
BANK OF UGANDA



REQUEST FOR PROPOSALS

Subject of Procurement:	Procurement of a Custodian to offer Global Custody, Securities Lending and Value-Added Services to Bank of Uganda
Proc. Ref Number:	BOU/SRVCS/21-22/00185/C
Date of Issue:	March 23, 2022

BANK OF UGANDA



37/45 KAMPALA ROAD, P.O. BOX 7120, KAMPALA.
Telephone: 256-414-258441/6, 258061, 0312-392000, 0417-302000. Telex:
61069/61344; Fax: +256-414-233818
Website: www.bou.or.ug E-mail address: procurement@bou.or.ug

ABRIDGED BID NOTICE

1. Bank of Uganda invites sealed bids from eligible bidders for:

No	Procurement Reference Number	Subject of Procurement
1	BOU/SRVCS/21-22/00185/C	Procurement of a Custodian to offer Global Custody, Securities Lending and Value-Added Services to Bank of Uganda

2. The Request for Proposals Document shall be inspected online under the procurement tab on the Bank of Uganda website www.bou.or.ug
3. Bidders shall pay for the Bidding Document a non-refundable fee of (United States Dollars) USD100 on the account with details below:
Pay (beneficiary): BoU Other Income Account
099405017
To (beneficiary bank details): Bank of Uganda
36005612
Through (BoU Bank details): Citibank NY
CITIUS33
4. There shall be a virtual pre-bid meeting on April 6, 2022 at 15 Hours (Ugandan Time). Registration is by email to procurement@bou.or.ug
5. The deadline for bid submission shall be at 15 Hours (Ugandan Time) on April 26, 2022.

MANAGEMENT

Standard Invitation to Bidders

Invitation to bid for Global Custody, Securities Lending and Value-Added Services for Bank of Uganda Foreign Reserves (BOU/SRVCS/21-22/00185/C)

1. Bank of Uganda has allocated funds to be used for the acquisition of Global Custody, Securities Lending and Value-Added Services for Bank of Uganda Foreign Reserves Services. Assets under Custody: US\$4.5 billion of which US\$ 1.5 billion are global custody assets.
2. The Bank invites sealed proposals for the provision of the above services.
3. Bidding will be conducted in accordance with the with the Bank of Uganda Procurement and Disposal Manual 2017 rules and the procedures described in Part I: Proposal Procedures.
4. You may obtain further information and inspect the proposal documents at the address given below at 7(a).
5. Proposals must be delivered to the address below at 7(c) at or before April 26, 2022 at 15 Hours (Ugandan Time). All proposals must be accompanied by a proposal securing declaration which must be valid until December 31, 2022. Late proposals shall be rejected.
6. There shall be a virtual pre – proposal meeting on the date indicated below at (8) at 15 Hours (Ugandan Time). The meeting shall be held using Microsoft Teams. Bidders interested in attending the meeting shall submit email address for their teams account for further details to procurement@bou.or.ug by April 4, 2022.
7. (a) Documents may be inspected at: Online under the Procurement tab on the Bank of Uganda website www.bou.or.ug, procurement@bou.or.ug
 (b) Documents will be issued: By email upon submission of evidence of payment for the RFP to procurement@bou.or.ug
 (c) Password protected proposals must be delivered to: pmugasi@bou.or.ug copy lmale@bou.or.ug copy cmugisa@bou.or.ug
8. The planned procurement schedule (subject to changes) is as follows:

Activity	Date
Issue of invitation to bid letter	March 23, 2022
Virtual Pre-proposal meeting	April 6, 2022
Proposal closing date	April 26, 2022
Evaluation of Technical Proposal	Within 30 working days for technical proposal
Display and communication of Technical Evaluation Results	Within 5 working days from Contracts Committee approval of evaluation report
Evaluation of Financial Proposal	Within 10 working days from Contracts Committee approval of Technical Evaluation Report
Display and communication of Financial Evaluation Results	Within 5 working days from Contracts Committee approval of evaluation report
Contract Signature	Within 10 working days from Contracts Committee approval of Financial Evaluation Report

Part 1: Proposal Procedures

Section I: Instructions to Bidders

Procurement Reference Number: **BOU/SRVCS/21-22/00185/C**

Preparation of Proposals: The bid submission method shall be the one stage-two envelope method. The bid shall be submitted in an outer sealed envelope, containing two separately sealed and labelled technical and financial bids. The standard forms in this RFP may be retyped for completion but the Bidder is responsible for their accurate reproduction.

You are advised to carefully read the complete Request for Proposals document, including the Special Conditions of Contract in Part 3: Contract, before preparing your proposal.

