



**Bank of Baroda, IFSC Banking Unit, Invites Requests for Proposal (RFP)
from Consulting Firms for compliance review of IFSC Branch**

RFP Floating date: 13th October 2023

Last Date of receipt of bids : 2nd November 2023



Preamble

Globally, International Financial Centres are major contributor to the business of International Banking, Financial Services & Insurance (BFSI).

With the objective of bringing back to India the international financial service business generated from India, and gradually emerge as an international financial services hub at the regional and global level, Government of India operationalized India's maiden International Financial Services Centre (IFSC) at GIFT Multi Services SEZ in April 2015.

Gujarat International Finance Tech-City (GIFT City) is a fully operational green field smart city, and is strategically located between the business capital (Ahmedabad) and political capital (Gandhinagar) of Gujarat. It is one of the most ambitious projects ever undertaken in the Indian financial and Infrastructure space and is being designed as a hub for the global finance services industry. It is supported by state-of-the-art infrastructure encompassing all basic urban infrastructure elements along with an excellent external connectivity designed to be at or above par with globally benchmarked business districts.

Companies from Financial Services, Technology and all other services sector are targeted as potential occupants within the city. The target business segments are Offshore Banking, Capital markets, offshore asset management, Offshore Insurance, Ancillary services, IT & BPO services.

IFSC Banking Unit (IBU) of Bank of Baroda commenced its operations in November 2017 and since then it has been catering to the global banking requirements of the Corporates and business units situated in India and abroad, having the advantage of both being situated in India providing benefit of the time zone window for its counterparts located globally with competitive pricing and quick processing time from experienced personnel.

The regulator, International Financial Services Centre Authority (IFSCA) is operating as a unified regulator from October 2020 covering all areas of banking, insurance, capital market activities and fund management. The growing demand to maintain a robust compliance culture in banking industry requires a periodical review of system and process, ability to identify gaps, if any, and suggest the bank to plug such gaps and improve the functions to not only match with regulatory expectations but also to be resilient among peer banks. Therefore, Bank of Baroda IFSC Banking Unit decided to carry out a **compliance review of the activities undertaken by unit from a RBI, SEZ, Income Tax and IFSCA regulations standpoint** and proposed to call bids from firms.

The eligibility, scope and reporting requirements are detailed below

Eligibility of the firm

- The firm should be a company registered under Companies Act 1956 and Companies Act 2013 or under LLP or under any authorized body since the last three years as on RFP submission date.
- The firms should have sound reputation and should not have been black listed by any Govt. Financial Institutions/Banks/Government/Semi- Government departments/PSUs in India. Further, there should be no adverse remark against the firm from Regulators/ Statutory



- authorities or similar body of the country. A suitable undertaking/or certificate or declaration should be submitted by the firms to this effect.
- The firm should have minimum of 5 years of experience in providing similar consultancy services to the banking sectors/NBFCs.
 - The firms should have in depth knowledge of the Statutory and Regulatory guidelines of the Host country regulators as well as those of home country regulator, Reserve Bank of India and tax authorities.
 - The firm should have experience in analyzing, reviewing and providing recommendations and suggest ways through which the compliance culture of the bank as a whole can be improved.
 - The firm must disclose in their tender details of any circumstances, including personal, financial and business activities that will, or might, give rise to a conflict of interest if they were awarded the contract pursuant to this RFP. If firm identify any potential conflict they should state how they intend to avoid such conflicts.

The firm must comply with all above-mentioned criteria. Non-compliance of any of the criteria will entail rejection of the offer summarily. Photocopies of relevant documents/ certificate, as mentioned above, should be submitted as proof in support of the claims made. Bank of Baroda IFSC Banking Unit reserves the right to verify/evaluate the claims made by the firm independently. Any decision of the IFSC Banking Unit in this regard shall be final, conclusive and binding upon the firm.

Scope of work

IFSCBU proposes to engage the services of an external expert to examine the coverage and effectiveness of IFSCBU's present compliance with the regulation standards and mandate set by IFSCA, RBI, SEZ and Income Tax authorities. Another objective of this activity is to determine improvement opportunities in areas where any visible control gaps are identified from regulatory standard as well as from the best industry practices being followed by peer banks.

The review/validation process shall focus on :

1. Review of present compliance framework including policy, accuracy, adequacy, and establishing integrity of our systems and process.
2. Finding out gaps from the RBI, IFSCA, SEZ, FEMA, Income Tax and other regulatory guidelines on various functions.
3. Suggestions/recommendations to plug the gaps so as to achieve the regulatory expectations and also to match with peer banks practices.

