



**Stock Brokers' Association of Nepal**

# **Invest in Your Future, Protect Your Today**

**IOSCO WORLD INVESTOR WEEK • NEPAL**

**5-11 OCTOBER 2026**

PRESENTED BY

**Arun Securities Pvt. Ltd**

**NEPSE Member No. 3**



# World Investor Week is a global investor-education drive

## 1 One week, one message

Regulators, exchanges and brokers across more than a hundred jurisdictions run free sessions in the same week.

## 2 Nepal's chapter

SEBON leads the local programme together with NEPSE, CDS & Clearing, brokers, merchant bankers and fund managers.

## 3 The recurring global themes

Investor basics and resilience · fraud and scam prevention · digital finance and crypto-asset risk · sustainable finance · the use of AI in investing.

## 4 Why your broker runs it

An informed client asks better questions, loses less money to avoidable mistakes, and stays in the market longer.

# Five Parts

- |           |                                           |                                                                                                       |
|-----------|-------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>01</b> | <b>How Nepal's market actually works</b>  | SEBON, NEPSE, CDSC and your broker · what you can own · the life of a trade · what it truly costs     |
| <b>02</b> | <b>Building a portfolio that fits you</b> | Risk against return · why NEPSE forces you to diversify · funds or direct equity · reading a company  |
| <b>03</b> | <b>Risk, leverage and discipline</b>      | What normal volatility feels like · margin and loans against shares · seven traps · your written plan |
| <b>04</b> | <b>Frauds, scams and digital risks</b>    | The patterns we see again and again · crypto and forex in Nepal · influencers · a 60-second drill     |
| <b>05</b> | <b>Your rights and how to use them</b>    | What you are entitled to · the complaint route, step by step · keeping your account secure            |

**You leave with three things:** a one-page written plan and a 60-second verification drill.

PART 01

# How Nepal's market actually works

*Four institutions, one order book, and a two-day settlement clock.*

- Who protects you, who executes for you, and who holds your shares
- What you are allowed to own, and how ownership is proved
- Every rupee of cost sitting between the price you see and the return you keep



# Four institutions stand between you and a share

## SEBON

Securities Board of Nepal

The regulator. Licenses brokers and merchant bankers, approves public issues and mutual funds, writes the rules, inspects and penalises.

**YOUR PROTECTOR**



## NEPSE

Nepal Stock Exchange

The country's only stock exchange. Lists companies, runs the order book and publishes prices and indices.

**THE MARKETPLACE**



## CDSC

CDS and Clearing Ltd.

Holds your shares in electronic form, clears and settles every trade, and operates Mero Share and C-ASBA.

**THE CUSTODIAN**



## BROKER

Us and ninety others

Your licensed access point. Places your orders, settles the money, and maintains your demat account as a depository participant.

**YOUR AGENT**

**One more layer worth knowing.** Nepal Rastra Bank supervises the banks and the Nepal Insurance Authority supervises the insurers but once those companies are listed, their conduct as listed companies answers to SEBON and NEPSE as well. Two regulators, two different questions.

# Five things your broker owes you. Every single time

## 1 A visible licence

SEBON registration and the NEPSE member number, displayed and verifiable.

## 2 Your order, your instruction

A broker trading your account at their own discretion is not permitted.

## 3 A named compliance/grievance officer

A real person with a phone number whose job is to handle your complaint, and a written reply within a stated time.

## 4 A contract note every time

Written confirmation showing script, quantity, price, time, commission and charges.

## 5 Commission disclosed up front

The full cost of the round trip, including the SEBON fee and the DP charge, told to you before you trade.

# What you are actually allowed to buy

## 1 Ordinary shares

Part-ownership of a listed company: dividends, a vote at the AGM. The price can fall as far as the business can.

**RISK: HIGH**

## 2 IPO and FPO

A company's first or further public offer. Minimum 10 units, applied through C-ASBA or Mero Share, allotted by lottery when oversubscribed.

