOP link between the EVK and APK**

Cross-border FOP transfers and other operations can also be made between the EVK and Finnish CSD (APK). According to the agreement, securities registered in EVK and listed on TSE can be transferred to APK and vice versa. The agreement also allows for the international primary distribution of securities in Finland and Estonia, and informing the other CSD about the corporate events in the home depository.

Same day value FOP transfers between EVK and APK are accepted from 08:00 to 14:00 (transfer from EVK to APK) or until 14:30 (transfer from APK to EVK) and are executed until 16:45.

### **6.2. FOP link between the EVK and KDPW**

It is possible to make cross-border FOP transfers between the EVK and Polish CSD (KDPW) starting from July 2007. Link between EVK and KDPW enables transfers of those Estonian securities that have been declared valid for transfer by the both depositories, EVK and KDPW. According to the agreement, the corporate actions shall be carried out according to the Estonian law, issuers' instructions and procedures adopted by EVK.

Same day value FOP transfers between EVK and KDPW are accepted from 08:00 to 17:30 and are executed until 18:00.

### **6.3. FOP link between the LCD and the BoLV VNS' securities settlement system**

The BoLV and the LCD have established a bilateral correspondent relationship agreement to transfer securities from the BoLV's VNS system to the LCD's DENOS system and vice versa. VNS is a securities settlement system operated by the BoLV that ensures accounting and settlement of Latvian government debt securities and corporate debt securities, which are accepted as collateral by the BoLV in monetary policy operations. The SWIFT net communication network is used in data exchange between the BoLV and the LCD.

FOP transfers between VNS and DENOS are executed from 09:00 to 17:00. Transfer instructions from account managers are accepted until 16:45.

### **6.4. FOP Link between the LCD and Euroclear Bank**

The LCD has opened a securities account within the Euroclear international securities settlement and depository system (ECLR). Pursuant to the mutual agreement with Euroclear, LCD can perform FOP transfers to/from Euroclear securities settlement system/ Clearstream securities settlement system allowing Latvian investors to keep their Euroclear-registered holdings in securities accounts in Latvia through LCD accounting system.

Only securities that are registered within Euroclear can be transferred using this link.

- **Securities transfers to ECLR**

An account manager can submit FOP instruction indicating the place of settlement until S-1 15:30, indicating for example the Euroclear securities settlement system or Clearstream securities settlement system. Once the transfer instruction is received the LCD submits it to ECLR.

On S, upon receipt of settlement confirmation from the ECLR, the LCD enters the confirmation in its securities settlement system and sends the relevant confirmation message to the account manager.

If an ECLR settlement confirmation has not been received by S 18:00, the LCD informs the account manager by sending a rejection of FOP transfer. As the effective settlement day functionality in ECLR also enables the settlement of FOP transfers after the initial designated S, the account manager is requested to resend the transfer order with the effective settlement day when ECLR has confirmed the execution of the transfer.

- **Securities transfer from ECLR**

Until S-1 15:30, account manager can instruct LCD to receive securities from ECLR to LCD. LCD submits the instruction to ECLR.

Until S 18:00, or on the effective S and upon receiving ECLR confirmation on the execution of the transaction, the LCD enters the transaction in its securities settlement system and notifies the account manager of the execution of the FOP transfer.

## ***6.5. FOP and DVP Link between the CSDL and CBL***

The Central Securities Depository of Lithuania has opened an omnibus account for securities and cash in Clearstream Banking Luxembourg (CBL).

All intermediaries of public trading and securities account managers are offered to use this account:

- for custody and transfer of traded foreign securities eligible in CBL system;
- for custody and transfer of cash, related to foreign securities transactions, in all currencies eligible in CBL system.

FOP and DVP transfers of securities and related cash are available.

Deadlines for internal and Bridge securities transactions are standard for all securities.

The times below show the input deadlines for:

- Internal transactions (those between two Clearstream Banking customers) - till S 18:00 for both FOP and DVP;
- Bridge transactions (those between a Clearstream Banking customer and a counterparty in Euroclear Bank ) - till S 14:40 for both FOP and DVP.

Deadlines for Cash instructions:

- till S 16:30 for EUR;
- till S 18:00 for USD.

