

DRC 2016-17/10

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.50 GS 2034
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 07.50 GS 2034 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 foreign bank) telephonically and subsequently via mail, that they have sold 7.50 GS 2034 at price of Rs.101.95/7.3023% for Rs.5 Cr at 13:39:33 hrs which was out of market.
- The above is the second trade in the captioned security. Previous trade took place at 12:23:13 hrs for Rs 102.90/7.2084. The last traded price as on 2nd September 2016 was Rs.103.00/7.1986%.The seller claimed that he wrongly sold the security at the price Rs.101.95 for Rs.5 Cr instead of Rs.102.95.
- 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.