**RISK: MODERATE**

## 3 Right and bonus shares

A right is a discounted offer to existing holders act within the window or lose the value. A bonus is a dividend paid in shares.

**RISK: MODERATE**

## 4 Debentures

A fixed coupon from a bank or company, typically 5 to 10 years, listed and tradeable. You are a lender, not an owner, and you rank ahead of shareholders.

**RISK: LOW**

## 5 Mutual fund units

A professionally managed, diversified basket. Closed-end schemes trade on NEPSE; open-end schemes are bought and sold at net asset value.

**RISK: MODERATE**

# The life of one trade, from tap to ownership

## 1 You place the order

On TMS, or by instructing your broker. Choose limit or market, the quantity and the scrip. The market runs Monday to Friday.

## 2 It reaches the order book

NEPSE matches on price first, then time. A better price jumps the queue; an equal price waits its turn behind earlier orders.

## 3 Match, and a contract note

The moment it fills, your price is locked and a written confirmation is due to you the same day.

## 4 T+1: the money moves

You pay your broker for a buy, or the broker credits you for a sell, inside the settlement window.

## 5 T+2: CDSC settles

Shares are debited from the seller's demat account and credited to the buyer's. Ownership is now legal fact, not a promise.

## 6 You verify it yourself

Log in to Mero Share and confirm the holding and the transaction. Do not take anyone's word for it, including ours.

# The five things you need before you can invest

1

## Bank account

Money in and money out. Must be with a bank that supports C-ASBA if you want to apply for public issues.

Your bank

2

## Demat account

Where your shares actually live, in electronic form. CRN - unique code, links bank account to DEMAT.

A depository participant

3

## Mero Share login

See your holdings, apply for IPOs, and check every transaction on your account yourself.

CDS and Clearing

4

## TMS login

Place, modify and cancel your own orders during market hours instead of phoning them in.

NEPSE, via your broker

5

## PAN and KYC

Required for tax on your gains. Demat and KYC records need periodic renewal to stay active.

You

## Set it up once, properly

- It takes about a day, not a week. Do it before you need it.
- Keep your own copy of every KYC form you sign.
- Name a nominee. It saves your family months of paperwork later.
- Renew before expiry a lapsed account locks you out mid-rights-issue.
- Your demat number is yours for life. Store it somewhere you will find it.

# What a trade actually costs you

| What you pay                            | Rate                             |
|-----------------------------------------|----------------------------------|
| Broker commission up to Rs 50,000       | 0.36%                            |
| Rs 50,000 to Rs 5 lakh                  | 0.33%                            |
| Rs 5 lakh to Rs 20 lakh                 | 0.31%                            |
| Rs 20 lakh to Rs 1 crore                | 0.27%                            |
| Above Rs 1 crore                        | 0.24%                            |
| SEBON regulatory fee                    | 0.015% of turnover               |
| DP charge                               | Rs 25 per scrip, per transaction |
| Capital gains tax held under 365 days   | 5%                               |
| Capital gains tax held 365 days or more | 3.75%                            |
| Capital gains tax institutions          | 10%                              |

## A worked example

You buy Rs 1,00,000 of a share and sell it four months later at Rs 1,10,000.

|                   |                                   |           |
|-------------------|-----------------------------------|-----------|
| Buying costs      | commission 330 + SEBON 15 + DP 25 | Rs 370    |
| Selling costs     | commission 363 + SEBON 17 + DP 25 | Rs 405    |
| Gross gain        | the number you saw on the screen  | Rs 10,000 |
| After costs       | what is left to be taxed          | Rs 9,225  |
| Capital gains tax | 5%, held under a year             | Rs 462    |

You keep Rs 8,993. A 10% move became ~9%.

# How far a price can move in one day

**±15%**

the most a single scrip may move from its previous close, in one trading day

**±5%**

pre-open session

**±5%**

moves within first 2 hours, pauses for 15 minutes

**±8%**

index move that closes trading for the rest of the day

## The session

Sunday to Thursday. A short pre-open period sets the opening price, then continuous trading runs through the afternoon. Orders placed outside the session simply queue.

