

MINUTES OF THE MEETING

(3rd & 4th October, 2013)

- Discussion on Big Figure Mistake in a 364 Day T-Bill

DISPUTE RESOLUTION COMMITTEE

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

(Minutes prepared by Vasundhara Khajuria)

DISCUSSION PANEL

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Discussion on a trade of 364 Day T-bill done on NDS-OM on October 2, 2013

The committee met on October 3, 2013, to discuss an erroneous trade done on NDS OM. FIMMDA Dispute Resolution Committee (DRC) received its first notice of a dispute in the trading on NDS - OM, after the DRC was formed.

The details of the deal and actions taken are as follows:

- A new 364 day T Bill was auctioned on October 1, 2013 cut off at 8.9213% (Rs. 91.83). The Trade was done on the same day at 13:45:51 on NDS-OM at 91.0970/9.8000%. 1 trade - 25 Crores
- One of the counterparty - a Primary Dealer approached FIMMDA, to seek reversal.
- The case was referred to the DRC, and it was confirmed by the committee members that this was an erroneous trade and RBI should be approached to seek counterparty details.

- Thus, RBI was requested and the counterparty details were furnished. The two parties involved were: a Primary Dealer and a Private Bank
- After receiving the counterparty details, the committee met again on October 4, 2013.
- After hearing from both the parties involved in the trade, it was decided by the DRC that, they should settle the dispute among themselves, as T-Bills were out of the purview of the Code of Conduct for usage of NDS - OM and the earlier trade bands.

The DRC also decided to place on record for notice of all users of NDS-OM users that careless errors over-riding all cautionary instructions would not be entertained by the DRC.

The Heads of Treasuries are enjoined to put all necessary controls in place to avoid losses arising out of careless dealing.