



**Confidential**

## **Complaint and Whistle Blowing Policies**

**Version 1.0**

**28<sup>th</sup> August 2020**

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This document contains fourteen (8) pages including this page.

## **Fixed Income Money Market and Derivatives Association of India (FIMMDA)**

### **Foreword**

FIMMDA have been a calculating agent for G Sec and SDL under the administration of FBIL. Till now, G sec methodology in its present shape is in vogue. Discussions are at the final stages for adoption of a new methodology, which will be placed on FBIL website shortly for comments of market participants. FIMMDA contributed to the methodology with their data, analytics and participation at FBIL's Oversight Committee discussions and Board levels.

SDL valuation methodology was changed w.e.f. 15th April 2019. Here also, FIMMDA contributed significantly with its expertise, data support, analytics and presentations at Oversight Committee meetings and at Board levels. FIMMDA remains to be the calculating agent for both the valuations as in the past.

As per Financial Benchmarks Report of the Vijay Bhaskar committee, there was a requirement of Complaints policy and Whistle Blowing policy for a calculating agent as well. However, this requirement was not mentioned in RBI's Financial Benchmark administrator's Directions of June 2019. FBIL, however, wanted that the Calculating agent also may follow the guidelines applicable for a benchmark administrator. Accordingly, the two policies became necessary for FIMMDA to adopt.

In addition, FIMMDA have been a benchmark administrator for Corporate Bond as per RBI's DBR circular dated 2015. We have also started making Security Level Valuations on a daily basis which is undergoing trial run and shortly it will be published on firm basis. Adoption of these two policies will be completing the requirement of a good governance for this activity as well.

For FBIL administered benchmarks, FIMMDA's role is limited to following the methodology approved by FBIL. For SDL, there is a CCIL made software. For G sec, we have a Matlab enabled software which are being used by FIMMDA since many years to publish the valuations. The new methodology for G Sec, after approval from the market sources, will be sent to RBI for their comments/views and then a software as per the methodology will be made and used by the calculating agent.

A system of monthly audit by an external agency for both the valuations is in place to ensure that the valuations are provided according to the approved methodologies. Maker-checker protocol is followed for valuations before they are released to the market every day. Similarly, for corporate Bonds, there is a Maker and Checker facility adopted in the office before their publication.

This document was approved by the Board at its 139<sup>th</sup> meeting held on 28<sup>th</sup> August 2020

## **Complaint Policy**

Version 1

28<sup>th</sup> August 2020

### **Introduction:**

RBI's Vijay Bashkir committee report on Financial Benchmarks enjoined the Benchmark Administrator to put in place a Complaints Policy mechanism for the Benchmarks administered. RBI identified FIMMDA as a benchmark administrator in April 2014. RBI shifted the valuation benchmarks of G Sec and SDL to FBIL wef 31<sup>st</sup> March 2018 and ever since, FIMMDA continues to be the calculating agent. FBIL as an administrator of G Sec and SDL, desires that we may also have a complaints policy.

**1.2** Accordingly, FIMMDA as the administrator of Corporate Bond Valuations as well as a calculating agent for FBIL administered G Sec and SDL valuations, has put in place this policy to enable any user to make complaints /suggestions about the determination of Corporate Bond valuation benchmarks carried out by the FIMMDA and/or any complaints on non-adherence to the methodology in calculating G sec and SDL valuation benchmarks under the administration of FBIL.

### **2. Scope**

Any user is free to submit to FIMMDA (anonymous complaints can also be made) complaints about any aspects of benchmark determination, or calculation process as described in para 1.2 above

- i) Process/methodology to determine the Corporate Bond Valuation
- ii) In respect of FBIL administered G-Sec and SDL valuations if the FBIL approved methodology is not adhered to while computing the values.

### **3. Submission:**

**Complaints may be submitted through:**

(i) In writing

**Attn: Vice –President (Admin& Accounts) at FIMMFA’s registered office.**

(ii) **Email complaints:** [vp@fimmmda.org](mailto:vp@fimmmda.org)

### **4. Handling of complaints:**

4.1 FIMMDA will acknowledge the receipt of complaints.

4.2 In case of Corporate Bonds, a copy of the complaint is sent to the members of the Board constituted subcommittee for valuation for their information as well as placed before the monthly Valuation committee for their suggestions if required. The suggestions if found implementable, FIMMDA will take action accordingly. FIMMDA will advise complainant on the results of investigation and remedial actions (if any). The action taken report will be placed before Board committee.

In case of FBIL administered G Sec and SDL valuation, the complaint will be forwarded to FBIL for their information along with FIMMDA Board committee with a copy to the complainant. The results of investigation will be referred to FBIL along with causes and remedial action if possible. The complainant will be informed of the action taken by us. The response of FBIL will be intimated to the complainant.

4.3 Following procedure will be observed:

- a) Acknowledgement within: 5 Mumbai business days.
- b) Preliminary Investigation: To be completed within 1 month
- c) Response to the complainant: For FBIL administered benchmarks: Within 15 days of the completion of investigation, a report will be sent to FBIL for their response and the complainant will be informed that a communication was sent to FBIL. Further response to the complainant will be sent after receiving FBIL’s response on the course of action.

For FIMMDA administered Corporate Bond Valuations, within 15 days of completion of investigation a response will be sent.

