



Mercantile Exchange Nepal Limited

— Where the Nation Trades —

AN ISO 9001:2015 CERTIFIED EXCHANGE

## MARKET MAKER

### I. Norms for Registration

#### A. Market Maker can be

- a. An Individual aged 18 yrs or above [Individual Market Maker]
- b. An Institution [Institutional Market Maker]
  - i. Whose objectives in the MOA/AOA and its constitution permits the institution to involve in commodity market
  - ii. Who possess the minimum net worth prescribed by the Exchange
  - iii. Has the necessary infrastructure to effectively discharge its market making activities
  - iv. Who complies with the financial and other requirements as prescribed by the Exchange and agrees to abide by all Exchange Rules and to cooperate in their enforcement.
  - v. Shall be in compliance with all aspect of Anti Money laundering Laws.
  - vi. If institution is domiciled outside Nepal, it shall also require the necessary permission from the Government of Nepal to carry out its business activities in Nepal.

B. Market Maker is required to have adequate knowledge of commodity market and have good experience simultaneously having knowledge of national and international market trends.

C. Market Maker should have the capacity to quote both buy and sell price for an instrument.

D. Market Maker should not have any cases against financial crimes or fraud in any court in Nepal.



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## II. Procedure for Registration

### **INDIVIDUAL MARKET MAKER [I-MM]**

If the above norms are fulfilled then the applicant is eligible for becoming an I-MM and s/he shall follow the below mentioned procedure:

The procedure for registration of Individual Market Maker is exactly same as the procedure for Registration of Client [*Refer Norms & Procedure for registration of Client or go through this link [http://www.mexnepal.com/webimages/pdf/procedure\\_Client.pdf](http://www.mexnepal.com/webimages/pdf/procedure_Client.pdf)*].

### **INSTITUTIONAL MARKET MAKER**

If the above norms are fulfilled then the applicant is eligible for becoming an Institutional Market Maker and it shall follow the below mentioned procedures for taking the Membership:

- The applicant shall fill up the forms available in MEX website for taking Market Maker Membership and submit it along with other company related documents to the Exchange. They shall also pay the membership fee prevailing at the time of admission to the Exchange. [*refer: Documents to be submitted by a Market Maker*]
- The received documents shall be verified for all the details and its correctness, if any missed out/incorrect shall be corrected by the applicant.
- Based on the available documents and sufficiency of the required things and fulfillment of all the norms, the application shall be approved or rejected.
- After the verification, if all the required compliances are done, the application shall be approved by the compliance department of the Exchange.
- Once approved, the new Market Maker shall sign agreement with the Exchange.
- Then it shall open bank accounts in the designated bank/s as prescribed by the Exchange.
- The Market Maker Member Code shall be issued by the exchange and he/it shall receive the Market Making Console from the Exchange.
- The Market Maker shall start providing quotes within five trading days of receiving the membership certificate from the Exchange.