

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

Funded By U.S. Agency for International Development

Stock Exchange Fee Analysis

Final Report

**Deliverable for Capital Markets Component, Task No. 635.10
Contract No. 278-C-00-02-00201-00**

March 2002

This report was prepared by Ms. Nicole Rhind , in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.

STOCK EXCHANGE FEE ANALYSIS

April 8, 2002

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The objective of this Stock Exchange Fee Analysis is to gain insight into various fee structures for six stock exchanges. This information will be studied as part of an effort to determine an appropriate fee structure for the New Middle East Exchange (ME-NEX). The fees charged by the different exchanges are divided into three categories: Registration and Listing Fees, Membership Fees, and Transaction Fees. The listing fees are charged to issuers wishing to list their company shares on the exchange. Brokers wishing to trade on the exchange pay the membership fees. Finally, the transaction fees represent all charges incurred by investors for executing a trade on the exchange.

REGISTRATION AND LISTING FEES¹

EXCHANGE	REGISTRATION AND LISTING FEES
NASDAQ Small Cap Market	<p><u>Registration Fees:</u> < 1 million shares: US\$9,500 1-5 million shares: US\$19,500 5-10 million shares: US\$30,875 10-15 million share: US\$40,375 >15 million shares: US\$47,500</p> <p><u>Annual Listing Fees:</u> First issue: US\$8,000 Additional Issues: US\$2,000</p>
NASDAQ Europe	<p><u>Registration Fees:</u> Fee basis: EUR .0005 per 1 euro of market capitalization Min. EUR30,000 (US\$26,243.70) Max. EUR90,000 (US\$78,731.10)</p> <p><u>Annual Listing Fees:</u> Fee basis: EUR .00025 per 1 euro of market capitalization Min. EUR10,000 (US\$8,747.90) Max. EUR50,000 (US\$43,739.50)</p>
Neuer Markt	<p><u>Registration Fees:</u> Up to 5 million EUR1,000 (US\$874.79) Up to 10 million EUR1,400 (US\$1,224.71) Up to 15 million EUR2,100 (US\$1,837.06) Up to 20 million EUR2,800 (US\$2,449.41) Up to 25 million EUR3,500 (US\$3,061.76) Up to 30 million EUR4,000 (US\$3,499.16) Up to 35 million EUR4,500 (US\$3,936.55) Up to 40 million EUR5,000 (US\$4,373.95) Up to 45 million EUR5,500 (US\$4,811.34) Up to 50 million EUR6,000 (US\$5,248.74) Up to 60 million EUR6,500 (US\$5,686.13) Up to 70 million EUR7,000 (US\$6,123.53) Up to 80 million EUR7,500 (US\$6,560.92) Up to 90 million EUR8,000 (US\$6,998.32) Up to 100 million EUR8,500 (US\$7,345.71) And for each additional amount of 50 million, +EUR500 (US\$437.39)</p>

¹ All foreign currency conversions calculated as of March 11, 2002

Neuer Markt (Con't)	<p><u>Annual Listing Fees:</u> EUR7,500 (US\$6,560.92)</p>
Amman Stock Exchange	<p><u>Registration Fees:</u> JD.003 per 1 JD of par value Max. JD50,000 (US\$70,972.30), paid to JSC</p> <p><u>Annual Listing Fees:</u> Total (includes fees from ASE and JSC) JD.0006 per 1 JD of par value Max. JD5,000(US\$7,097.23) calculated according to par value</p>
Dubai Financial Market	<p><u>Registration Fees:</u> AED5,000 (US\$1,361.32)</p> <p><u>Annual Listing Fees:</u> AED3,000 (US\$816.79)</p>
Bahrain Stock Exchange	<p>Domestic Companies</p> <p><u>Registration Fees:</u> BD .001 of companies' paid-up capital. Min: BD5,000 (US\$13,266.10) Max.BD15,000 (US\$39,798.40)</p> <p><u>Annual Listing Fees:</u> BD.001 of first BD10 million (US\$26,532,237) of company's paid-up capital Min. BD3,000 (US\$7,959.67)</p> <p>BD.0005 amount between 10million-50million (US\$26,532,238-132,661,183)</p> <p>BD.00025 amount >BD50 million (US\$132,661,183) Max: BD20,000 (US\$53,064.50)</p> <p><u>Central Depository Fees:</u> BD.000125 of the first BD15million (US\$39,798,355) of company's paid-up capital Min. BD1,000 (US\$2,653.22)</p> <p>BD.0000625 amount>BD15million (US\$39,798,355) of company's paid-up capital Max. BD4,000 (US\$10,612.90)</p>