## The indices

The NEPSE index covers all listed companies by market capitalisation. The Sensitive index tracks Class A companies, the Float index only shares that can actually trade, and there are a dozen sector sub-indices.

## Liquidity

Many scrips trade very thinly. A 10% gain you cannot sell is not a gain. Before you buy, look at daily volume and the gap between buy and sell prices, not only at the last traded price.

PART 02

# Building a portfolio that fits you

*Not the best stocks. The right mix, for your money and your deadline.*

- Why the risk-and-return trade-off cannot be negotiated away
- Why NEPSE's shape makes diversification harder than it looks
- What to read in a company's numbers before you part with money



# Every step up in return is a step up in risk



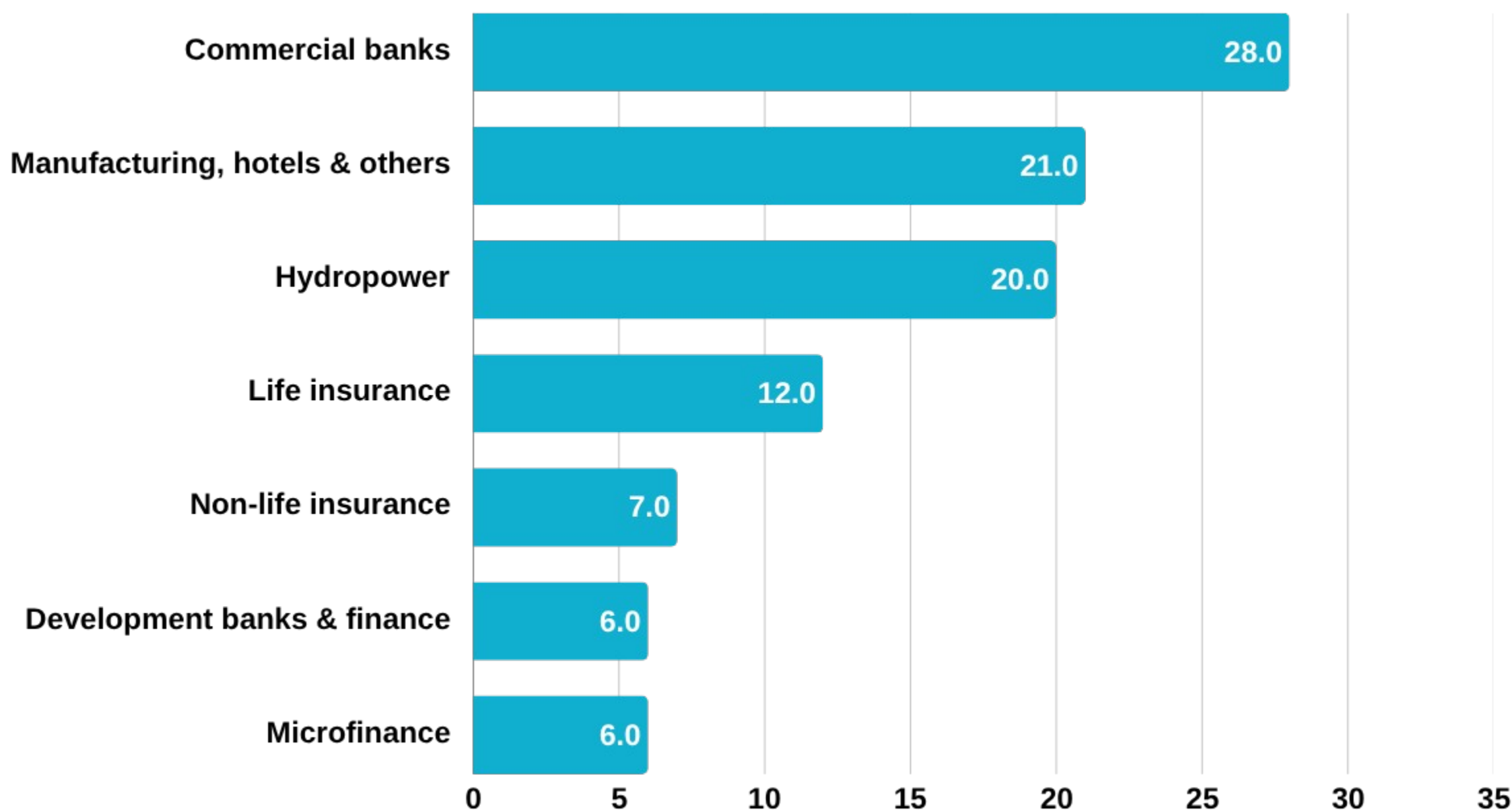
LOWER RISK, LOWER RETURN

HIGHER RISK,  
HIGHER POSSIBLE RETURN



If someone offers you equity-level returns with deposit-level safety, you have not found an opportunity. You have found the lie.

# NEPSE is concentrated, so diversification takes effort



## Financials dominate

Banks, insurers, microfinance and finance companies together carry most of the market's value. When rates or liquidity move, they move as one block.

## Hydropower is the second block

Dozens of listed projects, driven by the same monsoon, the same PPA terms and the same regulator.

## So diversify across drivers

Not across ticker symbols. Ask what would have to go wrong for each holding to fall if the answer is the same sentence twice, you are not diversified.

# Three buckets, decided before you buy anything

## 1 Money you may need this year

*Emergency fund, school fees, a planned purchase. This is not investment money.*

- Savings account or short fixed deposit
- Target three to six months of expenses
- No equity here. None.

## 2 Money for three to five years

*A goal with a date attached: a deposit, a vehicle, a business input.*

- Fixed deposits, debentures.
- A modest allocation to balanced mutual funds
- Avoid single scrips the deadline is too close

## 3 Money you will not touch for ten years

*Retirement, a child's education far away, long-term wealth.*

- Equity and equity mutual funds
- Add on a schedule, not on news
- Volatility here is the price of the return

