

On behalf of the Directors of FIMMDA , it is my privilege to welcome you all to this 22nd FIMMDA- PDAI conference being held in this beautiful city and tourists' paradise i.e Dubai.

At the outset let me thank the Reserve Bank of India for extending all support and encouraging us to make this conference possible and in also being present in large number. Gracing the occasion by Hon Governor RBI and Consul General marks a very special occasion. Also adding lustre to the conference are the dignitaries from SEBI, SBI and other Market leaders. We have had an overwhelming response from all our stakeholders for the conference and the presence / representation from all leading entities in itself bears testimony to the fact that this conference is held high esteem for its rich content over the years.

This conference is very special in two aspects-

1) This conference is being held in-person after a gap of four years 2019. Though we did organise a virtual conference in the year 2021, any event organised after a substantial gap has an embedded additional excitement.

2) Additionally, this conference is being held in the 25th year of FIMMDA journey. The FIMMDA journey started on 4th May 1998-a milestone achieved with the support of all regulators and stakeholders.

Apart from this, as this year's venue being Dubai is an added attraction. India and UAE have been long standing allies and enjoy a warm and cordial bilateral relationship. Indian exports to Dubai accounts for 6% of India's global exports

Today Dubai has focussed its economy on non-oil sectors such as evolution as a Financial and Tourism Hub by building excellent infrastructure including hotels and developing multiple attractions for the casual visitor. What is noteworthy is that the City is also increasingly developing as a hub for services Industry such as IT and Finance with the new Dubai International Financial Centres. The evolution reflects their focus on capturing movement of Passengers and Cargo through the city providing a window to the world.

Therefore the venue of the conference at this financial hub is an added attraction to all of us. .

We are well aware that we are passing through uncertain and volatile global environment. Thus the conference is being held in a global backdrop of a an increasingly challenging phase due to the black swan events resulting in advanced as well as emerging economies being afflicted with high inflation and attendant actions by the Central Banks to tame inflation. The supply chain which got disrupted during pandemic though recovering, demand is now adversely impacted.

In the midst of challenges that both Advanced Economies and Emerging economies, India cannot be immune to Global disruptions. However, in the face of these challenges, India has exhibited that its economy is resilient in absorbing shocks of the imported inflation. Our country, is still one of the fastest growing economies of the world.

RBI has been introducing Regulatory reforms aimed at developing the domestic financial markets and has been constantly engaging with the Market bodies and participants. As a market body, we need to take forward the reform agenda to achieve the desired results.

In this context I refer to an appropriate quote of RBI Governor in one of recent FIMMDA events – “ Together we shall be Future Ready at all times.”

It is in the light of the context of challenges the economies across the globe are now encountering , the theme of the Conference has been aptly titled as :

“FINANCIAL MARKETS- NAVIGATING THROUGH TIMES OF UNCERTAINTY”