Bahrain Stock Exchange (Con't)	<p>Foreign Companies</p> <p><u>Registration Fees:</u> BD.001 of the company's paid-up capital Min. BD5,000 (US\$13,266.10) Max. BD15,000 (US\$39,798.40)</p> <p><u>Annual Listing Fees:</u> BD.0005 of the first BD10 million (US\$26,532,238) of company's paid-up capital Min. BD1,500 (US\$3,979.84)</p> <p>BD.00025 amount between 10million-50million (US\$26,532,238-132,661,183)</p> <p>BD.000125 amount >50million (US\$132,661,183) Max. BD10,000 (US\$26,532.20)</p>
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MEMBERSHIP FEES

EXCHANGE	ENTRY FEES (one time only)	ONGOING FEES
<p>NASDAQ: In order to engage in trading activity on NASDAQ, all firms and all personnel must be members of the NASD, the regulatory body for NASDAQ. The fees in this table are the Membership Fees for NASD.</p>	<p>Self-Clearing Brokers: US\$5,000</p> <p>All Others: US\$3,000</p> <p>Other Fees include: Exams for Personnel: US\$50-150 Employee Fingerprinting: US\$10-32 Other Fees: US\$10-95</p>	<p><i>See Appendix 1 for complete list of annual (renewal) fees for firms and personnel.</i></p>
<p>NASDAQ Europe</p>	<p>EUR10,000 (US\$8,747.90)</p>	<p>Membership Fees: EUR5,000 (US\$4,373.95) annually Market Maker Discount: (100 Euros {US\$87.47} deducted from annual fee per market made) Network Fee: Bronze Configuration (Single Router, Single gateway): EUR5,000 (US\$4,374.95)per month Silver Configuration (Two Routers, Single Gateway): EUR7,500 (US\$6,560.92)per month</p>

NASDAQ Europe (Con't)		Gold Configuration (Two routers, Two Gateways): EUR10,000 (US\$8,747.90) per month Per User Fee: Fee Per ID Used: EUR500 (US\$437.39) per month
Neuer Markt (Fees shown are Membership Fees for Frankfurt Stock Exchange)	Official Exchange Brokers and Independent Brokers: EUR40,000 (US\$34,991.60) one-time admission fee Other Enterprises: EUR100,000 (US\$87,479) one-time admission fee Participants in electronic trading only: No Fee	Admission Fee: EUR6,000 (US\$5,248.74) annually and EUR1,500 (US\$1,312.18) per exchange trader admitted Enterprises that give orders in floor trading exclusively by means of electronic data processing: EUR3,000 (US\$2,624.37) annually and EUR1500 (US\$1,312.18) per exchange trader admitted Participants in electronic trading only: No Fee
Amman Stock Exchange	JD200,000 (US\$283,889)	Annual Fee: JD500 (US\$709.72)
Dubai Financial Market	AED100,000 (US\$27,226.40)	Annual Fee: AED50,000 (US\$13,613.20)
Bahrain Stock Exchange	BD 1000 (US\$2,656.18)	BD500 (US\$1,328.09)

TRANSACTION FEES

EXCHANGE	TRANSACTION FEES
NASDAQ	Transaction Fees for NASDAQ depend on the type of Market Participant a firm or individual is. There are 4 types of NASDAQ Market Participants: Market Maker: A Market Maker is an NASD member firm that buys and sells securities at prices it displays in NASDAQ for its own account

