



Mercantile Exchange Nepal Limited
Where the Nation Trades
AN ISO 9001:2015 CERTIFIED EXCHANGE

PHYSICAL DELIVERY PRODUCT/S- FAQs

1. Which contracts are available currently in MEX platform for Physical Delivery?

Delivery Gold 10 Gram- DGOLD10GM

Delivery Silver 1000 Gram- DSILVER1000GM *[This Product can be traded with decimal lot of 0.1 and its multiples.]*

Delivery Silver 1 KG - DSILVER1KG

Delivery Silver 20 KG - DSILVER20KG

Delivery EGGL - Weight per box: above 12 KG

Delivery EGGM - Weight per box: 10 - 12 KG

2. Who can buy these products?

- Delivery Gold 10 Grams, Delivery Silver 1000 Grams, Delivery Silver 1 KG, Delivery EGGL & Delivery EGGM - Any Institution or Individual can buy.
- Delivery Silver 20 KG - Any Institution or Individual having PAN card can buy.

3. Who is the delivery vendor (seller) of these products?

- Gahanagriha is the seller for 10 Grams DGOLD
- Anand Jewellers is the seller for 1000 Grams DSILVER
- Century Commercial Bank Limited is the seller for 1KG and 20KG DSILVER
- New Bhairab Poultry Firm is the seller for EGGL & EGGM

4. What is the basic requirement to trade in various deliverable contract?

For DGOLD, one should have its own bank account in any of [MEX designated banks](#).

For DSILVER, one should have its own bank account in Century Commercial Bank Limited, compulsorily.

FOR EGGL and EGGM, one should have its own bank account in Bank of Kathmandu or eSewa account compulsorily.

5. What are the documents required to open bank account to trade in Product/s with delivery logic?

To Open Bank Account

For Individual Applicants:

- Duly filled up Account Opening Form
- KYC Form
 - 1 PP size photo
- Copy of citizenship card
- Copy of PAN card [compulsory for trading in DSILVER20KG]

For Institutional Applicants:

- Duly filled up Account Opening Form
- Copy of PAN Certificate
- Copy of Company Registration Certificate
- Account Opening & Operating Minute
- KYC Form of BOD, CEO & Account Operators
- 1 PP size photo of BOD, CEO & Account Operators
- Copy of citizenship card of BOD, CEO & Account operators
- Last year Audit Report
- Memorandum of Association & Article of Association

[Note: All copy of documents needs to be self attested with company seal & authorized signature]

To Open eSewa Account

There are 2 processes to create eSewa Wallet- through Web or Mobile

Through web,

1. Login to www.esewa.com.np
2. Fill up all columns in the website and create your account by providing all the correct information

Through Mobile

Type “reg” and send to 2121

6. Is there any additional document for registration of customer for delivery product/s at MEX?

Yes, apart from the standard documents customer needs to sign the ‘Terms and Conditions for Product/s with delivery logic’ for trading in this product.

7. Is SELL option available in these contracts?

Sell option is not available. Customer only have option to initiate Buy, even the customer will not have option to liquidate the initiated open order. Once the obligation of the customer is fulfilled, Exchange will liquidate the specified open order.

8. What do you mean by Delivery Logic - Compulsory?

Delivery Logic-compulsory means that all open positions of the customers in the contract result into deliverable settlement.

9. What is Delivery Unit?

Delivery unit means the minimum quantity of a contract that can be delivered, as may be specified by the Exchange, from time to time in the product specification of a commodity.

10. What is the minimum delivery unit of DGOLD?

It is 10 Grams

11. What is the minimum delivery unit of DSILVER?

It is 100 Grams, 1 KG&20KGin respective of the contract.

12. What is the minimum delivery unit of EGGL and EGGM?

It is 1 box for both contracts and each box contains 7 crates equal to 210 eggs.

13. What is the maximum number of deliverable unit?

For DSILVER1KG, it is 9 lots per day per customer.

For DGOLD10GM, DSILVER1000GM, DSILVER20KG, EGGL and EGGM, it depends upon the number of intentions shown by the Seller in 'Market Depth'.

14. What is the quality specification of DGOLD, DSILVER, EGGL and EGGM ? Is there any quality certificate for the product?

The quality specification of DGOLD is Refined Gold, .995 fineness and DSILVER is Refined Silver, 999.99 fineness. Similarly, the quality specifications for EGGL & EGGM contracts are: No cracks and broken eggs, No blood or meat spots, up to 7 days old egg and not processed.

