

DRC 2016-17/29

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 08.24 GS 2033
on
31st March 2017



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

(Prepared by Rohan Sawant)

Procedure followed for resolving dispute in respect of trade in 8.24 GS 2033 on NDS-OM dated 31st March, 2017

The details of actions taken for resolution of the dispute are as under:

- On 31st March, 2017 FIMMDA was informed of an erroneous deal by a market participant telephonically and subsequently via mail. The participant informed that the 8.24 GS 2033 security is dealt at price of Rs.107.46/7.4482 for Rs.5 Cr at 16:59:43 hrs which was claimed to be out of market.
- This is the last trade in the captioned security. Preceding trade took place at 16:59:32 hrs for Rs.108.1975/7.3745%.
- No counterparty has informed FIMMDA regarding this erroneous trade. As per FIMMDA code of conduct, any market participant can report an off market trade. The matter was referred to DRC members, and the committee members agreed (5:3) 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 counterparties.
- RBI disclosed the names of the counterparties as a foreign bank and life insurance company.
- Both the parties were advised to reverse the trade.
- Accordingly, on 5th Apr, 2017 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.3,68,750/-
- The reversal was informed to RBI and DRC members.

