**General Regulations Concerning Investments of Income from Management of Rights**

1. **Separation of Income From Management of Rights from the Society’s Own resources**

When keeping or investing the income from rights management (hereinafter compensation) , AKKA/LAA separates it from all kinds of its own assets and from income generated by these assets, as well as from expenditure of management or income received from other AKKA/LAA activities.

1. **Provision of Accessibility of Compensation**

AKKA/LAA may invest compensation on temporary basis only, while it cannot be distributed or paid to the holders of copyright and neighbouring rights. Making investments from compensation, AKKA/LAA secures the possibility to recover the invested funds as soon as there is a possibility to distribute and pay them to the holders of copyright and neighbouring rights.

1. **The Policy of Investment of Compensation**

When investing the compensation, AKKA/LAA acts like a solicitous and careful master who solely serves the interests of the holders of copyright and neighbouring rights, follows prudent principles that result in diminishing of risks, security of investments, quality, liquidity and profitability, and pursues policies of investment aimed at growth of resources of the holders of copyright and neighbouring rights.

When taking a decision on investment of compensation, AKKA/LAA complies with the obligations and limitations concerning the categories of investment and stipulated by Article 18 of the Act on Collective Management of Copyright.

AKKA/LAA may handle compensation in the following ways:

1. Keep it in the form of cash in order to ensure its payment to the rights holders;
2. Keep it on account at a credit institution;
3. Save it on a deposit account or savings account of a credit institution;
4. Invest it into national securities emitted by the Republic of Latvia provided such a measure is endorsed by AKKA/LAA Council;
5. Invest it in another way, if an assembly of members decide accordingly, based on a sworn auditor’s resolution.

Compensation is invested solely into high quality and safe national, municipal and commercial debt securities (bonds), as well as into investment funds, whose resources are only invested against debt securities or deposited at credit institutions.