Yes, for 1 KG & 20 KG DSILVER there is international quality certificate which the seller will be providing to the buyer in a specified format.

15. What is Quality certificate?

Quality certificate is the document issued by the quality assayer indicating the quality and other related parameters of the product as mentioned in the product specification.

16. What is storage cost?

It is the cost which the buyer has to bear if physical delivery is not taken after full payment; till the buyer takes the delivery.

17. What is contract validity?

It is the time period till which the open order of the customer will be valid. The buyer needs to settle all the obligations towards the placed order and take the delivery within this time period.

18. What is partial delivery and is it allowed?

Partial delivery means ordering 2 lots [suppose 40kg] at a time and willing to take delivery of only 1 lot [20kg]. These types of partial delivery settlement are not allowed for the given contract.

19. What do you mean by Default?

It is the failure to fulfill the obligations required for trading in the product and not taking the delivery.

20. What are the default cases for Delivery Product/s?

There are 2 cases. First is, if the customer doesn't deposit the remaining amount of the product before contract expiry. Second is, if the customer's account gets equity hit during contract validity.

21. Why Floating Loss shown against the open order has effect in Customer's Equity for Delivery Product/s?

As floating loss calculation is a part of penalty during the default cases, its effect is shown in the customer's equity. However in case of successful delivery settlement, the loss will be brought back to zero thereby having no effect in customer's equity.

22. Why Floating Profit shown against the open order has no effect in Customer's Equity for Delivery Product/s?

As floating profit cannot be claimed after the buying price has been locked by the customer, it has no effect in customer's equity. During successful delivery settlement, the profit will be brought back to zero.

23. Where shall deliveries take place?

Deliveries shall take place in the delivery centers as specified in the product specification of the commodity.

24. What if the Seller doesn't make delivery on the said date?

The seller is obliged to deliver on said date in the specified delivery center but inability to do so in any case will be a liability of the seller.

25. What is Delivery receipt? What is its use? Where is it available?

Delivery receipt is a document that is typically used by the buyer of the product to indicate that it had placed the order and this document contains all the order details.

Buyer needs to present this document to the seller while taking the delivery of the product.

It is available in the customer's trading console. Customer can right click on the specified open order and avail the option to choose 'delivery receipt'. The displayed receipt needs to be printed and presented to the seller.

26. How will be Gold, Silver and EGG delivered?

10 Grams Gold will be delivered in coins. 1000 Grams and 20 KG Silver will be delivered in granules while 1 KG Silver will be in bars. Likewise, EGGM and EGGL will be delivered in box with crates.

27. Can a buyer claim for the quality and weight of the product once the delivery is taken?

The buyer has to confirm the quality and weight of the product while taking the delivery at the delivery centre itself. Once the delivery is confirmed and taken away, the buyer will be solely responsible and cannot claim for anything.

28. Why should one take the delivery through MEX platform, when the same can be bought from the bank directly?

The buyer should take delivery through MEX platform due to below mentioned reasons:

- ✓ Buyer gets the most competitive price for the products Gold, Silver and Egg in MEX Platform.
- ✓ Buyers can view price and take their orders anytime, anywhere from Android/ Iphone/ Ipad/ Mac.
- ✓ Buyer has the facility of placing "Limit Order" which means that the buyer can set their own price in which they want to buy and when the market reaches the price, their orders will be executed.

- ✓ Buyer can view and monitor every single price movement of the product and can also do technical analysis through charts to buy at a better price.

29. Can the Gold holder (Buyer) sell the bought Gold again to the seller? Is there any deduction [making charge or wastage cost] while selling?

Yes, there is provision for Gold holder (Buyer) to sell the bought Gold again to the seller at prevailing NEGOSIDA declared gold rate of the day.

There is no deduction while selling the bought Gold by the Gold Holder.

30. Can the Silver or Egg holder (Buyer) sell the bought Silver or Egg again to the Bank or through the MEX Platform?

Currently there is no provision for Silver and Egg holder (Buyer) to sell the bought Silver or Egg again to the vendor or through MEX Platform. But the Silver or Egg holder is at liberty to sell it to the third party through their own reference.

31. Is there any provision to sell/mortgage the “Delivery Receipt” to third party?

There is no provision to sell/mortgage the delivery receipt to third party.