- d) If the redressal warrants change of methodology etc, the complainant will be

informed accordingly with an indication of the timelines for Corporate Bond. Timeline for change in methodology for G sec and SDL will be intimated to the complainant as may be informed by FBIL

- e) The final disposal will be completed within 60 days from the date of receipt of the complaint for Corporate bond and for G sec and SDL if the complaint relates to non-adherence to methodology.

4.4 All documents and analysis will be retained by the FIMMDA for (8) eight years.

## **5. Confidentiality**

Confidentiality of the complainants will be kept along with details of receipt and analyses of complaints unless required for further discussion for redressal /remedial action without disclosing the identity of the complainant. It may also be disclosed if required by any local/regulatory law.

## **6. Review:**

The Policy will be subject to periodic review.

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## **WHISTLE BLOWING POLICY**

**Version 1**

**28 August 2020**

### **1. Introduction:**

**The Vijay Bhaskar report (RBI)** of the Committee on Financial Benchmarks enjoins the Benchmark Administrator and the calculating agent to formulate a Whistleblowing policy mechanism to facilitate early detection of any potential irregularities in the calculation/benchmark determination process. The Policy allows external reporting of such cases where appropriate.

2. **Scope:** Any individual may submit (anonymously if so desired) whistleblowing reports if the person comes to know/observe any irregularity/ manipulative activities that may affect the integrity of the calculation/determination process of the Corporate Bond Valuations by FIMMDA or the computation process as per the approved methodology of FBIL administered G-Sec and SDL or the rate submission arrangements of the Submitters .

### **3. Submitting a Whistleblowing report:**

**Whistleblowing reports may be submitted through any of the following channels**

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(i) In writing to:

Mr. N.S.S. Moni  
Director, FIMMDA Board,  
  
C/O FIMMDA, Registered Office,  
  
United India Building, 2<sup>nd</sup> floor,  
  
Sir P.M. Road, Fort, Mumbai - 400001  
  
Mumbai.

(ii) **Email to:** [WBO@fimmda.org](mailto:WBO@fimmda.org)

### **4. Handling of Whistleblowing submissions**

4.1 The designated executive will acknowledge the WB complaint. He/ She is responsible for monitoring whistleblowing submissions.

4.2 The WBO will investigate whether there is *prima facie* evidence of the alleged irregularities. All required records will be submitted by FIMMDA for Corporate Bonds. For FBIL administered benchmarks where FIMMDA is the calculating agent, a copy of the complaint will be sent to FBIL for their information and further response to the complainant. If the records are required, FIMMDA will submit all such records to FBIL for their processing. The WBO at FIMMDA and/or FBIL (if complaints relate to GSEC or SDL) may take the help of the whistle-blower and/or other third parties for investigating purposes.

4.3 For Corporate Bonds, the WBO, will report the investigation findings to the Sub-committee of the Board for their further evaluation. The matter if found necessary, will be referred to FIMMDA Board. In case of FBIL administered benchmarks, where FIMMDA is the calculation agent, FBIL's findings will be informed to the FIMMDA Board. The Board if satisfied with the findings, will notify the concerned erring organisation/ action for the management.

4.4 The Whistleblowing Officer may requisition the services of any outside expert or agency for causing investigation in terms of clause 4.2 of Whistleblowing Policy for enabling him to discharge his functions as contemplated in the Whistleblowing Policy.”

**4.5 Notification schedule:**

4.6 Acknowledgement within: 1 week

4.7 Preliminary Investigation: Will be completed within a month for, Corporate Bonds. In case of FBIL administered benchmarks where FIMMDA is the calculation agent, as soon as FBIL completes the investigation,

4.8 Communication to complainant: Within two months. If no further investigation is necessary.

4.9 Escalation and redressal within: 3 months of receipt of the complaint.

5. FIMMDA will ensure that parties alleged to be involved in the irregularities are not

a part of the investigations. If the whistleblowing report relates to the FIMMDA's administrative functions, the alleged irregularities would be thoroughly investigated, and will be conducted by as far as possible by independent persons /institutions not related to the whistleblowing submissions.

6. **Retention of Documents:** All documents including those submitted by the whistleblower as well as FIMMDA's/ FBIL 's record of investigations, will be retained for a minimum period of eight years.

7. **Protected Disclosure by a FIMMDA Employee:** If an employee of FIMMDA is the Whistleblower, the FIMMDA Board undertakes that:

The FIMMDA employee will be protected from penalization by FIMMDA management for reporting such activities. Such an employee will not face punishment such as suspension/Layoff/Dismissal/ Demotion, Transfer of duties, change of location, change in working hours, reduction in wages, Imposition of reprimand, Unfair treatment, Discrimination, Harassment, threat of reprisal etc.

**8. Whistle blowing Reports to the Board:**

Whistleblowing officer, by way of an Agenda item, will submit to the Board, comments on the findings by way of investigation and the final outcome. For FBIL administered benchmarks, where FIMMDA is the calculating agent, FBIL's report will be placed before the Board by the WBO.

**9. Confidentiality**

The details of receipt of complaint, investigation, final outcome, decisions of the Board along with the name of the complainant will be kept confidential unless so required as per law in force/ by a regulator.

**10. Review:**

The review of the policy will be undertaken periodically.