<p>NASDAQ (Con't)</p>	<p>(principal trades) and for customer accounts (agency trades). There are over 450 member firms that participate as Market Makers.</p> <p>Order Entry: Order Entry allows for querying of Market Maker quotations as well as entry of orders and trade reports by NASD member firms through NASDAQ Workstation II.</p> <p>Query Only: Query Only provides view only information through NASDAQ Workstation II. NASDAQ quote data is disseminated worldwide on over 300,000 computer terminals. No order entry trades can be made.</p> <p>Primex Auction: The Primex Auction is a digital system for NASDAQ and exchange-listed stocks. Any NASD member broker/dealer will be able to expose orders to the system's crowd of bidders, who will compete for the execution.</p> <p><i>Below are tables with transaction fee information for trading on NASDAQ. These tables do not include all relevant fees. The largest expenditure required for trading on NASDAQ is the NASDAQ Workstation II subscription. Fees can vary widely, however, the initial cost is at least US\$15,000 and annual fees are at least US\$50,000. These fees do not include the purchase/lease of the required hardware. See Appendix 2 for a complete list of fees for the various participants.</i></p> <p>ACES (Market Maker Side Only)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">First 25,000 executed orders/month</td> <td style="text-align: right; padding: 2px;">US\$.70</td> </tr> <tr> <td style="padding: 2px;">Next 25,000 executed orders/ month</td> <td style="text-align: right; padding: 2px;">US\$.50</td> </tr> <tr> <td style="padding: 2px;">All remaining trades executed/month</td> <td style="text-align: right; padding: 2px;">US\$.10</td> </tr> </table> <p>Computer Assisted Execution System (CAES)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Service Fee per month</td> <td style="text-align: right; padding: 2px;">US\$100</td> </tr> <tr> <td style="padding: 2px;">CAES order entering party</td> <td style="text-align: right; padding: 2px;">No fee</td> </tr> <tr> <td style="padding: 2px;">CAES order originating party</td> <td style="text-align: right; padding: 2px;">US\$.50</td> </tr> </table> <p>Intermarket Trading System (ITS)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">CAES order executing fee</td> <td style="text-align: right; padding: 2px;">No charge</td> </tr> </table>	First 25,000 executed orders/month	US\$.70	Next 25,000 executed orders/ month	US\$.50	All remaining trades executed/month	US\$.10	Service Fee per month	US\$100	CAES order entering party	No fee	CAES order originating party	US\$.50	CAES order executing fee	No charge
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NASDAQ (Con't)	<table> <tr> <td>CAES commitment originating party</td> <td>US\$1.00</td> </tr> <tr> <td colspan="2">Quoting Fees</td> </tr> <tr> <td>Quote update fee (per transaction except decrements initiated by Nasdaq Systems)</td> <td>US\$.01</td> </tr> <tr> <td colspan="2">SuperSoes pricing</td> </tr> <tr> <td>Order entry charge</td> <td>US\$.10</td> </tr> <tr> <td>Order execution charge</td> <td>US\$.002</td> </tr> <tr> <td>Liquidity provider rebate</td> <td>US\$.001</td> </tr> <tr> <td>Cancellation fee (canceling party only)</td> <td>US\$.25</td> </tr> <tr> <td colspan="2">SelectNet pricing</td> </tr> <tr> <td>Order entry charge</td> <td>US\$.10</td> </tr> <tr> <td>Broadcast order charge</td> <td>US\$2.50</td> </tr> <tr> <td>Directed liability order execution charge</td> <td></td> </tr> <tr> <td> first 25,000/ month</td> <td>US\$.90</td> </tr> <tr> <td> next 25,000/month</td> <td>US\$.60</td> </tr> <tr> <td> next 25,000/month</td> <td>US\$.10</td> </tr> <tr> <td> all remaining/month</td> <td>Free</td> </tr> <tr> <td>Directed non-liability order execution charge</td> <td>US\$.90</td> </tr> <tr> <td>Cancellation fee</td> <td>US\$.25</td> </tr> <tr> <td colspan="2">SOES pricing (Small Cap securities only)</td> </tr> <tr> <td>Order execution charge:</td> <td></td> </tr> <tr> <td> first 150,000 executions/month</td> <td>US\$.50</td> </tr> <tr> <td>Order execution charge:</td> <td></td> </tr> <tr> <td> all remaining executions/month</td> <td>US\$.30</td> </tr> <tr> <td>Cancellation fee</td> <td>US\$.30</td> </tr> </table>	CAES commitment originating party	US\$1.00	Quoting Fees		Quote update fee (per transaction except decrements initiated by Nasdaq Systems)	US\$.01	SuperSoes pricing		Order entry charge	US\$.10	Order execution charge	US\$.002	Liquidity provider rebate	US\$.001	Cancellation fee (canceling party only)	US\$.25	SelectNet pricing		Order entry charge	US\$.10	Broadcast order charge	US\$2.50	Directed liability order execution charge		first 25,000/ month	US\$.90	next 25,000/month	US\$.60	next 25,000/month	US\$.10	all remaining/month	Free	Directed non-liability order execution charge	US\$.90	Cancellation fee	US\$.25	SOES pricing (Small Cap securities only)		Order execution charge:		first 150,000 executions/month	US\$.50	Order execution charge:		all remaining executions/month	US\$.30	Cancellation fee	US\$.30
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NASDAQ Europe	NASDAQ Europe's transaction fees are segregated into two distinct sets of charges: those associated with executing a trade on NASDAQ Europe and those associated with reporting a trade on NASDAQ Europe. Highlights of the transaction fee structure include:																																																