Preparation of Technical Proposals: Technical proposals should contain the following documents and information:

1. The Technical Proposal Submission Sheet in this Part;
2. A brief methodology for performing the services;
3. CV's of key staff;
4. A summary of your experience in similar assignments;
5. The documents evidencing your eligibility, as listed below.

Preparation of Financial Proposals: Financial proposals should contain the following documents and information:

1. The Financial Proposal Submission Sheet in this Part;
2. A copy of the breakdown of Lump Sum Price form in this Part for each currency of your proposal, showing all costs for the assignment, broken down into fees and reimbursable and miscellaneous costs;

Validity of Proposals: Proposals must remain valid until **November 30, 2022**.

Sealing and marking of Proposals: The technical and financial proposals should be submitted in the same folder but with different passwords, both clearly marked with the Procurement Reference Number above and the Bidder's name and either "Technical Proposal" or "Financial Proposal" as appropriate. Password for the technical proposal shall be submitted on April 26, 2022 at 15 Hours (Ugandan Time) while the Passwords for financial Proposals will be requested for after evaluation and communication of technical proposals results.

Submission of Proposals: Proposals should be submitted to the address below, no later than the date and time of the deadline below. Any proposal received by Bank of Uganda after the deadline for submission of proposals shall be declared late, rejected, and returned unopened to the Bidder.

Date of deadline: April 26, 2022

Time of deadline: 15 Hours (Uganda Time).

Address: pmugasi@bou.or.ug copy lmale@bou.or.ug copy
cmugisa@bou.or.ug

Opening of Proposals: Technical Proposals will be opened by the Bank of Uganda at the time, date and address shown above for submission of proposals. A record of the opening will be posted on the Bank of Uganda's website within one working day of the opening. Financial Proposals will be kept unopened and the evaluation committee shall have no access to financial information until the detailed evaluation is concluded.

Part 1: Proposal Procedures

Evaluation of Proposals: The evaluation of Proposals will use the Quality and Cost Based Selection (QCBS) methodology as detailed below:

1. Preliminary examination to determine eligibility (as defined below) and administrative compliance to this Request for Proposals on a pass/fail basis;
2. Detailed evaluation to access;
 - (i) responsiveness to the terms and conditions of the Request for Proposal document;
 - (ii) the technical quality of bids against set criteria on a merit point system, to determine the technical score of each technical bid and to determine which technical bids reach the minimum technical score required.
3. Financial comparison to determine the financial score of each financial bid.
4. To weight the technical and financial scores and to determine the total score of each bid and to determine the best evaluated bid.

Proposals failing any stage will be eliminated and not considered in subsequent stages.

Eligibility Criteria: You are required to meet the following criteria to be eligible to participate in public procurement:

1. Have the legal capacity to enter into a contract;
2. Not be insolvent, in receivership, bankrupt or being wound up or subject to legal proceedings for any of these circumstances;
3. Not have had your business activities suspended;
4. Have fulfilled your obligations to pay taxes and social security contributions;
5. Have the nationality of an eligible country, as defined in the Special Conditions of Contract;
6. Not to have a conflict of interest in relation to this procurement requirement; and
7. Not to be subject to suspension by the Public Procurement and Disposal of Public Assets Authority.

Documents Evidencing Eligibility/Preliminary Examination: Bidders are requested to submit copies of the following documents as evidence of your eligibility and sign the declaration in the Technical Proposal Submission Sheet:

- a) Proof of payment for the bidding document.
- b) Certificate of incorporation/registration or its equivalent - identification Number
- c) Valid Regulator registration certificate or its equivalent.
- d) Valid Tax clearance certificate or its equivalent.
- e) Certificate of Good Standing or its equivalent.
- f) Certificate of Incumbency of Authorized Signatories.
- g) Copy of Registration as a Global Custodian.
- h) Copy of Statement on Standards for Attestation Engagements No.18 – SSAE 18/SOC I – (Service Organization Control) reports.
- i) Enterprise-wide risk management policies and procedures, including the role of internal audit.

