

DRC 2016-17/09

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 08.24 GS 2033
on
6th September 2016

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

(Prepared by Rohan Sawant)



Procedure followed for settlement of off market trade in 08.24 GS 2033 on NDS-OM dated 6th September, 2016.

The details of actions taken for settlement are as under:

- On 6th September, 2016 FIMMDA was informed by the seller (a private mutual fund institution) telephonically and subsequently via mail, that they have sold 8.24 GS 2033 at price of Rs.108.72/7.3370% for Rs.5 Cr at 09:23:36 hrs which was out of market.
- The above is the third trade in the captioned security. Previous trade took place at 9:19:57 hrs for Rs.109.70/7.2423%. Subsequent trade took place at 9:36:13 hrs for Rs.109.55/7.2567%. The seller claimed that he wrongly sold the security at the price Rs.108.72 for Rs.5 Cr instead of Rs.109.72.
- The matter was referred to DRC members, and the committee members agreed that the deal was erroneous and FIMMDA may seek details of counterparty from RBI.
- As per code of conduct, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparty as a primary dealer.
- Both the parties were advised to reverse the trade.
- Accordingly, on next day 7th September, 2016 the trade was reversed and reported on NDS - OM Reporting Deal Section.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.5,00,000/-
- The reversal was informed to RBI and DRC members.