NASDAQ Europe (Con't)	?? No charge for entering or amending quotes		
	?? The greater the participation in the market, the lower the cost per transaction. High volumes of executions or trade reports can mean that a member pays as low as EUR.15 (US\$.13) per trade.		
	?? Transaction fees are charged on a flat basis, regardless of the value of the transaction.		
	?? The provision of liquidity is in itself rewarded, with the concept of “aggressor pays” a Market Maker whose quote is “aggressed” by another market participant will pay no transaction cost at all.		
	?? Orders that are executed at the same time in the same security by the same member are aggregated and charged as a single transaction. If the trader has to deal with the three separate market makers to execute his desired size, he will pay only one transaction fee.		
	Trade Reporting Fees		
	Chargeable Transactions/month	1-Sided	2-Sided
	0-30,000	EUR1.50 (US\$1.31)	EUR.75 (US\$.65)
	30,001-50,000	EUR1.20 (US\$1.04)	EUR.60 (US\$.52)
	50,001-100,000	EUR1.00 (US\$.87)	EUR.50 (US\$1.09)
100,001-150,000	EUR0.75 (US\$.65)	EUR.38 (US\$.33)	
150,001-200,000	EUR.50 (US\$.43)	EUR.25 (US\$.21)	
>200,000	EUR.30 (US\$.26)	EUR.15 (US\$.13)	
Execution Fees			
Chargeable Transactions/month	Liquidity Provider	Aggressor	
0-30,000	EUR0.00	EUR2.00 (US\$1.74)	
30,001-50,000	EUR0.00	EUR1.75 (US\$1.53)	

