

DO'S & DON'TS for Clients/Registered Users/Members

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For Clients and Registered Users, while dealing with Members

DO'S

- Trade only through Registered Members of the Exchange. Check from the Exchange website at http://www.mexnepal.com/webpages/cnm_members_mex.html. See whether the Member is registered with the Exchange.
- Insist on filling up a standard 'Client Registration Form (CRF)' before you commence trading as a client.
- Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC only.
- Insist on signing up a standard 'Member-Client Agreement'.
- Insist on reading and signing a standard 'Risk Disclosure Document'.
- Obtain a copy of your CRF, Member-Client Agreement and/ or other documents executed by you with the Member, from the Member.
- Insist on filling a standard 'AE Profile', signing a standard 'Member- Broker Agreement' for registering as a broker under the member and insist on getting Unique AE Code and also obtain a copy or all the documents executed by you with the Member, from the Member.
- Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange and details of Member-Client Agreement and Member- Broker Agreement to know your rights, duties and responsibilities vis-à-vis those of the Member.
- Ask all relevant questions and clear your doubts with your Member before transacting.
- Pay required margins in time and only by Cheque or I- transfer or any other mode as permitted by exchange and ask for receipt thereof from the designated bank.

DON'TS

- Do not deal with any unregistered intermediaries.
- Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.
- Do not enter into assured returns arrangement with any Member.
- Do not get carried away by luring advertisements, rumors, hot tips, explicit/ implicit promise of returns, etc.
- Do not make payments in cash/ take any cash towards margins and settlement to/ from the Member apart from the limit as permitted by the exchange.
- Do not start trading before reading and understanding the Risk Disclosure Document and entering into the prescribed agreement with the Member.
- Do not invest until you are fully aware of the risk involved in this market.

Dealing in Commodity Futures

DO'S

- Familiarize yourself with futures trading in commodities.
- Understand the provisions and rates relating to commissions, Tax Deducted at Source (TDS) as applicable on the underlying commodity of any contracts offered for trading by MEX.
- Read, understand and be updated about the notifications issued from time to time, kept on the exchange's website at http://www.mexnepal.com/webpages/notifications_mex.asp. Any information relating to commodities can also be viewed on the same page.
- Before entering into buy and sell transactions please be aware of all the factors that go into the mechanism of pricing, trading, clearing and settlement.
- Read the product note of the commodity in which you wish to deal to understand the commodity and parameters that impact on the trading and settlement of the commodity.
- Study historical and seasonal price movements of the commodity that you wish to deal in the futures market.
- Apply your own prudent judgment for investments in commodity futures and take informed decisions.
- Go through all Rules, Bye Laws, Regulations, Circulars and directives issued by MEX.
- Since futures trading attract various types of margins, be aware of the risks associated with your positions in the market and margin calls made from time to time.
- Be aware of your risk taking ability and fix stop-loss limits. Liquidate your positions at such levels to reduce further losses, if any.
- Keep a track of the holiday calendar or product calendar for the commodities. These can be viewed on our website at http://www.mexnepal.com/webpages/notifications_mex.asp.

DON'TS

- Do not fall prey to market rumors.
- Do not go by any explicit/ implicit promise made by analysts/ advisors/ experts/ market intermediary until convinced
- Do not take trading decisions based on reports/ predictions made in various print and electronic mediums without proper evaluation.
- Do not deal based on Bull/Bear run of commodity markets sentiments.
- Do not trade on any product without knowing the risks associated with it.
- Do not follow unethical trade practices.

Obligations of a Client and Registered User

DO'S

- Familiarize with TWS/MTWS prior to starting trading.
- Client should fill the Client Registration Form (CRF) available through its members before starting the trade and also has to submit the proof of address, identity and a copy of bank statement to its concerned member.
- Client must sign an agreement with the NCM's authorized person and is advised to obtain a copy of the agreement.
- Registered User should fill the AE Profile and also submit the proof of identity and address to its concerned member and also sign an agreement with the NCMs authorized person.
- The client has the right to request their Non Clearing Member to address their trade related grievances.
- In case of disputes regarding the trades done on the Exchange platform, the client should contact his Non Clearing Member.
- If the dispute cannot be settled by the Non Clearing Member then the NCM will approach the Clearing Member (CM) depending upon the case and situation of the client.
- A claim by the Client should be submitted to the exchange via their NCM within 5 working days along with the proof of the snap shot.
- Client should have all the copies of the correspondence to and from NCM, may be preserved for producing them later for the Arbitration, if required.
- All rights as per the Rules, Bye Laws and Regulations of the Exchange are available to a Client and Registered User in respect of all transactions traded on the Exchange and for which they have a contract note duly issued by the Member.
- Client must open a personal account in the designated bank of the Exchange to avoid the third party transfer since; Exchange follows Anti- Money laundering (AML) policy.
- Client should be at least of 18 or above age in order to trade in the exchange platform.
- Registered User should be at least 21 or above age to get registered as a broker.
- Client and Registered user must have designated email address in order to correspond with their NCM.

DON'TS

- Client /Registered user is not allowed to claim for any disputes directly to their CM or the Exchange.
- Client/Registered User has no right to take legal action against his/her Members and Exchange for any disagreement or loss while trading in the exchange platform prior to filing for arbitration.
- Client cannot have two trading accounts at the same time under his/her name.
- Client should not give his/her password and username to any person including his/her Registered Users or AE.
- The trading account of the client cannot be revived if s/he has done full and final withdrawal from the trading account.
- In case of margin hike of any commodity or any changes done by the exchange time and again, it strictly applies to the clients as well. There will not be any excuses for not maintaining the particular changes from the client.

_____ **The End** _____