



Mercia Securities Ltd formerly
known as Initial Merit Secure Ltd.

Costs & Charges Policy September 2026

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COSTS & CHARGES POLICY

September 2026

1. Introduction

Mercia Securities Ltd formerly known as Initial Merit Secure Ltd (hereinafter called “the Company”, “Company” or “us”) a Cyprus Investment Firm (“CIF”) registered in the Republic of Cyprus through the Department of Registrar of Companies and Official receiver in Cyprus under registration number HE 291905 and is authorized and regulated by the Cyprus Securities and Exchange Commission (hereinafter “CySEC”) under License Number 229/14.

This Costs and Charges Policy outline all fees, charges, and costs associated with the investment services and financial instruments offered by Mercia Securities Ltd formerly known as Initial Merit Secure Ltd. The purpose of this policy is to ensure transparency and compliance with the requirements set forth under MiFID II and other applicable regulations. It aims to provide clients with clear, comprehensive, and non-misleading information about the financial implications of their investment activities.

2. Scope

This Policy applies to the investment services provided by Mercia Securities Ltd in relation to the financial instruments and products listed below. The Company does not accept retail clients, and its services are offered solely to Professional Clients and Eligible Counterparties, subject to the applicable regulatory requirements and client classification rules.

The Company offers or may provide investment services in relation to the following products:

- Government & Agency Bonds
- Corporate Bonds
- Certificates of Deposit
- Fixed-rate Capital Securities & Preferred Securities
- Structured Products
- Asset-Backed Securities
- Private Placement Instruments
- Equities

3. Types of Cost and Charges

3.1. Transaction and Custody Costs

Service Type	Basis Points (bps)	Percentage (%)	Fee per €100,000 Asset
Bond Transactions	15 bps	0.15%	€150
Custody Spread	10 bps	0.10%	€100

Bond Transactions: A fee of 15 bps (0.15%) applies to Government & Agency Bonds and Corporate Bonds.

Custody Spread: A spread of 10 bps (0.10%) applies to all assets held in custody.

3.2. Other Costs

Cost Type	Description	Fee Structure
Inactivity Fees	Charged after 90 days of no investment activity.	\$5 (or equivalent) every three months.
Dormant Account Fees	Applicable to accounts inactive for 90 days.	\$5 (or equivalent) every three months until closure.
Administrative Fees	Charged for specific administrative requests (e.g., paper statements).	Variable; depends on the specific request.
Transfer Fees	Related to intermediary bank fees for international transfers.	Variable; depends on third-party fees.

4. Cost Disclosure Requirements

A) Ex-Ante Disclosures (before the event)

- Clients shall receive aggregated cost estimates before executing any transaction.
- Costs shall be presented as both a cash amount and a percentage of the investment amount.
- Illustrations shall be provided to show the cumulative effect of costs on potential returns.

B) Ex-Post Disclosures (after the event)

- Annual personalized reports summarizing actual costs incurred during the year will be provided to clients.
- Reports shall include itemized breakdowns of transaction fees, custody charges and any non-trading costs incurred.



5. Third-Party Payments

Ex-Ante Disclosures:

- Clients shall be informed about the existence, nature, and expected amount of any third-party payments before engaging in any transaction.
- Where the exact amount cannot be determined at the time of disclosure, Mercia Securities Ltd will provide a clear explanation of the method used to calculate these payments.

Ex-Post Disclosures:

- At least once a year, Mercia Securities Ltd will provide clients with a personalized report detailing the actual amounts of third-party payments received during the reporting period.
- These disclosures will include an aggregated total of all costs and charges incurred by the client, with third-party payments identified separately.

Conflict Management:

- Mercia Securities Ltd ensures that all third-party payments received enhance the quality of services provided to clients.
- Robust conflict management procedures are in place to ensure that such payments do not compromise our obligation to act in our clients' best interests.

Minor Non-Monetary Benefits:

- Mercia Securities Ltd may occasionally receive minor non-monetary benefits (e.g., research materials or training sessions). These benefits will only be accepted if they enhance service quality and do not impair compliance with our duty to act honestly, fairly, and professionally.

Client Communication:

- Clients may request additional information about third-party payments at any time by contacting our support team.
- Any fees or commissions transferred back to clients will be communicated clearly through personalized reports.

6. Illustration of Costs

Illustrative Service	Rate	Assets/Transaction Amount	Illustrative Fee	Notes
Government & Agency Bond	15 bps (0.15%)	€100,000	€150	Transaction fee
Corporate Bond	15 bps (0.15%)	€100,000	€150	Transaction fee
Custody Spread	10 bps (0.10%)	€100,000	€100	Applies across the board

7. Updates to the Policy

This policy will be reviewed annually to ensure accuracy and compliance with regulatory requirements. Any material changes will be communicated promptly via email or through updates on our website.

8. Transparency Commitment

Mercia Securities Ltd is committed to providing clear, fair, and non-misleading information about all costs and charges associated with its services. Clients are encouraged to contact our support team for further clarification or if they require additional cost breakdowns.