Part 1: Proposal Procedures

- j) If registered with the U.S SEC, complete copies of both Part 1 and Part 2 of FORM ADV should be provided.
- k) Ownership and Directors, their passports, and Nationalities. For listed companies, provide the three most recent returns filed with the regulators.
- l) Top ten shareholders if a listed company.
- m) Company Profile – information concerning the firm’s activities.
- n) Brief company history including year established and number of years the company has been conducting Custodial Services.
- o) Registered/ Notarized Power of Attorney (PoA) with both donor and donee signatures, or the legal equivalent. The person signing the Bid should have Registered/ Notarized Power of Attorney (PoA), giving them authority to sign on behalf of the firm.
- p) Current Bank of Uganda Fund Managers and/ or their associates shall not qualify as custodians to avoid conflict of interest.
- q) Confirmation/proof that the firm has an active securities lending unit (participates in securities lending).
- r) Confirmation the firm provides the following Global Custody services:
 - i. Core Custody – clearing and safekeeping, Administration of corporate actions, income collection, tax administration, and reporting.
 - ii. Value Added Services – Accounting (IFRS financial reporting), pricing, and financial reporting, compliance monitoring and reporting, performance and risk monitoring and reporting, transition management services, and securities lending.
- s) Regulation by a recognized regulatory authority in the jurisdiction of domicile.
- t) Evidence of Quality Rating: Minimum A3 Moody’s rating (or its equivalent)
- u) Financial Strength: Minimum Tier I ratio; 10%
- v) Firm must be able to provide Global Custody services in the G-20 countries through the direct branch, affiliate, or sub-custodian network.
- w) Evidence that the Global Custodian can support multiple currencies such as USD, CDN, EUR, GBP, JPY, CNY, and other markets.
- x) Signed Non-Disclosure Agreement- Confidentiality of information.
- y) Technical Proposal Submission Sheet
- z) Code of Ethical Conduct in Business for Bidders and Providers

Part 1: Proposal Procedures

- aa) Bid-Securing Declaration
- bb) CV of Proposed Personnel
- cc) Qualification Forms
- dd) Firm References

Nationality of Personnel: All personnel employed under any resulting contract shall have the nationality of an eligible country as defined in the Special Conditions of Contract. Any related supplies or works purchased under any resulting contract shall have as their country of origin an eligible country, as defined in the Special Conditions of Contract.

Technical Criteria: Proposals shall be awarded scores out of the maximum number of points indicated below for each of the following criteria:

Specific Experience in Global Custody, Securities Lending and Value-Added Services in the last five years. The firm must provide at least Four (4) references from Central Banks (at least two in Africa, preferably one from Sub-Saharan Africa) that the firm is currently managing in the capacity of Custodian providing services such as core custody plus value added, accounting, pricing, financial reporting, compliance, performance and risk, and securities lending. Please comment on each item in the terms of reference and additional requirements for procurement of a Global Custodian provided in this document.	40 points
Key Personnel. Provide names of at least four (4) professional staff that are currently servicing the clients indicated above, indicating the services they support. The CV format provided in this document should be used.	30 points
Due Diligence and Benchmarking. <ul style="list-style-type: none"> i. Reference feedback on the competence of the Firm. ii. Reference feedback on service levels. iii. Reference feedback on quality of the services received, diving specifically into each service received. 	25 points
Transfer of Knowledge	2.5 points
Innovative offerings and solutions	2.5 points

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Total:	100 points
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The minimum technical score required to pass the technical evaluation is 80 points. Bidders who will score less than 80 shall be disqualified at this stage.

Determination of Financial Score

To determine financial scores for each bid, the lowest priced bid shall be given a financial score of 100, and other bids shall, by application of the following formulae, be given a score proportionate to this:

$$S_f = 100 \times F_m/F \quad \text{in which:}$$

S_f denotes the financial score of the bid under consideration.

F_m is the price of the lowest price bid that passed the technical evaluation;

F denotes the price of the bid under consideration.

Determination of Combined Technical and Financial Scores

Bids will be ranked according to their combined technical (S_t) and financial (S_f) scores using the weightings.

$S = (S_t \times T\%) + (S_f \times P\%)$ where S is the combined technical and financial score

The weights given to the scores of the Technical and Financial Bids are:

$T = 70$ denotes the weight given to the Technical Bid; and

$P = 30$ denotes the weight given to the Financial Bid.

Determination of Best Evaluated Bidder

The bid achieving the highest combined technical and financial score shall be the Best Evaluated Bidder.

Currency: Currency for evaluation shall be the United States Dollar (USD). Proposals in other currencies will be converted to this currency for evaluation purposes only, using the exchange rates published by the Bank of Uganda on the date of the submission deadline.

Best Evaluated Bid: The Bank of Uganda shall issue a Notice of Best Evaluated Bidder within 5 working days from the decision of the contracts committee to award a contract, place such Notice on its website for the prescribed period, copy the Notice to all Bidders, prior to proceeding with contract award.

Award of contract: Award of contract shall be by placement of an Agreement in accordance with Part 3: Contract.

Right to Reject: The Bank of Uganda reserves the right to accept or reject any proposal or to cancel the procurement process and reject all proposals at any time prior to contract signature and issue by the Bank of Uganda, without incurring any liability to Bidders.

Part 1: Proposal Procedures

Section 2: Technical Proposal Submission Sheet

[Complete this form with all the requested details and submit it as the first page of your technical proposal, with the documents requested above attached. Ensure that your technical proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected.]