# Mutual funds or picking your own shares



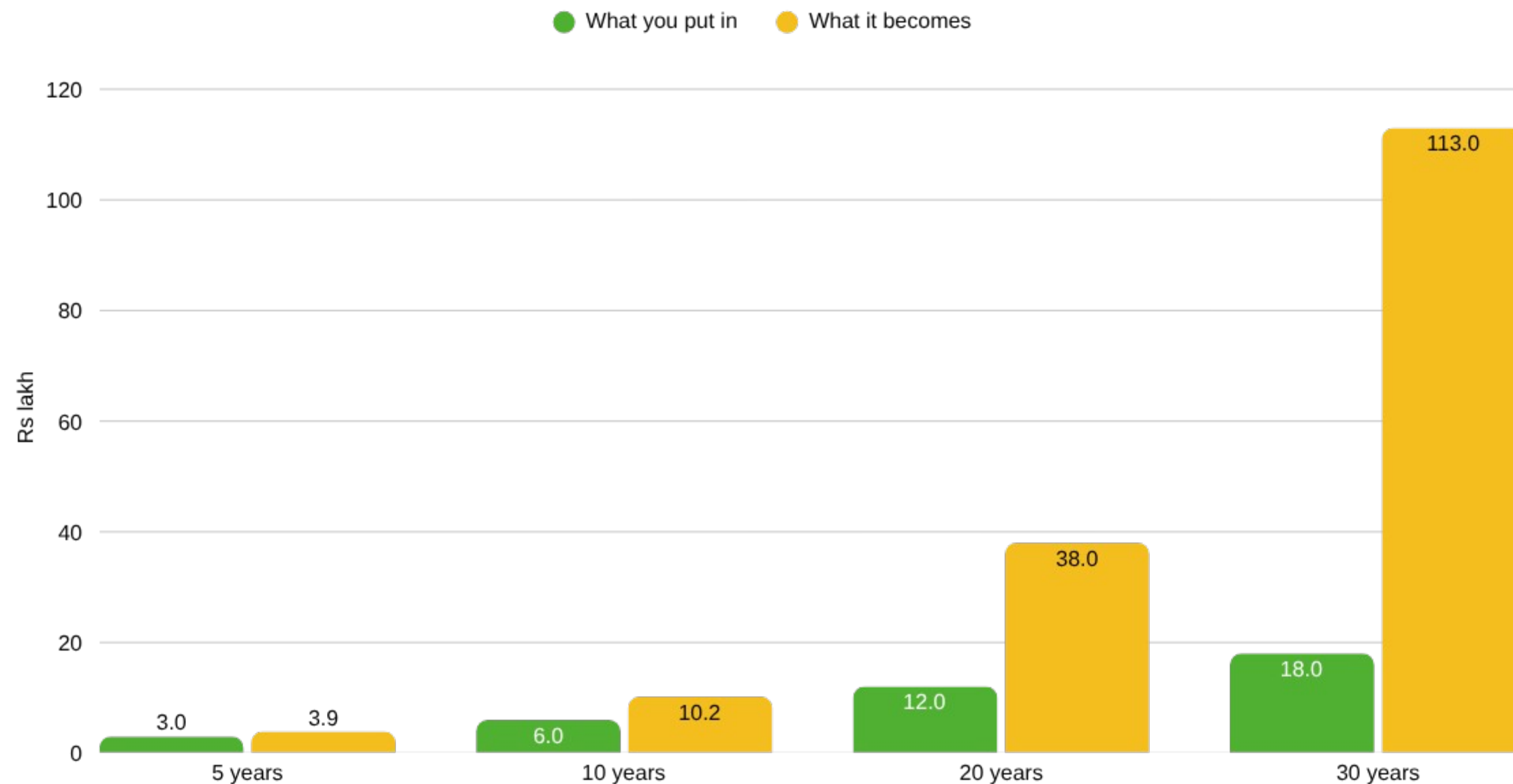
## Mutual funds

|               |                                                                                              |
|---------------|----------------------------------------------------------------------------------------------|
| WHAT YOU GET  | A managed, diversified basket professional research and instant spread across sectors.       |
| WHAT IT COSTS | An annual management fee, plus fund expenses, whether the fund gains or loses.               |
| YOUR JOB      | Choose the scheme and the amount, then leave it alone. Read the quarterly NAV and portfolio. |
| SUITS YOU IF  | You have limited time, a long horizon, or you are just starting out.                         |

## Direct equity

|               |                                                                                           |
|---------------|-------------------------------------------------------------------------------------------|
| WHAT YOU GET  | Full control over exactly what you own, and no management fee taken from you.             |
| WHAT IT COSTS | Your time annual reports, quarterly results, AGMs and the full cost of every mistake.     |
| YOUR JOB      | Research before buying, then monitor, rebalance and sit through the drawdowns.            |
| SUITS YOU IF  | You will genuinely read the numbers, and you can hold through a 40% fall without selling. |

# Rs 5,000 a month, and power of compounding



## Rs 1.13 crore

after 30 years, from Rs 18 lakh of your own money. The other Rs 95 lakh is what time did, not what you did.

### Start early beats start big

The first ten years look disappointing. The last ten do almost all the work which is exactly why people quit too soon.

### Consistency beats timing

A fixed amount every month buys more units when prices fall. You stop needing to guess the bottom.

### Never assume a return

10% is an illustration, not a promise. Nepal's market has delivered both far more and far less over five-year stretches.

# Six numbers to look up, every time

## 1 Earnings per share

Profit divided by shares outstanding. Is it growing over four quarters, or was last year a one-off?

## 2 Price to earnings

Price divided by EPS how many years of current profit you are paying for. Compare only within the same sector.

## 3 Book value and P/B

Net assets per share. A price far above book needs a reason you can state in one sentence.

