



## '20 Primary Guidelines', every Sub-Broker should know & follow

1. You are assigned with a unique Sub-broker code of 6 digits, which is followed by Broker code of 4 digits. As a Sub-broker you can introduce 'Clients' through your concerned Broker. **Clients** are the actual traders who deposit money & trade and **Sub-Brokers [you]** are the ones who can trade on behalf of them [on giving Power of Attorney].
2. You can refer to and download the Documents required and Norms and Procedure for Registration of Client available in MEX website, [www.mexnepal.com](http://www.mexnepal.com) under 'Compliance' tab. You can also introduce your clients, online.
3. You can refer Clearing House's website [www.hclearcorp.com](http://www.hclearcorp.com) 'Download' tab for Forms, Agreements and Formats related to Client.
4. While introducing clients, you and your client need to sign a 'Power of Attorney'. Then only the client will be mapped with your trading console and you will be able to trade on behalf of them\*.
5. \*Clients can set the feasible rights for you and are at liberty to change those Rights anytime through their trading console. There are five types of user rights a client can provide to you, they are;

<b>Trade</b>	Right to trade and access client statement
<b>CloseOnly</b>	Right to close the open position of the client, set limit/stop against client's open position and also cancel the contingent orders placed by client. Right to access client statement
<b>ViewTrade</b>	Right to view the trades executed by the client and client statement [You can't place orders for client]
<b>ViewMarket</b>	Right to view only market. No right to trade or access client statement/summary
<b>None</b>	No right to trade or access client statement/summary.

Note: By default, the clients will be mapped to your user with 'ViewTrade' rights.
6. Once the client registration completes, Clearing House[CH] will provide a unique client code [7 digits] to your broker from where the same will be informed to you. 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 Clearing House in the particular 'Bank' or 'eSewa' chosen and mentioned by client in the CRF. The minimum Initial fund to be deposited by a client is NPR 1000. The policies related to different banking partners and eSewa are available in MEX website under 'Customer Support' tab.
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 Broker about the deposit made by client and broker should then inform the same to the CH, via telephone. After confirmation by CH, the Username & Password will be sent to client's 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 your broker i.e., by using 'Phone' or inform directly to CH through 'New Deposit' tab available in their trading console in order to get the amount updated.



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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 your and client's trading console under 'Messages'.
11. Your clients should deposit Margin call amount prior 3 PM NST and Broker [via telephone]/your client [via trading console>>Accounts>>New Deposit tab] 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. Always suggest your clients to collect VAT bill from Broker for the transaction fee charged from them for the trades executed in their account.
15. 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.
16. You should always go through the 'Clients handbook' available both in English & Nepali in MEX website under 'Customer Support' tab for proper understanding of various policies and procedures followed at MEX and always ask your clients to go through the same compulsorily.
17. Through your trading console >> Accounts >> Account Statement, you can view the account summary of your clients [depends upon the rights given by your client] for the last six months. If your client has chosen 'None' or 'ViewMarket'; then you have the right to ask for the account summary of those clients from your Broker.
18. You should always check the circulars & notifications sent in your trading console and also ask the clients to check the same. The circulars are available in your and client's trading console under Resources>>Exchange Circulars.
19. You and your broker are at full liberty to mutually decide the percentage of commission sharing between you. MEX or CH shall bear no any responsibilities in this matter.
20. You are suggested to maintain a valid document with commission sharing details between you and your broker. If you don't receive your part of commission on time and as per the percentage mutually decided, you can take up the issue directly to the Clearing House [CH] and file a complaint against your Broker by presenting the proof.

\*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.