Proposal Addressed to:	Bank of Uganda
Date of Technical Proposal:	
Procurement Reference Number:	
Subject of Procurement:	

I/We offer to provide the services described in the Statement of Requirements, in accordance with the terms and conditions stated in your Request for Proposals referenced above.

I/We confirm that I/we are eligible to participate in public procurement and meet the eligibility criteria specified in Part 1: Proposal Procedures of your Request for Proposals.

I/We, including any subcontractors or Bidders for any part of the contract resulting from this procurement process are registered with the Authority. [Bidders who are not registered or whose subcontractors are not registered should amend the statement to reflect their status].

I/We have signed and undertake to abide by the Code of Ethical Conduct for Bidders and Providers attached during the procurement process and the execution of any resulting contract;

My/Our proposal shall be valid until _____ [insert date, month and year] and it shall remain binding upon us and may be accepted at any time before or on that date;

I/We enclose a separately sealed financial proposal.

Technical Proposal Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____

—
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

Part 1: Proposal Procedures

CODE OF ETHICAL CONDUCT IN BUSINESS FOR BIDDERS AND PROVIDERS

1. Ethical Principles

Bidders and providers shall at all times-

- (a) maintain integrity and independence in their professional judgement and conduct;
- (b) comply with both the letter and the spirit of-
 - i. the laws of Uganda; and
 - ii. any contract awarded.
- (c) avoid associations with businesses and organisations which are in conflict with this code.

2. Standards

Bidders and providers shall-

- (a) strive to provide works, services and supplies of high quality and accept full responsibility for all works, services or supplies provided;
- (b) comply with the professional standards of their industry or of any professional body of which they are members.

3. Conflict of Interest

Bidders and providers shall not accept contracts which would constitute a conflict of interest with, any prior or current contract with any Bank of Uganda. Bidders and providers shall disclose to all concerned parties those conflicts of interest that cannot reasonably be avoided or escaped.

4. Confidentiality and Accuracy of Information

- (1) Information given by bidders and providers in the course of procurement processes, or the performance of contracts shall be true, fair and not designed to mislead.
- (2) Providers shall respect the confidentiality of information received in the course of performance of a contract and shall not use such information for personal gain.

5. Gifts and Hospitality

Bidders and providers shall not offer gifts or hospitality directly or indirectly, to staff of a Bank of Uganda that might be viewed by others as having an influence on a government procurement decision.

6. Inducements

- (1) Bidders and providers shall not offer or give anything of value to influence the action of a Bank Staff in the procurement process or in contract execution.
- (2) Bidders and providers shall not ask a Bank staff to do anything which is inconsistent with the International Best Practices, Guidelines or the Code of Ethical Conduct in Business.

7. Fraudulent Practices

Bidders and providers shall not-

- (a) collude with other businesses and organisations with the intention of depriving Bank of Uganda of the benefits of free and open competition;
- (b) enter into business arrangements that might prevent the effective operation of fair competition.
- (c) engage in deceptive financial practices, such as bribery, double billing or other improper financial practices;
- (d) misrepresent facts in order to influence a procurement process or the execution of a contract to the detriment of the Bank of Uganda; or utter false documents;

Part 1: Proposal Procedures

- (e) unlawfully obtain information relating to a procurement process in order to influence the process or execution of a contract to the detriment of Bank of Uganda;
- (f) withholding information from the Bank during contract execution to the detriment of the Bank of Uganda.

I agree to comply with the above code of ethical conduct in business.

AUTHORISED SIGNATORY

NAME OF BIDDER

Part 1: Proposal Procedures

[Use Bidder's Letterhead]
[Name of Bidder]
[Physical Address of Bidder]

Bid-Securing Declaration

Date: *[insert date (as day, month and year)]*

Procurement Reference. No.: **BOU/SRVCS21-22/00185/C**

To: *Bank of Uganda*

We, the undersigned, declare that:

1. We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.
2. We accept that we may be suspended for three years by the Bank from being eligible for bidding in any contract with the Government of Uganda, if we are in breach of our obligation(s) under the bid conditions, because we:
 - (a) have withdrawn our bid during the period of bid validity specified by us in the Bid Submission Sheet or
 - (b) having been notified of the acceptance of our bid by the Bank during the period of bid validity (i) fail or refuse to execute the Contract if required or (ii) fail or refuse to furnish the Performance Security; or (iii) fail or refuse to accept the correction of our bid by the Bank;
3. We understand this Bid Securing Declaration shall cease to be valid if I/we are not the successful Bidder or upon the expiry of the notice of best evaluated bidder
4. We understand this Bid Securing Declaration shall remain valid till **December 31, 2022**

Signed: *[insert signature of person whose name and capacity are shown]* In the capacity of *[insert legal capacity of person signing the Bid Securing Declaration]*

Name: *[insert complete name of person signing the Bid Securing Declaration]*

Duly authorized to sign the bid securing declaration for and on behalf of: *[insert complete name of Bidder]*

Dated on _____ day of _____, _____ *[insert date of signing]*

Corporate Seal (where appropriate)

Part 1: Proposal Procedures

CV of Proposed Personnel

The Bidder shall provide all the information requested below.