## 4 Return on equity

Profit earned on shareholders' money. Consistently low ROE means the business is not compounding your capital.

## 5 Dividend history

Five years of cash and bonus dividends. Erratic payouts usually mean erratic cash flow underneath.

## 6 Capital and public float

Paid-up capital, promoter holding and how much actually trades. A tiny float is easy for others to push around.

**Where to find all of it:** the company's annual and quarterly reports, its own website, NEPSE's company page, and SEBON's disclosure filings. Free, official, and nobody is selling you anything.

# Nine red flags in a company or a pitch

- Profit that appears only in the quarter before a public issue
  - Promoters quietly selling while the public is being told to buy
  - Repeated delays in publishing quarterly results
  - A tiny public float that a few accounts can move at will
  - A story about the future with no number attached to it
  - Auditor's qualifications or a change of auditor nobody explains
  - Loans to related parties that never seem to come back
  - A price that has doubled on no news and no volume history
  - Board and management churning every year
- No explanation is still an answer , and it is usually no.***

PART 03

# Risk, leverage and discipline

*Markets do not ruin investors. Forced selling does.*

- What a normal market cycle actually looks like from the inside
- Why borrowed money turns a bad year into a permanent loss
- The seven mental traps that cost more than any bad stock pick



# Big falls are not a malfunction, they are the market working

**~2x**

how far the market has run in a single bull phase, more than once

**-40%**

the fall from the 2016 peak to the 2019 low, roughly

**-44%**

the fall from the 2021 peak to the 2022 low, roughly

**3-6**

months of expenses in cash, the thing that prevents a forced sale

## What a 40% fall feels like

Rs 10 lakh on the screen becomes Rs 6 lakh. Nothing in your actual life has changed, unless you borrowed the money, or you need it this year. Then everything has changed.

## The only two ways to lose permanently

Sell into the fall because you cannot watch it any more. Or be forced to sell by a margin call, or by a school fee falling due. Both are avoidable in advance, and neither is avoidable once you are in them.

## The four guardrails

Write your plan before you need it · keep three to six months of cash outside the market · add on a schedule instead of on news · never borrow to buy equity.

# Borrowing does not raise your return. It raises your ruin.

## Your own Rs 5 lakh

|                  |                        |
|------------------|------------------------|
| You invest       | Rs 5,00,000            |
| Market falls 30% | Portfolio: Rs 3,50,000 |
| You owe          | Nothing                |
| Your loss        | <b>−30%</b>            |
| Your choice      | Wait. Or add more.     |

## Rs 5 lakh plus a Rs 5 lakh loan

|                  |                                |
|------------------|--------------------------------|
| You invest       | Rs 10,00,000                   |
| Market falls 30% | Portfolio: Rs 7,00,000         |
| You owe          | Rs 5,00,000 plus interest      |
| Your loss        | <b>−60%, before interest</b>   |
| Your choice      | None. The margin call decides. |

### What margin really is

Whether it is a broker margin facility or a bank loan against your shares, the mechanism is identical: the lender is protected, you are not. When the collateral falls, they sell it at the worst possible price, on their timetable.

### If you still choose to borrow

Never against a thinly traded scrip. Stress-test at a 40% fall, not 10%. Assume the margin call arrives on the worst day of the year, because that is precisely when it does.

# One page, six answers, written before you need them

**1** My goal, and the date I need the money

“A deposit for a flat, in 2033.” A goal without a date cannot guide a single decision.

**2** The amount I will invest each month

A number you can sustain in a bad month, not the number you can manage in a good one.

**3** My limit on any one scrip, and any one sector

For example: no more than 10% in one company, no more than 30% in one sector. Written as numbers.

**4** What I will do if my portfolio falls 30%

Decide now, in daylight. Most honest answers are “nothing” or “keep to my schedule.”

**5** What would make me sell a holding

A reason about the business results, governance, the story breaking. Not the price falling.

**6** What I will never do

Borrow to buy shares · act on a tip from a group · invest money I need within a year.

