

DRC 2017-18/17

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 091 DTB 10052018
on
7th March 2018



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trades in 091 DTB 10052018 on NDS-OM dated 7th March 2018

The details of actions taken for settlement are as under:

- On 7th March, 2018 FIMMDA was informed of the erroneous deals by the seller and the buyer (both public sector banks) telephonically and subsequently via mail. The seller sold 091 TDB 10052018 at yield of 8.24%/Rs.98.5977 for Rs.25 Cr each at 10:32:32 hrs, 10:32:36 hrs, 10:37:10 hrs and 10:37:19 hrs which were claimed to be out of market.
- The above were the only trades in the security. The seller claimed that he wrongly sold the security at the yield of 8.24% for Rs.100 Crs instead of at 6.24.
- The buyer also agreed in his mail to FIMMDA that it was an erroneous deal. The time and transaction number of the erroneous trade reported by seller and buyer were matched.
- The matter was referred to DRC members, and the committee members agreed that the deal was erroneous and may be reversed.
- As per Code of Conduct (DRC) point 15. (e), since buyer and seller approached FIMMDA and DRC members agreed that the deal was erroneous and to be reversed, both the parties were advised to reverse the trade.
- Accordingly, on same day, all the four trades were reversed and reported on NDS - OM Reporting Deal Section.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.35,35,000/-
- The reversal was informed to RBI and DRC members.

DRC 2017-18/18

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 6.97 GS 2026
on
16th March 2018



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trades in 06.97 GS 2026 on NDS-OM dated 16th March 2018

The details of actions taken for settlement are as under:

- On 16th March, 2018 FIMMDA was informed of an erroneous deal by the buyer (foreign bank) telephonically and subsequently via mail. The buyer bought 06.97 GS 2026 at price of Rs.95.68/7.6726 for Rs.5 Cr at 14:16:47 hrs which was claimed to be out of market.
- Preceding trade took place at 14:16:22 hrs for Rs.94.75/7.8292. Last traded price as of 15th Mar 2018 was Rs.94.60/7.8542. The buyer claimed that he wrongly bought the security at the price of 95.68 for Rs.5 Cr instead of at Rs.94.68.
- The matter was referred to 14 DRC members, the quorum being 6. Eight members agreed that the deal was erroneous and may be reversed. Nobody gave contrary decision.
- As per code of conduct, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparty as a public sector bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on 20th March 2018, 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.