



'20 Primary Guidelines', which every MEX Broker should know & follow

1. You as a Broker of MEX Nepal, can introduce 'Sub-Brokers', 'Clients' & 'Individual Market Makers [MM]'. **Clients** are the actual traders who deposit money and trade and **Sub-Brokers** are the ones who can trade on behalf of them [on giving Power of Attorney]. For details on **Individual MM**, kindly contact MEX.
2. You can refer to and download the Documents required and Norms and Procedure for Registration of Sub-Broker & Client available in MEX website, www.mexnepal.com under 'Compliance' tab. You can also introduce and approve your clients, online.
3. You can refer Clearing House's [CH] website www.hclearcorp.com, 'Download' tab for Forms, Agreements and Formats related to Sub-Broker & Client.
4. You need to have your own operational account in any of the MEX designated banks or eSewa account through which your client is willing to do transactions for trading. The policies related to different banking partners and eSewa are available in MEX website under 'Customer Support' tab.
5. Once Sub-broker/ Client registration and documentation completes, Clearing House [CH] will provide you unique code. Sub-Broker code consists of 6 digits & Client code consists of 7 digits, which is followed by Broker code consisting of 4 digits.
6. You are required to inform the unique client code to the particular client. Then only client shall deposit funds in the Segregate a/c of the CH in the particular 'Bank' or 'eSewa' chosen and mentioned by client in the CRF. The minimum Initial fund to be deposited by client is NPR 1000.
7. Your client should always use the specified narration i.e., "Client Code-Client Full Name [mentioned in the CRF]" for making any deposits in bank/eSewa for trading purpose. You should then inform the CH about the deposit made by client, via telephone. After confirmation by CH, the Username & Password will be sent to clients email address [mentioned in the CRF] for trading.
8. Your client should inform about every deposit whether for Add Margin or Margin Call, to CH either through the broker i.e., you by using 'Phone' or inform directly to CH through 'New Deposit' tab available in their trading console in order to get the amount updated .
9. Your clients can any time withdraw the fund [Apart from floating profit and margin required] by giving request through 'New Withdrawal' tab available in their trading console.
10. Your clients will be issued **Margin Call** when the 'Available Margin' in their trading console goes negative at End of Day. Margin call message can be accessed in client's trading console under 'Messages'.



11. Your clients should deposit Margin call amount prior 3 PM NST and you/your client should necessarily inform about margin call deposit prior to 3 PM to CH. Always suggest your client to deposit the Margin Call amount during the first hour rather than rushing during the last hours which may lead to liquidation of position due to late deposit of fund.
12. Margin call cut off time is followed as 4 PM NST. If “Available Margin” at 4 PM is negative even by 1 paisa and your client has not deposited/partially deposited the margin call amount, then client’s open position/s will be liquidated till the Available Margin is positive.
13. Your Client’s account will get **Equity Hit** if ‘Equity’ in their trading console falls to 4% of ‘Used Margin’+ Half Commission [remaining one side] or NPR 100 + Half Commission [remaining one side] or below, whichever is higher. During Equity Hit, client’s open orders will be liquidated at the available price in the market and all pending orders will be cancelled. There shall be no alert for Equity Hit.
14. You are entitled to receive 75% [or lesser] commission share as mentioned in the CRF. So, for 25% you will get VAT bill from CH and your share of amount along with VAT will be transferred to your operational account of bank or eSewa account. It is your responsibility to pay the VAT to the government for your commission income.
15. You are required to issue VAT bills to your clients for transaction fee charged from them for the trades executed in their account.
16. You can deposit fund in CH’s Member Deposit a/c [in advance] and use it for your clients as per the norms & procedure prescribed by MEX, during emergency situation.
17. Your Clients can use the ‘Online & Offline Support’ facility during contingency situation. The complete information on this is available at MEX website under ‘Compliance’ tab.
18. You have been provided with ‘AX1 MEX Broker Manager’ and a ‘Web Link’ to have proper coordination with your clients simultaneously monitoring the trade activities.
19. You should always suggest your sub-broker & clients to go through ‘Clients Handbook’ available both in English & Nepali in MEX website under ‘Customer Support’ tab and also suggest them to regularly check the notifications sent in their trading console.
20. You should always check your mail box/text messages for important circulars & notifications sent by CH/MEX. Always inform about any changes in your contact details (email, phone numbers or address) to MEX/CH, without any delay.

*For more details on the policies and procedure you are requested to refer the ‘Client’s Handbook’ (available in both English and Nepali) and visit MEX and CH website regularly.