PART 04

# Frauds, scams and digital-age risks

*The losses that are not the market's fault at all.*

- Six patterns that take money from Nepali investors every year
- Why crypto and online forex leave you with no protection at all
- A verification drill that takes sixty seconds and ends most of it



# Six patterns we see again and again



## “Guaranteed 2% a month”

No licensed product in Nepal can guarantee an equity return. A fixed promise on a variable asset is either a Ponzi structure or a lie there is no third option.



## Paid tip groups

Viber, Telegram, Messenger or Facebook groups selling “sure-shot” calls. Whoever sends the tip already owns the scrip; you are being recruited as their exit.



## Unlicensed money management

“Give me your TMS login and I will trade for a share of the profit.” Only SEBON-licensed firms may manage money, and sharing your password voids your own protection.



## Fake trading platforms

Offshore forex, binary options and crypto apps with invented dashboards. Deposits always work. Withdrawals develop problems, then a “tax” is demanded to release your funds.



## Impersonation

Cloned broker pages, spoofed phone numbers, and requests to pay a personal account for an “IPO allotment.” Money moves only to your broker's designated client account.



## Pump and dump

Coordinated buying in a company with a tiny public float, loud promotion while it rises, and a quiet exit onto everyone who arrived late.

**Urgency is the common thread. Every one of these needs you to decide today, because tomorrow you might check.**

# Crypto and online forex trading are not permitted in Nepal

## What you actually give up

- No regulator to complain to not SEBON, not NRB
- No exchange, no clearing house, no demat record of what you own
- No legal recourse, and possible action against you as well
- No audited accounts, and no way to prove what you deposited

## How the loss actually unfolds

- A small deposit, and an early win you are encouraged to withdraw
- Pressure to deposit far more, often from a friendly “mentor”
- The dashboard shows large profits that exist only on the screen
- Withdrawal fails and a “tax” or “fee” is demanded to release it

### There is no approved crypto product here

SEBON has approved no crypto-asset scheme for public offer in Nepal. Anyone showing you a “registered” one is misrepresenting it.

### Foreign exchange rules still apply

Sending money abroad to fund a trading account runs into Nepal's foreign-exchange restrictions, quite apart from the platform itself.

### “My friend withdrew fine”

Early withdrawals are part of the design they are the recruitment cost. Ask the same friend six months and one large deposit later.

# Finfluencers, deepfakes and AI trading promises

## 1 Ask who pays them

A free daily call has a business model. It is usually a paid promotion, a brokerage referral, or a position they want you to buy into. None of those are disclosed by default.

## 2 Deepfake endorsements

Video and audio of a known banker, regulator or actor endorsing a scheme are now cheap to produce. Verify on the person's own official channel, never inside the advertisement.

## 3 “AI signal” and algo bots

“90% accuracy” is a marketing claim, not a mathematical one. No algorithm removes market risk, and any product sold on that promise is selling the promise.

## 4 Screenshots prove nothing

Profit screenshots, dashboards and statements are trivially fabricated. A demo account looks identical to a funded one, because that is the point.

## 5 The rule that covers all of it

Never make a financial decision from a video. Make it from a filing a prospectus, an audited report, or a regulator's own website.

## 6 Good analysis still exists

The test is not whether it is online. It is whether the person shows their reasoning, discloses their position, and is comfortable being wrong in public.

# The sixty-second drill, before any money moves

## 1 Is the firm licensed?

Check the intermediary list on SEBON's website and the member list on NEPSE's. Not the licence they show you the one the regulator publishes.

## 2 Is the product approved?

Public issues, mutual funds and debentures appear in SEBON's approvals with a prospectus. If there is no prospectus, there is no approved product.

## 3 Where is the money going?

Only to your broker's designated client account, in the firm's name. Never a personal account, never a wallet, never “my colleague will collect it”.

## 4 Is there a paper trail?

A contract note, a statement, a stamped receipt. If a transaction leaves no document behind, it did not happen in the regulated market.