## Appendices

### Appendix 1. Comparative table of settlement practices

	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>
<b>System participants</b>	<ul style="list-style-type: none"> <li>TSE member firm (direct, remote)</li> <li>Account operator that does not have correspondent account in BoE</li> <li>Account operator that has correspondent account in BoE</li> <li>Clearing agent (local, remote)</li> <li>LCD, CSDL, APK, KDPW</li> </ul>	<ul style="list-style-type: none"> <li>RSE</li> <li>Account manager (LCD participant) that has cash account in BoLV (bank)</li> <li>Account manager (LCD participant) that does not have cash account in BoLV (brokerage)</li> <li>BoLV</li> <li>EUROCLEAR, CSDL, EVK</li> </ul>	<ul style="list-style-type: none"> <li>VSE member firm (direct, remote)</li> <li>Account manager (CSDL participant) that has cash account in BoLT (bank)</li> <li>Account manager (CSDL participant) that does not have cash account in BoLT (brokerage)</li> <li>Clearing agent</li> <li>LCD, EVK</li> </ul>
<b>C&amp;S system</b>	Depository2000 Depository2000 BOT	DENOS	SSS (In-house developed)
<b>Main types of securities accounts</b>	<ul style="list-style-type: none"> <li>End-investors accounts</li> <li>Client accounts = Nominee accounts</li> </ul>	Omnibus accounts of account managers (2 level securities accounting system)	Omnibus accounts of account managers (2 level securities accounting system)
<b>C&amp;S operating days</b>	All BoE operating days	All BoLV operating days	All BoLT operating days
<b>Trade types</b>	SE trades: <ul style="list-style-type: none"> <li>TSE trades</li> <li>Cross-border SE trades</li> </ul> OTC trades: <ul style="list-style-type: none"> <li>OTC-DVP</li> <li>FOP</li> <li>Cross-border OTC-DVP</li> <li>Cross-border FOP</li> </ul>	SE trades: <ul style="list-style-type: none"> <li>RSE trades</li> <li>Cross-border SE trades</li> </ul> OTC trades: <ul style="list-style-type: none"> <li>OTC-DVP</li> <li>FOP</li> <li>Cross-border OTC-DVP</li> <li>Cross-border FOP</li> </ul>	SE trades: <ul style="list-style-type: none"> <li>VSE trades</li> <li>Cross-border SE trades</li> </ul> OTC trades: <ul style="list-style-type: none"> <li>OTC-DVP</li> <li>FOP</li> <li>Cross-border OTC-DVP</li> <li>Cross-border FOP</li> </ul>
<b>Settlement period</b>	TSE trades: <ul style="list-style-type: none"> <li>Automatch T+3</li> <li>Contract transaction T+1...T+6 (default T+3)</li> </ul> OTC-DVP trades: <ul style="list-style-type: none"> <li>Batch basis T+0 if entered before S 14:45</li> <li>RTGS settlement T+0 must be entered by S 17:00</li> </ul>	RSE trades: <ul style="list-style-type: none"> <li>Automatch T+3</li> <li>Contract transaction T+0...T+40 (default T+3)</li> <li>S for auction trades of initial placement of Treasury securities is fixed by State Treasury</li> </ul> OTC-DVP trades: <ul style="list-style-type: none"> <li>T+0...T+360</li> </ul>	VSE trades: <ul style="list-style-type: none"> <li>Automatch T+3</li> <li>Contract transaction T+0...T+6 (default T+3)</li> </ul> OTC-DVP trades: <ul style="list-style-type: none"> <li>T+0...T+360</li> </ul>
<b>DVP Model</b>	<ul style="list-style-type: none"> <li>TSE trades – DVP model 3</li> <li>Cross-border SE trades – DVP model 3</li> <li>OTC-DVP batches – DVP model 2</li> <li>OTC DVP real time - DVP model 1</li> <li>Cross-border OTC-DVP – DVP model 1</li> </ul>	<ul style="list-style-type: none"> <li>RSE trades – DVP model 3</li> <li>OTC, RSE T+0, RSE auction trades of Treasury securities – DVP model 1</li> <li>Cross-border OTC-DVP – DVP model 1</li> </ul>	<ul style="list-style-type: none"> <li>VSE trades – DVP model 3</li> <li>OTC, SE T+0 – DVP model 1</li> <li>Cross-border OTC-DVP – DVP model 1</li> </ul>
<b>Trading currency</b>	TSE trades EUR OTC DVP trades EEK	LVL, USD, EUR	LTL, EUR
<b>Settlement currency in central bank</b>	EEK	LVL	LTL
<b>Trades transfer</b>	TSE trades are transferred automatically online from the Saxess trading system to the Depository2000 clearing and	RSE trades are transferred automatically and on a batch basis from the Saxess trading system to the DENOS clearing	VSE trades are transferred automatically and on a batch basis from the Saxess trading system to the securities