Let me now give a recount of a few FIMMDA activities in the recent past

- 1) **Dispute Resolution Committee-** A 16 member Committee has been constituted and is operating as DRC from 1st October 2022. The DRC has been operational since 2017 and every year a new Committee is formed which operates between October to September of the relevant year . The term of the present Committee is upto 30th September 2023.
During the FY ended 31st March 2022 there were 8 references to DRC and erroneous /off market deals reversed averting a loss /gain of Rs. 1.78 Crores
For the current year upto December 2022 there were total of 9 references and erroneous deals were reversed averting loss of Rs. 2.37 Crores.
- 2) **Credit Default Swap-** RBI has come out with Revised Master Directions on CDS and has assigned to FIMMDA the responsibility of drafting standardised documents/ Rules in consultation with Market Participants and also to set up a Credit Derivative Determination Committee (CDDC).
While we thank RBI for reposing faith in FIMMDA and assigning the role, we are happy to announce that after detailed deliberations, the tasks are near completion with all attendant guidelines /committee formation / standardised documents etc. We expect the product to be ready to be traded in the market in a very short time. We request all Market participants to be active in the CDS market. This will also contribute to making the Corporate Bond market more liquid.
- 3) **Rupee Interest Rate Derivatives** -On the Rupee Interest Rate Derivative we are pleased to announce that a New Product SWAPTION which is a combination of SWAP and Option has been launched on August 2021.
- 4) Standard Conventions on Interest Rate Derivative Products like Interest rate Floor/Collars etc have been devised. With standard conventions being devised it is expected that volumes in these products will increase in the days to come.
- 5) **Updation of CD Operational Guidelines and Handbook of Market Practices-**These documents which are prepared by FIMMDA to enable Market participants to have operational clarity on various operational matters of the products have been updated in consultation with Market participants and will be released to Market shortly. **However changes in the interim have been already communicated to the Market participants and the changed provisions are in force. Handbook is a consolidated document with all updated changes.**
- 6) **Consultation with RBI-** RBI has held Pre Policy Consultation with FIMMDA before every bimonthly Policy to know views of the Market and economy. Many of FIMMDA’s suggestions have been accepted and forms part of different Monetary

Policies. We thank RBI for giving us a scope as a Market Body to represent the views of our members /Market participants.

- 7) **Interest Rate Futures** : FIMMDA in consultation with exchanges and Market Participants permits single bond interest rate futures during the year as and when market demands and identifies trading on Interest rate futures with identified single Bond as the underlying which are liquid and have trading volume in the Gsec secondary market.
- 8) **FIMMDA has also actively contributed under the umbrella of IBA the smooth transition of LIBOR to ARR.** Development of Modified MIFOR which replaces MIFOR for all future contracts is another area of Contribution of FIMMDA.
- 9) **Training Programs** : One of the objectives of FIMMDA is to enhance skill development of Market Participants. To achieve this objective FIMMDA has been conducting training . Programme . for its members on a regular basis and such programs have been well accepted by Market Participants and helps market participants to trade judiciously keeping in view the risk perspective and the pitfalls.

The above activities are only illustrative and FIMMDA continues in its endeavour to further the interest / implement healthy business practices and introduce new products in the Indian Fixed Income Market.

Way Forward :

- (1) FIMMDA will continue to work with the Regulators and Ministry of Finance to find ways and means of stabilizing Interest Rates and Derivatives Markets and encourage ways to bring transparency and depth in the Derivatives and Corporate bond Market
- (2) FIMMDA would continue dialogue with Regulator and work towards accreditation as an SRO.
- (3) **Learning & Development** : For advancing knowledge and skill sets and instilling greater motivation to enhance job performance, FIMMDA desires to take the following initiatives:
- (4) FIMMDA will continue to make the website more user friendly and with more data. Happy to announce that new FIMMDA website with enhanced features and improved design would be launched in the current quarter.
- (5) FIMMDA is in the process of releasing firm publication of Security Level Valuation in Corporate Bond during the current quarter. Data on “Trial Basis” is uploaded on our website for review of our members. To start with SLV will be provided for about 4000 plain vanilla bonds.
- (6) Widening Horizons: Net working with the global peers such as ISDA, ICMA & ASIFMA for development of Indian Financial Markets.

(7) FIMMDA is working closely with other industry bodies viz. FEDAI, IBA etc., for various initiatives involving Financial Markets .

Let me conclude by saying that we have a range of topics that we will be discussing during the day which are topical contextual and current. I call upon you to actively participate in the discussions. Let this conference be a knowledge builder as well as a place for imparting / sharing knowledge between ourselves. There will also be a number of polls that we will be conducting either pre panel or during the panel discussion. Please download FIMCON App to participate in the poll if u have not already done so.

And lastly enjoy your stay in DUBAI and take back sweet memories of this conference coupled with the responsibility of utilising / implementing the take aways from the discussions and to bear in mind to make the Indian Financial Market more liquid and vibrant.

Thank you.