Position*		
Personnel information	Name *	Date of birth
	Professional qualifications	
Present employment	Name of Employer	
	Address of Employer	
	Telephone	Contact (manager / personnel officer)
	Fax	E-mail
	Job title	Years with present Employer

Summarize professional experience in reverse chronological order. Indicate particular technical and managerial experience relevant to the custodial services.

From*	To*	Company, Project, Position, and Relevant Technical and Management Experience*

Signed: [insert signature of person whose name and capacity are shown] In the capacity of [insert legal capacity of person signing the Bid Securing Declaration]

Name: [insert complete name of person signing the Bid Securing Declaration]

Duly authorized to sign the bid securing declaration for and on behalf of: [insert complete name of Bidder]

Dated on _____ day of _____, _____ [insert date of signing]

Corporate Seal (where appropriate)

Part 1: Proposal Procedures

Form 3: **Qualification Forms**

To establish its qualifications to perform the contract, the Bidder shall provide the information requested in the corresponding Information Sheets included hereunder

Form 3a) Bidder Information Sheet

Date: _____

1. Bidder's Legal Name:
3. Bidder's actual or intended Country of Registration:
4. Bidder's Year of Registration:
5. Bidder's Legal Address in Country of Registration:
6. Bidder's Authorized Representative Information Name: Address: Telephone/Fax numbers: Email Address:
Attached are copies of all documents evidencing eligibility.

Part 1: Proposal Procedures

Firm References

Bidder's Legal Name: _____

Date: _____

Starting Month / Year	Ending Month / Year	Years*	Clients Information	Size of Assets under your custody
_____	_____ —		a) Client name: b) Address: c) Contact Person: d) Contact email and Telephone:	_____
_____	_____ —		a) Client name: b) Address: c) Contact Person: d) Contact email and Telephone:	_____
_____	_____ —		a) Client name: b) Address: c) Contact Person: d) Contact email and Telephone:	_____
_____	_____ —		a) Client name: b) Address: c) Contact Person: d) Contact email and Telephone:	_____
Additional details				

We, the undersigned, declare that

(a) the information contained in and attached to these forms is true and accurate as of the date of bid submission:

Signed: *[signature of person whose name and capacity are shown below]*

Name: *[insert complete name of person signing the Qualification Form]*

In the capacity of *[insert legal capacity of person signing the Qualification Form]*

Duly authorized to sign the Qualification Form for and on behalf of: *[insert complete name of Bidder/Member of Joint Venture]*

Dated on _____ day of _____, _____ *[insert date of signing]*

Part 1: Proposal Procedures

Section 3: Financial Proposal Submission Sheet

[Complete this form with all the requested details and submit it as the first page of your financial proposal, with the documents requested above attached. Ensure that your proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected. The total price of the proposal should be expressed in the currency or currencies permitted in the instructions above.]

Proposal Addressed to (Bank of Uganda):	
Date of Financial Proposal:	
Procurement Reference Number:	
Subject of Procurement:	

The total price of our proposal is: _____ .

We confirm that the rates quoted in our Financial Proposal are fixed and firm for the duration of the validity period and will not be subject to revision or variation.

Financial Proposal Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____

—
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

Part 1: Proposal Procedures

Breakdown of Lump Sum Price

[Complete this form with details of all your costs and submit it as part of your financial proposal. Where your costs are in more than one currency, submit a separate form for each currency. Authorise the rates quoted in the signature block below.]

Procurement Reference Number: _____

CURRENCY OF COSTS: _____

FEEES				
Description	Input Quantity	Unit of Input	Rate	Total Price
Outline your proposed fees				
Please detail what services are included and any additional chargeable items				
Is investment accounting included in your core custody fees?				
What out of pocket expenses may be charged to the client?				
What fees or costs might a client face transitioning to or away from your company?				
TOTAL:				

REIMBURSABLE AND MISCELLANEOUS COSTS				
Description of Cost	Quantity	Unit of Measure	Unit Price	Total Price
TOTAL:				

TOTAL LUMP SUM PRICE IN CURRENCY: _____

Breakdown of Lump Sum Price Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____

(DD/MM/YY)

