



Meeting with FIMMDA

Mr. Dhiren Mehta, Mr. Madhur Murarka and Mr. Dharmen Mehta had a meeting with Mr. C.E.S. Azariah – C.E.O on 25th May 2010. There was wide ranging discussion on debt market including FIBA to become member of FIMMDA. Mr. Azariah was positive to admit FIBA as an associate member of FIMMDA and running common training programs and to organize joint events on WDM.

Mr. Azariah gave us the reports of two committees:-

1. Proposed SWAP Dealers and Brokers Guidance Committee

This Committee is to serve as a forum where dealers and brokers could discuss matters of common interest concerning the interest rate swaps and problems arising between brokers and dealers. C.E.O. of FIMMDA is chairman of this committee. The members of the Committee will be consist of the representatives of banks and brokers associations to be chosen for their proven experience, reputation and knowledge of the markets. Committee will issue the guidelines on market practices, monitors development in the market, investigate breach of confidentiality etc.

This committee has prescribed a set of code of conduct for brokers and dealers, that includes Confidentiality, Dealing procedures, Infrastructure Requirement, Frivolous Quotations, Quotation of fictitious rates, After-hour dealing, enquiry into the conduct of brokers, Brokerage payment by banks, Market irregularities, Penalties etc.

2. Accreditation of Brokers in OTC Interest rate Derivatives

FIMMDA has formed a committee for accreditation of a broker. The committee has the prescribed criteria's to be looked into like Experience in Debt market, senior management, Board of Directors, Market Feedback, On Site Visit, Personal Interviews etc.

To get accreditation from FIMMDA, the company has to fulfill some criteria's as suggested, the tangible networth of the broking company should be minimum Rs. 25 Lacs. Upon the grant of in-principal approval a onetime processing fee of Rs. 1Lac would be payable by each broker to FIMMDA. The Security deposit will be Rs. 15 Lacs. Brokers to follow the Code of conduct, maintain the required infrastructure, maintenance of proper books of accounts and record etc.