## 5 Does it survive one question?

“Show me your licence number and the risk disclosure.” Anger or hesitation is your answer, and it arrives inside five seconds.

PART 05

# Your rights, and how to use them

*You already have more protection than you are using.*

- Nine rights you hold as an investor in Nepal's market
- The escalation route, step by step, and the evidence it runs on
- The account habits that make you a hard target



# Nine rights you already hold

- 1 To deal only with an intermediary licensed by SEBON
- 2 To a written contract note for every single trade
- 3 To hold your shares in a demat account in your own name
- 4 To receive your dividends and bonus shares on time
- 5 To vote at the AGM and put questions to the board
- 6 To receive the annual report and quarterly disclosures
- 7 To full disclosure of commission and charges before you trade
- 8 To have a complaint acknowledged and answered by your broker
- 9 To receive their share of the company's assets when it is dissolved

## Your side of the bargain

Read what you sign before you sign it · keep every contract note and statement · never share a password or an OTP · keep your KYC and contact details current · give true information on your KYC · and accept that market losses are yours, not your broker's.

# Six habits that protect your account

## 1 Your password is yours alone

Not your dealer's, not a relative's, not an “advisor's”. The moment someone else has typed it, change it that same day.

## 2 Nobody needs your OTP

No broker, no bank, no regulator will ever ask for it. An OTP request you did not trigger is an attack in progress.

## 3 Check Mero Share monthly

Five minutes on the transaction history. Unauthorised movement is far cheaper to fix in week one than in month nine.

## 4 Read the contract note the same day

Wrong scrip, wrong quantity or a trade you never placed all of it is visible immediately and disputable immediately.

## 5 Keep nominee and contacts current

A nominee saves your family months of paperwork. A stale mobile number means you never see the alert that mattered.

## 6 Keep the account live

A lapsed KYC or expired demat locks you out exactly when a rights issue or a sale is time-bound.

# Ten rules, if you remember nothing else



**01**

Know which bucket the money belongs to before you know which share you want.

**02**

Never invest money you will need inside a year.

**03**

Diversify across what drives a business, not across ticker symbols.

**04**

Never borrow over your capacity

**05**

Costs and tax are certain; returns are not. Trade less than you want to.

**06**

Read the filing, not the forum. The prospectus is free.

**07**

Write your plan before the fall, because you will not write it during one.

**08**

If the return is guaranteed, the loss is the only thing guaranteed.

**09**

Run the sixty-second licence check every time money moves.

**10**

Always understand all risks before investing

# Your first thirty days, starting tomorrow

## **1** WEEK 1 **Verify and tidy**

- Log in to Mero Share and read your own transaction history
- Check your broker on SEBON's and NEPSE's published lists
- Update your nominee, mobile number and email

## **2** WEEK 2 **Write the plan**

- Fill in the six lines of the one-page plan, on paper
- Fix the monthly amount you can sustain in a bad month
- Set your per-scrip and per-sector limits as numbers

## **3** WEEK 3 **Learn one company**

- Read one annual report of a company you already own, end to end
- Note the EPS trend, the dividend history and the promoter holding
- Decide whether you would buy it again today

## **4** WEEK 4 **Build the habit**

- Set up the monthly investment and automate what you can
- Leave the tip groups. All of them
- Diarise a twenty-minute portfolio review, once a quarter

THANK YOU

# Questions and Resources

World Investor Week is an IOSCO initiative, held with securities regulators worldwide. In Nepal it is coordinated by SEBON.

SEBON

[sebon.gov.np](http://sebon.gov.np)

NEPSE

[nepalstock.com](http://nepalstock.com)

CDSC / Mero Share

[cdsc.com.np](http://cdsc.com.np)

Cyber Bureau,  
Nepal Police

[cyberbureau.nepalpolice.gov.np](http://cyberbureau.nepalpolice.gov.np)



OPEN QR TO  
PARTICIPATE IN  
SURVEY