	settlement system of EVK. If the trade's counterparty settles in a remote depository, the trade will be forwarded to that CSD on a trade-by-trade basis by EVK at the end of the trading day	and settlement system of LCD at the end of the trading day. If the trade's counterparty settles in a remote depository, the trade will be forwarded on a trade-by-trade basis to that CSD by LCD at the end of the trading day	settlement system of CSDL at the end of the trading day. If the trade's counterparty settles in a remote depository, the trade will be forwarded on a trade-by-trade basis to that CSD by CSDL at the end of the trading day
<b>Securities settlement</b>	Securities are settled on a trade-by-trade basis	Securities are settled on a trade-by-trade basis	Securities are settled on a trade-by-trade basis
<b>Cash settlement</b>	Central bank funds <ul style="list-style-type: none"> <li>• TSE – multilateral net settlement</li> <li>• OTC DVP batches and RTGS settlement</li> <li>• Cross-border – cash settlement in the central bank is combined with the commercial bank funds</li> </ul>	Central bank funds <ul style="list-style-type: none"> <li>• RSE – multilateral net settlement</li> <li>• OTC DVP, RSE T+0 – RTGS settlement</li> <li>• RSE Treasury securities auction trade DVP settlement</li> <li>• Cross-border – cash settlement in the central bank is combined with the commercial bank funds</li> </ul> Commercial bank funds <ul style="list-style-type: none"> <li>• EUR and USD DVP settlement</li> </ul>	Central bank funds <ul style="list-style-type: none"> <li>• VSE – multilateral net settlement</li> <li>• RTGS settlement</li> <li>• Cross-border – cash settlement in the central bank is combined with the commercial bank funds</li> </ul>
<b>Blocking of securities</b>	<ul style="list-style-type: none"> <li>• TSE trades in the pre-settlement process (S 12:45)</li> <li>• OTC DVP incl. cross-border trades on the seller's side at moment of account operator's confirmation</li> </ul>	<ul style="list-style-type: none"> <li>• RSE trades in the pre-settlement process before sending cash settlement instruction to BoLV (S 12:00)</li> <li>• OTC DVP, RSE T+0 – before sending cash settlement instruction to BoLV</li> <li>• RSE action trades of T-securities-before sending cash settlement orders to BoLV (S 9:00 - 9:30)</li> </ul>	<ul style="list-style-type: none"> <li>• VSE trades in the pre-settlement process before sending cash settlement instruction to BoLT (starting from S 13:00)</li> <li>• OTC DVP incl. cross-border trades in the seller's side in the moment of confirmation</li> </ul>
<b>RTGS</b>	<ul style="list-style-type: none"> <li>• Cross-border OTC-DVP</li> <li>• Domestic RTGS OTC-DVP</li> </ul>	<ul style="list-style-type: none"> <li>• SE T+0 trades</li> <li>• Cross-border OTC-DVP</li> <li>• Domestic RTGS OTC-DVP</li> </ul>	<ul style="list-style-type: none"> <li>• SE T+0 trades</li> <li>• Cross-border OTC-DVP</li> <li>• Domestic RTGS OTC-DVP</li> </ul>
<b>Same day turnaround</b>	Allowed	Allowed - once securities are book-entered in the account.	Allowed for OTC and VSE T+0
<b>Netting</b>	<ul style="list-style-type: none"> <li>• TSE, OTC-DVP in batches are netted</li> <li>• OTC-DVP and TSE trades are netted and settled separately in different batches</li> </ul>	Only RSE trades are netted	Only VSE trades are netted
<b>Initiator of FOP</b>	Initiator is the deliverer's account operator	Both deliverer's and receiver's account managers can initiate a FOP transfer.	Both deliverer's and receiver's account managers can initiate a FOP transfer
<b>Execution of FOP</b>	Real time (FOP is executed immediately after receiver's account operator has confirmed the incoming transfer)	Real time	Real time