<p>NASDAQ Europe (Con't)</p>	<p>50,001-100,000</p> <p>100,001-150,000</p> <p>150,001-200,000</p> <p>>200,000</p>	<p>EUR0.00</p> <p>EUR0.00</p> <p>EUR0.00</p> <p>EUR0.00</p>	<p>EUR1.25 (US\$1.09)</p> <p>EUR1.00 (US\$.87)</p> <p>EUR.75 (US\$.65)</p> <p>EUR.50 (US\$.43)</p>																		
<p>Neuer Markt</p>	<p>With respect to securities denominated in euro, with respect to securities denominated in Deutsche Marks after conversion of the nominal value into euro on the basis of the conversion factor, and with respect to securities denominated in a foreign currency after the conversion into the euro on the basis of the respective conversion factor or a foreign exchange reference price, the fee shall be:</p> <table border="0" data-bbox="472 926 1393 1808"> <thead> <tr> <th data-bbox="472 926 959 961">Nominal Amounts</th> <th data-bbox="959 926 1393 961">Trading Fees</th> </tr> </thead> <tbody> <tr> <td data-bbox="472 961 959 1037"><E25,000 (<US\$21,869.80)</td> <td data-bbox="959 961 1393 1037">.75%</td> </tr> <tr> <td data-bbox="472 1073 959 1148">E25,001-E50,000 (US\$21,870-43,739.50)</td> <td data-bbox="959 1073 1393 1148">.4% min. E18.75 (US\$16.40)</td> </tr> <tr> <td data-bbox="472 1184 959 1260">E50,001-E125,000 (US\$43,740-109,349)</td> <td data-bbox="959 1184 1393 1260">.28% min. E20 (US\$17.49)</td> </tr> <tr> <td data-bbox="472 1295 959 1371">E125,001-E250,000 (US\$109,349-218,698)</td> <td data-bbox="959 1295 1393 1371">.26% min. E35 (US\$30.61)</td> </tr> <tr> <td data-bbox="472 1407 959 1482">E250,001-E500,000 (US\$218,699-437,395)</td> <td data-bbox="959 1407 1393 1482">.16% min. E65 (US\$56.86)</td> </tr> <tr> <td data-bbox="472 1518 959 1593">E500,001-E1,000,000 (US\$437,396-874,790)</td> <td data-bbox="959 1518 1393 1593">.12% min. E80 (US\$69.98)</td> </tr> <tr> <td data-bbox="472 1629 959 1705">E1,000,001-E2,500,000 (US\$874,791-2,186,975)</td> <td data-bbox="959 1629 1393 1705">.08% min. E120 (US\$104.97)</td> </tr> <tr> <td data-bbox="472 1740 959 1816">>2,500,000 (US\$>2,186,976)</td> <td data-bbox="959 1740 1393 1816">.06% min. E200 (US\$174.95)</td> </tr> </tbody> </table>			Nominal Amounts	Trading Fees	<E25,000 (<US\$21,869.80)	.75%	E25,001-E50,000 (US\$21,870-43,739.50)	.4% min. E18.75 (US\$16.40)	E50,001-E125,000 (US\$43,740-109,349)	.28% min. E20 (US\$17.49)	E125,001-E250,000 (US\$109,349-218,698)	.26% min. E35 (US\$30.61)	E250,001-E500,000 (US\$218,699-437,395)	.16% min. E65 (US\$56.86)	E500,001-E1,000,000 (US\$437,396-874,790)	.12% min. E80 (US\$69.98)	E1,000,001-E2,500,000 (US\$874,791-2,186,975)	.08% min. E120 (US\$104.97)	>2,500,000 (US\$>2,186,976)	.06% min. E200 (US\$174.95)
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<p>Amman Stock Exchange</p>	<p>Trading Fees are levied by the Jordan Securities Commission (JSC), Amman Stock Exchange (ASE), the Jordan Securities Depository Center (SDC) and brokerage firms. This graph shows the amount paid for each trade to these institutions as well as the broker fee.</p> <p>Paid to:</p> <p>JSC ASE SDC Brokerage Firms</p> <p>Amount: Calculated according to market value of trade</p> <p>.0005 .0006 .0003 Min. .004 Max. .006</p>
<p>Dubai Financial Market</p>	<p>Trading Fees are divided into 2 categories: Dubai Financial Market also receives a fixed commission of AED10 (US\$2.72) for each executed trade.</p> <p>Paid to:</p> <p>Brokerage Firm Dubai Financial Market Total</p> <p>Amount: Calculated according to market value of trade</p> <p>.003 .002 .005</p>
<p>Bahrain Stock Exchange</p>	<p>This graph shows the brokerage fees. However, these fees are negotiable. The BSE receives 20% of the broker commission.</p> <p>Trade Value</p> <p>BD<20,000 (US\$53,064.50)</p> <p>BD20,001-50,000 (US\$53,067-132,661)</p> <p>BD>50,000 (US\$132,661)</p> <p>Commission</p> <p>.30% .20% .10%</p>

SOURCES

Websites:

www.ammanstockex.com
www.alshabaca.com
www.deutsche-boerse.com
www.dfm.co.ae
www.nasdaqeurope.com
www.nasdaq.com
www.nasdaqtrader.com
www.nasdr.com

Amman Stock Exchange
Arab Financial Markets Network
Deutsche-Borse Group
Dubai Financial Market
NASDAQ Europe
NASDAQ Stock Market
NASDAQ Trader
NASD Regulation, Inc.

Phone Calls and Emails:

Bahrain Stock Exchange	973929198
Dubai Financial Market	97143055657
Neuer Markt, Primary Markets Group	49692101670
NASD San Francisco Office	4158821200
NASDAQ Trader Hotline	3019785313
NASDAQ NY Office	2125034135