DRC 2020-21/22

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deals in **5.09 GS 2022**

on

**31st Mar 2021**

**Approved**

**G Ravindranath**

**CEO**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Ramandeep Kaur)

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# Procedure followed for settlement of off market trades in 5.09 GS 2022 on NDS-OM dated 31st Mar 2021

The details of actions taken for settlement are as under:

* On 31st Mar, 2021 DRC FIMMDA was informed of an erroneous deal by both the Seller (Mutual Fund Institution) and buyer (Foreign Bank) telephonically and subsequently via mail. The Seller sold 5.09 GS 2022 (Security) at at 11:40:16 hrs. for Rs. 15 Cr. at Rs.100.17/4.9161%. claiming apparent Off Market trade, and raising a dispute as per DRC norms.
* As both the buyer and seller of the trade approached us with a request for reversal of the erroneous trade~~.~~
* Disputed trade was the 10th trade in the Captioned Security. Preceding trade took place at Rs.100.95/4.1302. Succeeding trade took place at Rs. 101.12/3.9601.
* 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 16 DRC members, the quorum being 6. Nine members agreed that the deal was erroneous and may be reversed. There were no contrary decisions.
* 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 deal.
* Accordingly, on 5th April 2021, 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.1170000.
* The reversal was informed to RBI and DRC members.