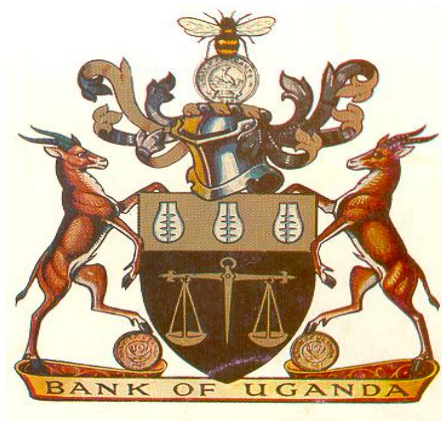
Authorised for and on behalf of:

Company: _____

Part 2: Statement of Requirements

Terms of Reference

BANK OF UGANDA



TERMS OF REFERENCE (TOR) FOR GLOBAL CUSTODY, SECURITIES LENDING AND VALUE- ADDED SERVICES FOR BANK OF UGANDA FOREIGN RESERVES

Part 2.: Statement of Requirements

a) **BACKGROUND:**

Bank of Uganda (hereafter in after referred to as “BoU” or “the Bank”) is the Central Bank of the Republic of Uganda. It was opened on August 15, 1966 and is 100 percent owned by the Government of Uganda but is not a government department.

The Bank is mandated to manage Government of Uganda foreign reserve assets which comprise of fixed income and money market instruments. To effectively execute this role, the Bank engages fund managers and a global custodian.

The fund managers invest in the instruments and markets based on approved guidelines. As per global investment standards, fund management services should be separated from custody services. The custodian performs global custody services for the settlement of trades, collection of income arising from the portfolios, and safekeeping of the reserve assets, among other services.

The Bank, therefore, in compliance with its financial rules, regulations and policies requires solicitation of global custody, securities lending and value-added services in accordance with the following general principles: best value for money; fairness, integrity, transparency; effective international competition; and the interest of the Bank. The custodian shall hold and safekeep the assets on the Bank’s behalf; receive interest payments or any dividends; alert the Bank of any other actions the Bank needs to take with respect to the securities and process the transaction on the Bank’s behalf.

At the conclusion of the procurement process, the business will be awarded to one bidder that meets the prescribed requirements and whose proposal will have been determined to be substantively responsive to the solicitation documents; and offers the best value for money.

Part 2.: Statement of Requirements

b) OBJECTIVE

The main objective of this procurement is to ensure that the foreign reserves of the Bank are prudently and professionally held and kept by the appointed custodian as stipulated in the resulting contract.

c) TASKS TO BE PERFORMED

I. CORE CUSTODY

- ❖ Global custody services
 - ✓ Act as a central depository and holder of assets and transaction clearing for the assets.
 - ✓ Demonstrate capacity to handle various instruments in several currencies and markets/ jurisdictions.
 - ✓ Establish and maintain one or more sub-accounts for each Investment Manager. Each Investment Manager's sub-account shall be structured so that all transactions related to securities managed by a specific Investment Manager, unless otherwise specified, shall be recorded in it.

- ❖ Safekeeping and record keeping of assets
 - ✓ Safe keeping of securities in a satisfactory manner with adequate controls and adequate disaster preparedness plan.
 - ✓ Record the securities deposited by the Bank/Fund managers and reconcile the securities in a proper manner.
 - ✓ Offer asset administration services, such as income and tax processing, collateral processing, securities valuation, and reporting services.
 - ✓ Transaction processing and settlement; facilitate the delivery and receipt of the securities and the related cash consideration. The custodian shall process all payments and other transactions that result from investment activities.

Part 2.: Statement of Requirements

- ✓ Provide the bank with reports on account holdings, recent transactions, and material events, including income collections, among other customizations.

- ❖ Corporate actions and proxy voting
 - ✓ Provide proxy-voting capabilities for all foreign holdings, including proxy-voting services, notification of proxy information and translation of foreign proxies.
 - ✓ Provide reports detailing all proxy voting activities.
 - ✓ Provide notification of pending corporate actions, including conversion privileges, issuance of rights, mergers, tender offers, reorganizations, other actions requiring decisions and applicable legislative actions.
 - ✓ Provide notifications of class action litigation and provision of the necessary securities information.
 - ✓ File claims for securities class action awards and monitor collection of the amounts to which the Plan is entitled.
 - ✓ Timely notification of all corporate actions and activities.
 - ✓ Notify the Bank of any restrictions imposed by laws, markets regulation and other applicable laws.
 - ✓ Services and support systems necessary for the timely exercise of corporate actions and proxy voting.

- ❖ Income processing/collection
 - ✓ Identify, collect and account for on a timely basis all receipts/income that fall due and are payable on the Bank's assets.

