



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

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## DELIVERY SILVER - FAQs

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**1. Which contracts are available currently in MEX platform for DSILVER?**

DSILVER100GM, DSILVER1KG & DSILVER20KG

**2. Who can buy 'Delivery Silver- DSILVER'?**

For Delivery Silver 100 Grams & 1 KG - Any Institution or Individual can buy.

For Delivery Silver 20 KG - Any Institution or Individual having PAN card can buy.

**3. Who is the seller of DSILVER?**

Century Commercial Bank Limited is the seller for 1 KG and 20 KG DSILVER

Anand Jewellers is the seller for 100 Grams DSILVER

**4. What is the basic requirement to trade in Delivery Silver?**

One should have its own bank account in Century Commercial Bank Limited.

**5. What are the documents required to open bank account for DSILVER?**

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 DSILVER at MEX?**

Yes, apart from the standard documents customer needs to sign the ‘Terms and Conditions’ 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 DSILVER?**

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

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**11. What is the maximum number of deliverable unit?**

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

For DSILVER100GM and DSILVER20KG, it depends upon the number of intentions shown by the Seller in 'Market Depth'.

**12. What is the quality specification of DSILVER? Is there any quality certificate for the product?**

The quality specification of 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.

**13. 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.

**14. 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.

**15. What is contract validity?**

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

**16. 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 given contract.

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**17. What do you mean by Default?**

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

**18. What are the default cases for Delivery Silver?**

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

**19. Why Floating Loss shown against the open order has effect in Customer's Equity for Delivery Silver?**

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

**20. Why Floating Profit shown against the open order has no effect in Customer's Equity for Delivery Silver?**

As floating profit cannot be claimed after the buying price has been locked by the customer, it has no effect in customer's equity. During successful delivery settlement, the profit will be brought back to zero.

**21. Where shall deliveries take place?**

Deliveries shall take place in the delivery centers as specified in the product specification of the commodity.

**22. What if the Seller doesn't make delivery on the said date?**

The seller is obliged to deliver on said date in the specified delivery centre but inability to do so in any case will be a liability of the seller.

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**23. What is Delivery receipt? What is its use? Where is it available?**

Delivery receipt is a document that is typically used by the buyer of the product to indicate that it had placed the order and this document contains all the order details.

Buyer needs to present this document to the seller while taking the delivery of the product.

It is available in the customer's trading console. Customer can right click on the specified open order and avail the option to choose 'delivery receipt'. The displayed receipt needs to be printed and presented to the seller.

**24. How will be silver delivered, in granules or bar?**

100 Grams and 20 KG Silver will be delivered in granules while 1 KG Silver will be in bars.

**25. Can a buyer claim for the quality and weight of the product once the delivery is taken?**

The buyer has to confirm the quality and weight of the product while taking the delivery at the delivery centre itself. Once the delivery is confirmed and taken away, the buyer will be solely responsible and cannot claim for anything.

**26. Why should one take the delivery through MEX platform, when the same can be bought from the bank directly?**

The buyer should take delivery through MEX platform due to below mentioned reasons:

- ✓ Buyer gets the most competitive price for Silver in MEX Platform.
- ✓ Buyers can view price and take their orders anytime, anywhere from Android/ Iphone/ Ipad/ Mac.
- ✓ Buyer has the facility of placing "Limit Order" which means that the buyer can set their own price in which they want to buy and when the market reaches the price, their orders will be executed.
- ✓ Buyer can view and monitor every single price movement in Silver and can also do technical analysis through charts to buy at a better price.

**27. Can the Silver holder (Buyer) sell the bought Silver again to the Bank or through the MEX Platform?**

Currently there is no provision for Silver holder (Buyer) to sell the bought Silver again to the Bank or through MEX Platform. But the Silver holder is at liberty to sell it to the third party through their own reference.

**28. Is there any provision to sell/mortgage the “Delivery Receipt” to third party?**

There is no provision to sell/mortgage the delivery receipt to third party.