Broader coverage of review is divided as under :

1. Compliance Review :

- a. Review the existing compliance monitoring mechanism prevalent in the IBU
- b. 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.
- c. Review the process and controls around customer onboarding process to verify the IBU's adherence to applicable regulatory/statutory guidelines.



- d. Review the existing process defined around PMLA compliance requirements such as transaction monitoring, filing of STR/CTR
- e. Check whether the existing training calendar covers trainings and workshops with different business functions to enable creating a culture of compliance within the organization.
- f. Review the process and controls around filing of various regulatory returns applicable to the IBU.
- g. Review the process for conducting compliance testing, including scope and coverage for testing, compliance checklists and sample compliance testing reports.
- h. Review compliance dashboard for key activities to assess comprehensiveness and adequacy.

2. Income Tax Law :

- a. Review of the transactions undertaken by the IFSCBU within IFSC area and DTA.
- b. Review of calculation of deduction under various sections of the Income-tax Act, 1961 and applicability on IFSCBU.
- c. Review of other filings made with the income-tax authorities applicable to IFSCBU under the provisions of Income-Tax Act;
- d. High level review of commercial considerations and governance of IFSCBU from a general anti avoidance rule perspective;
- e. Review of withholding tax return for payments made to non-residents and residents (other than salary payments);
- f. Review of position of IFSCBU in income tax returns of the Bank;
- g. Review of notices, if any issued by the tax authorities in relation to the operations in IFSC-GIFT City and responses filed thereunder
- h. Review of other documents, as may be necessary for the purpose of identifying income-tax implications, wherever necessary

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;
- b. Review of the compliances activities undertaken by IFSCBU for IFSCA compliance.
- c. Review the reports/ declarations/ returns already filed in compliance with IFSCA regulations
- d. Review of information already furnished relating to the IFSCBU operations to the IFSCA
- e. To advise on collation and review of documents for the purposes of preparation and filing of Forms/declarations with IFSCA;
- f. To provide comments on key amendments/ updates in IFSCA regulations and those relating to IBU.

4. SEZ Regulations :

- a. Review of disclosures made through annual performance reports filed with SEZ
- b. Review of export performance and net foreign exchange earnings position
- c. Review of import and domestic procurement transactions
- d. Review of transactions of disposal/ removal of
- e. Review of documentary records maintained from SEZ regulations standpoint
- f. Review of bond register and bond value utilization



g. Compliance of all other applicable SEZ guidelines.

5. Reserve Bank of India (RBI) :

- a. Review of existing policies/documents prepared for RBI compliances and identify the gaps vis-a-vis the RBI regulations applicable for IFSCBU;
- b. Review the forms/ declarations/ returns already filed in compliance with RBI regulations
- c. Assist in populating information and review of returns, forms and intimations required to be filed with the RBI;
- d. To provide comments on key amendments/ updates in RBI regulations as may be relevant for IFSCBU.
- e. Compliance related to Foreign Exchange Management Act (FEMA), if any.

Deliverables

- Exception report highlighting instances of non-compliance
- Gap Assessment Report with recommendations for improvement
- Final reporting and closure

Last date for submission of proposal is 2nd November 2023.

The bid should be submitted in its original form and will not be accepted over e-mail. Bid should be in two part :

(1) Technical Bid –

Technical Bid should include the details of firm's experience and relevant documents/declaration as stated in the eligibility criteria including Company Credentials, and names of banks/other financial institutions for whom you have been carried out similar work. Bidders must provide evidence of having adequate experience. This should include supporting certificates or reports relating to financial, technical and other capability of the applicants. Bidder has to submit documentary evidence for the same.

(2) Financial Bid –

1. The Financial Bid should give all the relevant price information according to the project time-lines (stage-wise) schedule, if any, and should not contradict the Technical Offer in any manner. There should be no hidden costs for items quoted.
2. The stage wise schedule should be in line with the scope of work and pricing will be segregated accordingly.
3. The Bank is not responsible for the arithmetical accuracy of the bid. The bidders will have to ensure all calculations are accurate. The Bank at any point in time for reasons whatsoever is not responsible for any assumptions made by the bidder. The Bank at a later date will not accept any plea of the bidder or changes in the commercial offer for any such assumptions.



Evaluation of Technical Bids

Technical Bids shall be evaluated on the basis of fulfilling the requirement as stated in eligibility criteria and other terms and conditions stipulated in the RFP document. Financial Bids of only those bidders who qualify in the technical evaluation, based on the criteria laid down hereinabove, shall be opened.

Evaluation of Financial Bids

After the technical evaluation of the RFPs, the financial bid of only technically qualified bidders shall be considered for price bid evaluation. The Bank reserves its right to seek and obtain substantiating data from the bidders for verification of the credentials submitted. The bidder with the lowest commercial quote will be declared as L1.