## **Appendix 2. Timetable of settlement of transactions on Baltic stock exchanges**

<b>Activity</b>	<b>TSE / EVK (Estonia)</b>	<b>RSE / LCD (Latvia)</b>	<b>VSE / CSDL (Lithuania)</b>
Member CSD to disclose/send cross-border SE transaction info to account managers/account operators	T 17:15		
Issuer CSD to receive trade enrichments, or settlement instructions, or amendments of a trade settlement data from trading member regarding SE trades on the respective exchange	S 10:00		
Trading member/VSE sends trade settlement cancellations to issuer CSDs	S 10:00	S 11:00 (from VSE)	
Account manager/account operator sends settlement affirmations for both local and non-local Baltic trades to local CSDs	S 11:00		
Cash clearing agent informs issuer CSD of the maximum cash amount per trading member	Not applicable <i>(confirmation is asked on S 13:15)</i>	S 11:00	S 11:00
Member CSDs checks sufficiency of securities for non-local Baltic trades on account managers /account operators accounts (internal) – net positions per account are calculated - and blocks the securities on its accounts	S 11:00		
Member CSD sends settlement affirmations for non-local Baltic transactions to issuer CSD via LinkGW	S 11:05-11:10		
Issuer CSD to calculate preliminary securities and cash net positions for information purposes; information passed on to trading members/account managers/account operators	S 11:45	S 11:10-11:15	After S 11:10 on demand
Issuer CSD calculates final net securities and cash positions	S 12:45	S 12:00	Not applicable <i>(on demand)</i>
Issuer CSD blocks securities on securities accounts	S 12:45	S 12:00	At the moment when the cash instruction is sent to NCB
Cash position confirmation from Cash Clearing Agent	S 13:15	Not applicable <i>(information S 11:00)</i>	Not applicable <i>(information S 11:00)</i>
Settlement process start time	S 13:15	S 12:00	S 13:00
Cash settlement in respective	S 13:30	S 12:00 -13:00	S 13:00 (in case of

national Central Bank		(in case of default S 13:30 – 14:30)	default max to 16:00)
Securities transfers in issuer CSD	Immediately after receipt of confirmation from BoE	Immediately after receipt of confirmation from BoLV	Immediately after receipt of confirmation from BoLT
Settlement info to member CSDs	Immediately after settlement in EVK	Immediately after settlement in LCD	Immediately after settlement in CSDL

