



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

SUB-BROKER/AE

I. Norms for Registration

- a) Sub Brokers can be
 - An individual aged 21 yrs or above
 - An Institution
- b) Sub Broker should have trading experience in Futures Market.
- c) Sub Broker should be of good moral character, reputation, integrity.
- d) Sub- Broker shall be allowed to register himself/itself as a client.
- e) Any of the below mentioned criteria to be fulfilled and proof of same to be provided:
 - Certificate/ transcript of Bachelors degree
 - Proof of trading experience
 - MCDB certificate
 - AE Examination
- f) Sub Broker shall get clients account access under its Trading Console only when the client has provided Power of Attorney for trading by the AE in his/its account
- g) Sub Broker should not have any cases against financial crimes or fraud in any court in Nepal.

II. Procedure for Registration

If the above norms are fulfilled then the applicant is eligible for becoming a sub broker and he/it shall follow any of the below mentioned procedures for registration:

- The Applicant shall fill up the Sub Broker/AE Profile and submit to his/it Broker along with the supporting documents. [*refer: Documents to be submitted by a Sub Broker/AE*]



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- The Profile received by Broker should be verified for all the details, if any details missed out / incorrect need to be sent for correction.
- The Profile details should be entered in the register maintained by Broker.
- The hard copy of Profile needs to be sent to the CH along with the supporting documents.
- The Profile shall be send only under acknowledgement by Broker to CH.
- When a Profile is received at CH, first it should be acknowledged and acknowledgement should be send to Broker. Then, it should be received only by the person in charge of Compliance in CH office and should make an entry on the Profile in hand with date and time of receipt at CH office.
- If there is any defect, draw backs or any details missing in the Profile that shall be informed by CH Compliance department to the concerned Broker in order to fulfill the compliance regarding such Profiles.
- After the verification, if all the required compliances are done, then it should be approved by the CH and AE code shall be issued.

Note:

- ✓ In respect with the submission of original hard copy of Sub Broker/AE Profiles of AE's residing out of valley, brokers shall be provided 2 weeks time [from the date of registration of that particular AE] to submit the original hard copy of Profiles to the Clearing House.
- ✓ The hard copy of Profiles received shall be filed in safe custody by CH Compliance department in respective files which are to be maintained under lock and key always.
- ✓ The Profile and its supporting documents are secret documents and it shall never be disclosed to anybody by either Broker or CH, unless there is written direction received from a court of law from a competent department of the Govt. of Nepal.



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Other Notes:

- Broker registered through a Clearing Member shall also follow the above procedure by dealing with its Clearing Member and Clearing Member dealing with Clearing House.
- Sub Broker introduced by the Clearing Members shall also follow the above procedures by dealing directly with its Clearing Member.