- ❖ Tax reclaims
 - ✓ Have a dedicated team of staff for tax management.
 - ✓ Provide an actively managed international tax reclaim service which involves the following:
 - Notify the Bank of any documents required by the tax authorities in order to support timely filings in the world markets.

Part 2.: Statement of Requirements

- Provide support to the Bank in the completion of tax documentation.
- File all foreign tax reclaim forms.
- Collect foreign tax reclaims.
- Monitor of foreign tax liabilities.
- Monitor tax treaties and regulations and advising the Bank of any developments that may be of interest.
- Providing support for tax audits which may require holdings and or transaction data in relation to foreign taxes paid and/or claimed.

❖ Sub-custody

- ✓ Provide information on the use of sub custodians.
- ✓ Exercise due skill, care and diligence in selection in appointment of sub custodians
- ✓ Periodic reviews of sub custodians
- ✓ Periodic reconciliations between custodian and sub custodian records

❖ Service Level Agreements

Willing to establish a Service Level Agreement with the Bank that sets out the detailed operational commitments of both the custodian and the Bank. This will enable review of actual results against performance standards on a quarterly basis. The performance standards are to include at least the following:

- ✓ Respond to all enquiries within 24 hours and resolve issues in a timely manner
- ✓ For issues with a longer time to resolution, provide estimated time to resolution and provide weekly status reports for all outstanding issues.
- ✓ Audited reports delivery dates.
- ✓ Confirmation of reconciliations of investment manager data to the custodian books in accordance with the Bank's schedule.
- ✓ Timelines and updates for special projects.
- ✓ Maintain clear procedures for contractual settlement.
- ✓ Well defined procedures for monitoring and managing failed trades.

Part 2.: Statement of Requirements

- ✓ Notify the Bank in actively manner of failed trades.
- ✓ Accounting for cash receipts and disbursements

- ❖ Technical training, client forums, workshops, and conferences
 - ✓ Technical training in risk analytics, back office/settlement and accounting/ reporting.
 - ✓ Training on systems/ applications
 - ✓ Client participation in educational events and client conferences.

- ❖ Client relationship management
 - ✓ Provide a dedicated relationship manager with Central Bank experience.
 - ✓ Regular client meetings (in-person and virtual).
 - ✓ Provide a dedicated client servicing team.
 - ✓ Assemble a team that has the requisite expertise, experience and knowledge in the provision of all the services that the Bank requires.
 - ✓ Provide technical expertise and assistance to the Bank's team.
 - ✓ Implement relationship management procedures which assures the appropriate response and resolution of any issues raised by the Bank.

- ❖ Full compliance with applicable regulatory bodies.

2. FRONT OFFICE

- ❖ Trade support
 - ✓ Provide processing services for various financial instruments in various currencies
 - ✓ Provide daily independent valuations
 - ✓ Provide periodic reconciliations
 - ✓ Provide accounting and reporting

Part 2.: Statement of Requirements

- ❖ Pricing
 - ✓ Provide processing services
 - ✓ Provide daily independent valuations
 - ✓ Provide accounting and reporting

- ❖ Foreign exchange
 - ✓ Provide processing services for multiple currency transactions
 - ✓ Provide daily independent valuations
 - ✓ Provide periodic reconciliations
 - ✓ Provide accounting and reporting

- ❖ Derivatives processing
 - ✓ Provide processing services
 - ✓ Provide daily independent valuations
 - ✓ Provide periodic reconciliations
 - ✓ Provide accounting and reporting for derivatives
 - ✓ Margin/collateral movements

- ❖ Portfolio valuation
 - ✓ Provide daily portfolio valuation
 - ✓ Provide periodic reconciliations with external fund managers valuation reports
 - ✓ Provide accounting and reporting

- ❖ Facilitate market opening in different jurisdictions.

3. MIDDLE OFFICE

- ❖ Performance measurement
 - ✓ Existence of a performance measurement system fully integrated and compatible with the core custody and accounting systems.
 - ✓ Ability to calculate returns on gross and net basis
 - ✓ Rate of returns versus benchmark
 - ✓ Ability to support multiple benchmarks

Part 2.: Statement of Requirements

- ✓ Asset level performance
- ✓ Ex post risk statistics and ex post VAR
- ✓ Investment hierarchy attribution
- ✓ Performance reporting

- ❖ IFRS 7 sensitivity analysis
 - ✓ Summary level analysis
 - ✓ Holdings based analysis
 - ✓ Stress testing and Scenario analysis
 - ✓ Interest rate risk analysis
 - ✓ Market risk analysis
 - ✓ Currency risk analysis
 - ✓ Ex ante risk summary including ex-ante total risk and parametric Var metrics

- ❖ Exposure analysis reports
 - ✓ Credit ratings
 - ✓ Maturity/ duration
 - ✓ Currency exposure
 - ✓ Yield to maturity

