

DRC 2016-17/08

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.61 GS 2030
on
14th July 2016

**FIXED INCOME MONEY MARKET AND DERIVATIVES
ASSOCIATION OF INDIA**

(Prepared by Rohan Sawant)



Procedure followed for settlement of off market trade in 07.61 GS 2030 on NDS-OM dated 14th July, 2016.

The details of actions taken for settlement are as under:

- On 14th July, 2016 FIMMDA was informed of the erroneous trades by the seller (a private bank) and subsequently by the buyers (a private bank and a co-operative bank) telephonically and subsequently via mail. The seller sold 07.61 GS 2030 at price of Rs.100.70/7.5257% for Rs.5 Cr each at 09:02:10 hrs which was out of market.
- The above were the first and second trades in the captioned security. Subsequent trade took place at 9:04:47 hrs for Rs.101.68/7.4118%. The last traded price in same security as on 13th July was Rs.101.57/7.4245%. The seller claimed that he wrongly offered to sell the security at the price Rs.100.70 for Rs.10 Cr instead of Rs.101.70
- The buyers and seller had approached FIMMDA reporting the erroneous deal, time and transaction number of the erroneous trade were matched.
- The matter was referred to DRC members, and the committee members agreed that the deals were erroneous and may be reversed.
- As per amended Code of Conduct (DRC) point 15. (e), the trade time and trade number were tallying with the respective buyer and DRC members agreed.
- Both the parties were advised to reverse the trade.
- Accordingly, on same day 14th July 2016 the trade was reversed and reported on NDS - OM Reporting Deal Section before 4pm.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.10,00,000/-
- The reversal was informed to RBI and DRC members.