### Appendix 3. Definitions and abbreviations

Abbreviation	Definition
Account manager	A legal entity that is a participant of the CSD and manages personal investors' securities accounts and provides different services to investors. In Lithuania all account managers have a correspondent cash account in the BoLT In Latvia there are two types of account managers: - that do not have a correspondent cash account in the BoLV; - that have a correspondent cash account in the BoLV.
Account operator	A legal entity that is a participant of the CSD and intermediates securities account services to investors. There are two types of account operators: - that do not have a correspondent cash account in the central bank; - that have a correspondent cash account in the central bank. Account operators solution is in Estonia.
APK	Arvopaperikeskus (Finnish Central Securities Depository)
Batch settlement	A settlement process running at pre-defined intervals and processing orders in a fixed sequence.
BoE	Bank of Estonia
BoLT	Bank of Lithuania
BoLV	Bank of Latvia
Broker firm, Exchange member firm (trading member)	A legal entity that has been granted the right to trade in the securities listed or traded on the exchange via the trading system of the exchange
Central bank funds	Money in the payment system of a National Central Bank (NCB)
Clearing agent	A credit institution that has a correspondent cash account in the National Central Bank and offers clearing services to Exchange trading members and account operators/managers.
CSD	Central Securities Depository
CSDL	Central Securities Depository of Lithuania
DENOS	Securities settlement system operated by Latvian Central Depository
Depository2000	Clearing and settlement system of EVK
Depository2000BOT	Clearing and settlement system of EVK for trading members for enriching and controlling of stock exchange trades
DVP	Delivery versus payment – simultaneous cash and securities settlement
EP RTGS	The cash settlement system of Bank of Estonia
EVK	Estonian Central Securities Depository, Eesti Väärtpaperikeskus
Exchange transaction	Trade that is routed from an electronic stock exchange to a CSD
FCMC	Financial and Capital Market Commission
Final transfer (settlement finality)	Irrevocable and unconditional change of ownership. In particular, a final transfer can not be reversed by the insolvency of one of the parties that were involved in the transfer
FOP	Free-of-payment transfer
Foreign CSD	Used in the context of order routing, the foreign CSD is a CSD with no direct link to the electronic stock exchange from which the orders originate.
Gross settlement	Settlement in which settlement instructions are settled in separate bookings. The opposite is net settlement
Investor CSD	CSD in which investor has opened securities account and which has a link with another CSD.
Issuer CSD	CSD which is primary place of a securities book-entry and which has direct relationship with issuer
LCD	Latvian Central Depository
Link	Link between EVK and a foreign central securities depository
LinkGW	Technical solution for transferring securities between EVK, LCD and CSDL
Matching	Process that compares individual OTC trades and links them into pairs for later settlement
Net settlement	Settlement in which several settlement instructions are settled in a single booking. The opposite is gross settlement
OTC trades	Over-the-counter trades. In the context of this report trades that are not

	automatically routed from an electronic exchange to one or more CSDs
RSE	NASDAQ OMX Riga
S	Settlement day
SSS	Securities settlement system
T	Trade day
Trading member	Brokerage company/ exchange member – a legal entity to whom the stock exchange has granted the right to trade with the securities listed or traded on the stock exchange via the trading system.
Traxess	An intermediary database for gathering and distributing exchange trading information
TSE	NASDAQ OMX Tallinn
VNS	The BoLV security settlement system that ensures security settlement for BoLV monetary policy operations and security transfers of the VNS participants
VSE	NASDAQ OMX Vilnius

### **Appendix 4. Account operators in Estonia**

<b>Name</b>	<b>Address</b>	<b>Phone</b>	<b>E-mail/ Internet</b>
AS Parex banka	Smilšu iela 3, Riga LV-1522	+371 7010000	info@parex.lv www.parex.lv
Eesti Krediidipank	Narva mnt. 4, Tallinn 15014	+372 6690900	info@krediidipank.ee www.krediidipank.ee
Swedbank	Liivalaia 8, Tallinn 15040	+372 6310310	info@swedbank.ee www.swedbank.ee
Lõhmus, Haavel & Viisemann	Tartu mnt. 2, Tallinn 10145	+372 6800400	klienditugi@lhv.ee www.lhv.ee
Nordea Pank	Hobujaama 4, Tallinn 15068	+372 6283300	tallinn@nordea.com www.nordea.ee
Danske Bank A/S Eesti filiaal	Narva mnt. 11, Tallinn 10502	+372 6302100	info@sampopank.ee www.sampopank.ee
Marfin Pank Eesti AS	Pärnu mnt. 12, Tallinn 10148	+372 6802500	info@marfinbank.ee www.marfinbank.ee
SEB Pank	Tornimäe 2, Tallinn 15010	+372 6655100	info@seb.ee www.seb.ee
Tallinna Äripank	Vana-Viru 7, Tallinn 10111	+372 6688000	helpdesk@tbb.ee www.tbb.ee
Svenska Handelsbanken AB (publ), Branch Operations in Finland	Aleksanterinkatu 11, Helsinki Fin-00100	+358 104442464	www.handelsbanken.fi

