



Mercantile Exchange Nepal Limited
Invest - Trade - Earn
AN ISO 9001:2008 CERTIFIED EXCHANGE

PHYSICAL DELIVERY PRODUCT/S - FAQs

1. Which contracts are available currently in MEX platform for Physical Delivery?

Delivery Gold 10 Gram- DGOLD10GM

Delivery Silver 1000 Gram- DSILVER1000GM *[This Product can be traded with decimal lot of 0.1 and its multiples.]*

Delivery Silver 1 KG - DSILVER1KG

Delivery Silver 20 KG - DSILVER20KG

2. Who can buy these products?

- Delivery Gold 10 Grams, Delivery Silver 1000 Grams & Delivery Silver 1 KG - Any Institution or Individual can buy.
- Delivery Silver 20 KG - Any Institution or Individual having PAN card can buy.

3. Who is the delivery vendor (seller) of these products?

- Gahanagriha is the seller for 10 Grams DGOLD
- Anand Jewellers is the seller for 1000 Grams DSILVER
- Century Commercial Bank Limited is the seller for 1 KG and 20 KG DSILVER

4. What is the basic requirement to trade in DGOLD & DSILVER?

For DGOLD, one should have its own bank account in any of [MEX designated banks](#).

For DSILVER, one should have its own bank account in Century Commercial Bank Limited, compulsorily.

5. What are the documents required to open bank account to trade in Product/s with delivery logic?

For Individual Applicants:

- Duly filled up Account Opening Form
- KYC Form
 - 1 PP size photo
- Copy of citizenship card
- Copy of PAN card [compulsory for trading in DSILVER20KG]

For Institutional Applicants:

- Duly filled up Account Opening Form
- Copy of PAN Certificate
- Copy of Company Registration Certificate
- Account Opening & Operating Minute
- KYC Form of BOD, CEO & Account Operators
- 1 PP size photo of BOD, CEO & Account Operators
- Copy of citizenship card of BOD, CEO & Account operators
- Last year Audit Report
- Memorandum of Association & Article of Association

[Note: All copy of documents needs to be self attested with company seal & authorized signature]

6. Is there any additional document for registration of customer for delivery product/s at MEX?

Yes, apart from the standard documents customer needs to sign the 'Terms and Conditions for Product/s with delivery logic' for trading in this product.

7. Is SELL option available in these contracts?

Sell option is not available. Customer only have option to initiate Buy, even the customer will not have option to liquidate the initiated open order. Once the obligation of the customer is fulfilled, Exchange will liquidate the specified open order.

8. What do you mean by Delivery Logic - Compulsory?

Delivery Logic-compulsory means that all open positions of the customers in the contract result into deliverable settlement.

9. What is Delivery Unit?

Delivery unit means the minimum quantity of a contract that can be delivered, as may be specified by the Exchange, from time to time in the product specification of a commodity.

10. What is the minimum delivery unit of DGOLD?

It is 10 Grams

11. What is the minimum delivery unit of DSILVER?

It is 100 Grams, 1 KG & 20 KG in respective of the contract.

12. What is the maximum number of deliverable unit?

For DSILVER1KG, it is 9 lots per day per customer.

For DGOLD10GM, DSILVER1000GM and DSILVER20KG, it depends upon the number of intentions shown by the Seller in 'Market Depth'.

13. What is the quality specification of DGOLD & DSILVER? Is there any quality certificate for the product?

The quality specification of DGOLD is Refined Gold, .995 fineness & DSILVER is Refined Silver, 999.99 fineness,

Yes, for 1 KG & 20 KG there is international quality certificate which the seller will be providing to the buyer in a specified format.

14. What is Quality certificate?

Quality certificate is the document issued by the quality assayer indicating the quality and other related parameters of the product as mentioned in the product specification.

15. What is storage cost?

It is the cost which the buyer has to bear if physical delivery is not taken after full payment till the buyer takes the delivery.

16. What is contract validity?

It is the time period till which the open order of the customer will be valid. The buyer is required to settle all the obligations towards the placed order and take the delivery within this period.

17. What is partial delivery and is it allowed?

Partial delivery means ordering 2 lots [suppose 40kg] at a time and willing to take delivery of only 1 lot [20kg]. These types of partial delivery settlement are not allowed for the contract.

18. What do you mean by Default?

It is the failure to fulfill the obligations required for trading in the product and not taking delivery.

19. What are the default cases for Delivery Product/s?

There are 2 cases. First is, if the customer doesn't deposit the remaining amount of product before contract expiry. Second is, if the customer's account gets closed during contract validity.

20. Why Floating Loss shown against the open order has effect in Customer's Equity for Delivery Product/s?

As floating loss calculation is a part of penalty during the default cases, it is deducted from the customer's equity. However in case of successful delivery settlement, it is brought back to zero thereby having no effect in customer's equity.