

DRC 2016-17/20

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.59 GS 2026
on
20th December 2016



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

(Prepared by Rohan Sawant)



FIMMDA: Dispute Resolution Committee

Procedure followed for settlement of off market trade in 07.59 GS 2026 on NDS-OM Odd Lot dated 20th December, 2016.

The details of actions taken for settlement are as under:

- On 20th December, 2016 FIMMDA was informed of an erroneous deal by the seller (a financial institute) and the buyer (a private bank) telephonically and subsequently via mail. The seller sold 7.59 GS 2026 at price of Rs.105.26/6.8015 for Rs.4.5 Cr at 14:33:09 hrs which was claimed to be out of market.
- The above was the first trade in the security. Subsequent trade didn't take place till reporting. The traded price as on NDS OM Regular Market was Rs.106.3950/6.6382% at 14:32:57 hrs. The seller claimed that he wrongly sold the security at the price of Rs.105.26 for Rs.4.5 Cr instead of at Rs.106.26.
- The buyer also agreed in his telephonic talk with 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 next day 21st Dec, 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.4,50,000/-
- The reversal was informed to RBI and DRC members.