## Appendix 5. Account managers in Latvia

<b>Name</b>	<b>Address</b>	<b>Phone</b>	<b>E-mail/ Internet</b>
Aizkraukles banka	Elizabetes iela 23, Rīga, LV 1010	+371 67775222	info@ab.lv www.ab.lv
Akciju komercbanka "Baltikums"	Mazā Pils iela 13, Rīga, LV 1050	+371 67031320	bank@baltikums.lv www.baltikums.lv
GE Money Bank	13.janvāra iela 3, Rīga, LV 1050	+371 67024763	www.gemoneybank.lv
DnB NORD Banka	Smilšu iela 6, Rīga, LV 1803	+371 67015247	info@dnbnord.lv www.dnbnord.lv
Swedbank	Balasta dambis 1a, Rīga, LV-1048	+371 67024555	info@swedbank.lv www.swedbank.lv
Latvijas Hipotēku un zemes banka	Doma laukums 4, Rīga, LV 1977	+371 67774049	8000100@hipo.lv www.hipo.lv
Latvijas Krājbanka	Palasta iela 1, Rīga, LV 1954	+371 67092020	info@lkb.lv www.lkb.lv
SMP Bank	Elizabetes iela 57, Rīga, LV 1779	+371 67287461	info@multibanka.com www.multibanka.lv
Nordea Bank Latvijas filiāle	Kaļķu iela 15, Rīga, LV 1050	+371 67096272	info@nordea.lv www.nordea.lv
NORVIK BANKA	E.Birznieka-Upīša iela 21, Rīga, LV 1011	+371 67041100	welcome@norvik.lv www.norvik.lv
Parex banka	Smilšu iela 3, Rīga, LV 1522	+371 67010000	info@parex.lv www.parex.lv
Rietumu banka	Vesetas iela 7, Rīga, LV 1013	+371 67025555	info@rietumu.lv www.rietumu.lv
RB Securities	Vesetas iela 7, floor 11, Rīga, LV 1013	+371 67025284	
SEB banka	Valdlauči „Unicentrs”, Rīgas raj. Ķekavas pagasts, LV 1522	+371 67215631	info@seb.lv www.seb.lv
Reģionālā investīciju banka	J.Alunāna iela 2, Rīga, LV 1010	+371 67508981	banka@rib.lv www.rib.lv
Trasta Komercbanka	Miesnieku iela 9, Rīga, LV 1050	+371 67027703	info@tkb.lv www.tkb.lv
Baltic International Bank	Kalēju iela 43, Rīga, LV 1050	+371 67222789	office@bib.eu www.bib.lv

## Appendix 6. Account managers in Lithuania

Name	Address	Phone	E-mail/ Internet
SEB Vilniaus bankas	Gedimino 12, Vilnius, LT-01103	+370 52682370	info@seb.lt www.seb.lt
Sampo Bankas	Saltoniskiu 2, Vilnius, LT-08500	+370 52787144	www.sampo.lt
Šiaulių Bankas	Tilžės 149, Šiauliai, LT-76348	+370 41595654	info@sb.lt www.sb.lt
Nordea Bank Finland Plc	Didžioji 18/2, Vilnius, LT-01128	+370 52361335	info@nordea.lt www.nordea.lt
Medicinos Bankas	Pamėnkalnio 40, Vilnius, LT-01114	+370 52644845	info@medbank.lt www.medbank.lt
Parex Bankas	K. Kalinausko 13, Vilnius, LT-03107	+370 52664622	info@parex.lt www.parex.lt
Hansabankas	Savanorių 19, Vilnius, LT-03502	+370 52684742	info@hansa.lt www.hansa.lt
DnB Nord Bankas	J. Basanavičiaus 26, Vilnius LT-03601	+370 52393771	info@dnbnord.lt www.dnbnord.lt
Bankas Snoras	A. Vivulskio 7, Vilnius, LT-03221	+370 52652662	info@snoras.lt www.snoras.com
Ūkio Bankas	Maironio 25, Kaunas, LT-44250	+370 37301430	ub@ub.lt www.ub.lt
BC Kapitalo srautai	Konstitucijos 23-502, Vilnius, LT-08105	+370 52723798	info@kapitalosrautai.lt www.kapitalosrautai.lt
BC Vivum	Konstitucijos 23-613, Vilnius, LT-08105	+370 52721489	isse@mail.iti.lt
BC SG Finansai	Ukmerges 283B, Vilnius, LT-07150	+370 52721655	fbcs@sg.lt www.sg.lt
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