However, **the Bank shall be under no obligation to accept the lowest or any other offer** received in response to this RFP notice and shall be entitled to reject any or all offers including those received late or incomplete offers without assigning any reason whatsoever.

The Bank reserves the right to reject any or all the RFPs without assigning any reason thereof.

Other general rules and instructions

1. The bids submitted has to be complete in all aspects including registration and licenses.
2. The selected bidder shall indicate the authorized signatory/ies who can discuss and correspond with the Bank, with regard to the obligations under the contract.
3. Bank reserves the right to waive or change any formalities, irregularities, or inconsistencies in proposal format delivery and/or to negotiate any aspect of proposal with any bidder and negotiate with more than one bidder at a time.
4. Bank reserves the right to cancel the selection process as per tender at any stage, without assigning any reason whatsoever.
5. The acceptance of the tender shall rest with Bank, which does not bind itself to accept the lowest tender, and reserves to itself the authority to reject any or all of the tenders received/cancel the tender process at any stage without assigning any reason thereof. All tenders in which any of the prescribed conditions are not fulfilled or incomplete in any respect are liable to be rejected.
6. Bidder's aggregate liability in connection with obligations undertaken as a part of the RFP regardless of the form or nature of the action giving rise to such liability (whether in contract or otherwise), shall be at actual and limited to the Total Contract Value.
7. Bidder's liability in case of claims against the Bank resulting from Willful Misconduct or Gross Negligence of Bidder and its employees or from infringement of patents, trademarks, copyrights or such other Intellectual Property Rights or breach of confidentiality obligations shall be unlimited.
8. Under no circumstances IFSCBU shall be liable to the selected bidder for direct, indirect, incidental, consequential, special or exemplary damages arising from termination of this Agreement.
9. All or any disputes arising out or in relation to the terms and conditions of this Agreement, including the interpretation and validity of the terms thereof and the respective rights and obligations of the Parties, shall be settled amicably by mutual discussion, failing which the



- same shall be settled as per the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification thereof shall apply to the arbitration proceedings. The arbitral award shall be in writing, state the reasons for the award, and be final and binding on the parties.
10. This RFP and the subsequent contract shall also be governed and construed and enforced in accordance with the laws of India and both parties shall agree for the same in case of any dispute.
 11. The bidder must strictly adhere to the delivery dates or lead times identified in their proposal and as mutually agreed with the Bank. Failure to meet these delivery dates, unless it is due to reasons entirely attributable to the Bank, may constitute a material breach of the bidder's performance. In the event that the Bank is forced to cancel an awarded contract (relative to this RFP document) due to the Bidder's inability to meet the established delivery dates or any other reasons attributing to the bidder then that bidder will be responsible for any re-procurement costs suffered by the Bank. The liability in such an event could be limited to the differential excess amount spent by the Bank for procuring similar deliverables and services.
 12. In such event defaulted bidder will return the amount paid by the Bank with interest @12% and differential excess amount spent by the Bank for procuring similar deliverables and services.
 13. The successful Bidder will treat as confidential all data and information about Bank of Baroda IFSCBU, obtained in the process of executing its responsibilities, in strict confidence and will not reveal such information to any other party without prior written approval of Bank of Baroda IFSCBU. The successful Bidder will incorporate suitable non-disclosure clause/s in the contract/agreement.



Schedule of RFP

Particulars	Time Line
RFP Date	13 th October 2023
Name of Work	Bank of Baroda, IFSC Banking Unit, Invites Requests for Proposal (RFP) from Consulting Firms for Compliance Review of IFSC Branch
Last Date, Time & Place for Submission	On or before 2 nd November 2023 @16.00hrs to be submitted at the office of The General Manager & Head-IBU, Bank of Baroda, IFSC Banking Unit 10th Floor, Brigade International Financial Center, GIFT City SEZ, Gandhinagar. Gujarat, India - 382355
Pre-bid queries / meeting	Firms are required to send their queries over the mail. If required a Pre-bid meeting can be arranged.
Technical Bid Opening Date, Time & Place	6 th November 2023 @ 16.00 hrs. Bank of Baroda, IFSC Banking Unit 10th Floor, Brigade International Financial Center, GIFT City SEZ, Gandhinagar. Gujarat, India – 382355
Financial Bid Opening Date, Time & Place	9 th November 2023 @ 16.00 hrs. Bank of Baroda, IFSC Banking Unit 10th Floor, Brigade International Financial Center, GIFT City SEZ, Gandhinagar. Gujarat, India – 382355
Contact and Mobile Numbers	Manish Chahande Chief Financial Officer risk.ibu@bankofbaroda.com +91 9920634390 +91 79 22804646