

Response to Pre-Bid Queries with reference to RFP date 13.10.2023

S.No.	RFP Ref Page no	RFP Clause no	Relevant Section	Detailed Scope of Work	Clarification Sought if any	Responses
1	Page No 3	1 (a)	Scope of Work	Review the existing compliance monitoring mechanism prevalent in the IBU	1. Does the review include checking of the operating effectiveness of the process	Yes. Operating effectiveness to be reviewed in view of compliance of the prevalent guidelines.
2	Page No 3	1	Scope of Work	Review of present compliance framework including policy, accuracy, adequacy, and establishing integrity of our systems and process.	The review shall be design level and framework level. It does not include the formulation of framework, structure or policy	No. Review doesn't include the formulation of framework, structure or policy. However, it is expected to provide recommendations for implementing, if any.
3	Page No 3	3	Scope of Work	Suggestions/recommendations to plug the gaps so as to achieve the regulatory expectations and also to match with peer banks practices.	Does the recommendation also expected to have automation solutions?	No.
4	Page No 3	1	Scope of Work	Review of present compliance framework including policy, accuracy, adequacy, and establishing integrity of our systems and process.	1. Which systems, tools or process to be reviewed from compliance perspective? Can we have a list of systems processes, tools etc.? 2. Will compliance tool be a part of coverage? 3. Also, by systems, we undertand that it does not include IT systems.	1. IFSCBU is using online monitoring tools for compliance and transaction monitoring. We will provide detail of tools and list later on. 2. Yes, compliance tools will be part of coverage 3. No. It doesn't include IT system.
5	Page No 3	1 (b)	Scope of Work	Review whether all products and services offered by the IBU meet the applicable regulatory guidelines defined by IFSCA, RBI, SEZ, or other regulatory/statutory authorities.	1. What all products and services are covered for compliance review? 2. Is there an existing repository of obligations/regulations applicable and if not we will not prepare the same.	1. IFSCBU is offering plane vanilla products to its customers. It is expected to review that the products offered by IFSCBU is within the scope and guidance given by IFSCA and RBI. Further, the system, process and policies formed around the products are in compliance with the guidance. 2. No, IFSCBU doesn't expect to prepare any repository.
6	Page No 4	2	Scope of Work	Income Tax Law	Kindly clarify the period for which the income tax review needs to be undertaken - is it for one financial year or some other peiord.	Business and transactions of IFSCBU has started to increase from FY 2021-22. Prior to this, transactions were minimal. Therefore, it is expected to review applicability of Income Tax law since inception of the unit.
7	Page No 4	2 €	Scope of Work	Review of withholding tax return for payments made to non-residents and residents (other than salary payments);	Kindly provide broad list of transactions and number of line items in one withholding tax return	Withholding Tax / TDS has been deducted so far particulary on the vendor payments (within India or Outside India), services obtained from professional firms and rental payments.
8	Page No 4	2 (g)	Scope of Work	Review of notices, if any issued by the tax authorities in relation to the operations in IFSC-GIFT City and responses filed thereunder	Kindly let us know if the BU has received any notcies from income tax authorities till date w.r.t. claim of deduction	IFSCBU has not received any notice so far w.r.t. claim of deduction.
9	Page No 4	3 (a)	Scope of Work	3. International Financial Services Centre Authority (IFSCA) regulations: a. Review of existing policies/documents prepared for IFSCA compliances and identify the gaps vis-a-vis the IFSCA regulations applicable for IFSCBU;	Which all policies / documents are to be reviewed for RBI and IFSCA? Can we have a list of policies / documents?	IFSCBU has prepared policies/SOPs in compliance with the guidance given by IFSCA in their handbooks and ase per RBI wherever applicable. List of policies/SOPs can be provided.
10	Page No 4	4(d)	Scope of Work	Review of transactions of disposal/ removal of	This scope looks incomplete - kindly provide full scope of work	Please read the point as "Review of transactions of disposal/ removal of assets on sample basis from documentation standpoint".

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11	Page No 5	5 (a)	Scope of work	Review the forms/ declarations/ returns already filed in compliance with RBI regulations	<p>1. To identify non compliance instances, which financial year's filed returns, forms and declarations are to be reviewed?</p> <p>2. Can we have list of returns, declarations forms and its frequency that to be reviewed?</p>	<p>1. Expected to review last submitted returns, forms and declaration, whether it is fortnightly/monthly/quarterly/half yearly or annually.</p> <p>2. A list of such returns/submission can be provided.</p>
12	Page No 5	5 (e)	Scope of Work	Compliance related to Foreing Exchange Management Act (FEMA), if any	<p>Does the word compliance all the compliances include process level compliance or is it confined to reporting compliances?</p> <p>FEMA is not applicable on IFSC IBU, kindly let us know the type of transactions on which this review is required. Is it in context of transactions which BOB India entity does with IFSC IBU.</p>	<p>Firms are expected to review compliance at both the level i.e. process as well as reporting. Being a SEZ unit, IFSCBU is operating as an overseas unit. Therefore, the flow of funds between IFSCBU and DTA attracts the FEMA regulation. Our expectation is to review flow of funds and documentations between any DTA entity are in compliance with FEMA.</p>
13	Page No 5	-	Deliverables	<ul style="list-style-type: none"> • Exception report highlighting instances of non-compliance • Gap Assessment Report with recommendations for improvement • Final reporting and closure 	<p>1. What is the expectation from the Exception report mentioned in the deliverable?</p> <p>2. What is the difference between Exception report and gap assessment report?</p> <p>3. Closure would be confined to the acceptance of the gaps by the respecrive owners and does not include the implementaion of the recommendations of the gaps identified</p> <p>4. Is the consultant expected to present the report to the Board/Audit Committee?</p>	<p>1. Exceptions report will be the detailed transaction/item- wise report explaining the error/gap identifies. Exception report will form an integral part of the Gap Assessment Report.</p> <p>2. Gap Assessment Report will comprise your detailed review on various policies, documentations, system and processes, summarizing the items mentioned in exception report along with your recommendations/regulatory expectations for improvement.</p> <p>3. Closure does not include the implementation at IFSCBU level. IFSCBU expect that the management comments should be recorded on the Gaps/recommendations in the closure report.</p> <p>4. IFSCBU does not expect to present the report to any committee.</p>

Apart from the above query response, any other query submitted or discussed by the bidder is to be considered as No change in RFP clauses.