DRC 2020-21/09

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **6.71 RJ SDL 2030**

on

**9th July 2020**

**Approved**

**D.V.S.S.V.Prasad**

**CEO, FIMMDA**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Ramandeep Kaur)

- 1 -

# Procedure followed for settlement of off market trades in 6.71 RJ SDL 2030 on NDS-OM dated 9th July 2020

The details of actions taken for settlement are as under:

* On 9th July, 2020 FIMMDA was informed of erroneous deals by the seller (Co-operative Bank) telephonically and subsequently via mail. The seller sold 6.71 RJ SDL 2030 at 11:39:54 hrs. Rs. 100.98/6.5713% for Rs 5 which was claimed to be Off Market trade.
* Disputed trade was the only trade in the Captioned Security on that day. Previous trade took place on 8th July 2020 at Rs.101.6733/6.4755%. Security in the similar tenor was traded on that day at the yield of 6.37% -6.50%.
* 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 DRC rules, RBI was approached to know the counterparty.
* RBI disclosed the name of the counterparties as a Primary dealer.
* Both the parties were advised to reverse the trade.
* Accordingly, on 13th Jul 2020, 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.3,45,000
* The reversal was informed to RBI and DRC members.