- ❖ Risk Analytics
 - ✓ Interest Rate sensitivity Analysis
 - ✓ Currency sensitivity Analysis Report
 - ✓ Spreads sensitivity Analysis report
 - ✓ Credit risk report
 - ✓ Liquidity risk report

- ❖ Compliance Monitoring
 - ✓ Compliance analysis
 - ✓ Exception reporting
 - ✓ Customizable solutions and reporting

Part 2.: Statement of Requirements

- ❖ Performance analytics
- ❖ Investment report by issuers
- ❖ Monthly performance reports
- ❖ Stress testing and Scenario analysis
- ❖ Portfolio valuation

4. SECURITIES LENDING

- ❖ Provide securities lending services.
- ❖ Establish a list of eligible borrowers and a maximum amount that may be borrowed by each borrower and conduct ongoing reviews of borrowers' compliance.
- ❖ Require that all loans of securities be collateralized by cash or investment grade securities.
- ❖ Monitor collateral levels on a daily basis and obtain additional collateral if and when mark to market values fall below acceptable levels.
- ❖ Collect all interest or other distributions with respect to any loaned securities.
- ❖ Provide a daily report on collateral, identifying daily collateral required and pledged, and a monthly report on securities lending activity and outstanding loans, including amounts by borrower.
- ❖ Provide periodic income reports
- ❖ Size of securities lending program
- ❖ Determination of borrower credit worthiness
- ❖ History of impairment of lent out securities
- ❖ Risks
 - ✓ Collateral investment risk
 - ✓ Interest rate risk
 - ✓ Credit spread risk
 - ✓ Liquidity risk
 - ✓ Trade settlement risk
 - ✓ Operational negligence

Part 2.: Statement of Requirements

5. BACK OFFICE

Demonstrate capability/ arrangement to collaborate with Bank of Uganda to enable the following:

- ❖ Trade instruction and settlement
- ❖ Clearing and settlement
- ❖ Trade validation
- ❖ Confirmation
- ❖ Fail management
- ❖ SWIFT messaging
- ❖ Cash Management
- ❖ Tracking and reporting
- ❖ Reconciliation
- ❖ Ability to provided intra-day or overnight facility.
- ❖ Ability for overnight sweep for cash balances.

6. ACCOUNTING

- ❖ Provide IFRS compliant reporting. All investments must be reported and accounted for in accordance with IFRS. Gains and losses on securities sold must be recognized in accordance with IFRS 9.
- ❖ Provide IFRS Fair value reporting
 - ✓ Level determination detail and summary reports
 - ✓ Transfers between levels detail and summary reports
 - ✓ Level override capability.
- ❖ Provide trade date multi-currency accounting for all securities, and full accrual accounting for the following indicative items:
 - ✓ Interest, corporate actions
 - ✓ Securities lending
 - ✓ Fixed income and equity portfolios
 - ✓ Options and futures
 - ✓ Futures and multi-currency derivatives
 - ✓ Hedge Funds

Part 2.: Statement of Requirements

- ❖ Daily or monthly reconciliations between custodian and investment manager.
- ❖ Notification of material variances between custodian and investment managers
- ❖ Reporting at cost and market value
- ❖ Provide real time net asset values of the portfolios.

7. REPORTING

- ❖ Ability to provide daily, monthly and adhoc reporting
- ❖ Provide custody reports including the following.
 - ✓ Holdings statements,
 - ✓ Statement of income collected
 - ✓ Statement of transactions and trades including settled, failed, successful.
 - ✓ Cash statement.
- ❖ Provision of intraday and monthly accounting reports including the following:
 - ✓ Reconciliation reports between investment fund managers and custodian
 - ✓ Statement of changes in net assets
 - ✓ Asset summary in respective currency and base currency
 - ✓ Asset detail in respective currency and base currency
 - ✓ Cash activity detail
 - ✓ Change in book and market value
 - ✓ Change in cash
 - ✓ Futures and margined options detail
 - ✓ Options details
 - ✓ Periodic Manager NAV reports (Daily, Monthly etc)
 - ✓ Realized gain/loss on FX contract
 - ✓ Realised market gain/loss summary and detail
 - ✓ Unrealised market gain/loss summary and detail
 - ✓ Realised foreign exchange gain/loss summary and detail
 - ✓ Unrealised foreign exchange gain/loss summary and detail
 - ✓ Funding and disbursement summary and detail

Part 2.: Statement of Requirements

- ✓ Income and expense summary and detail
 - ✓ Investment transaction summary and detail
 - ✓ Other corporate actions
 - ✓ Pending transaction details
 - ✓ Unrealized gains/losses on forex contracts
 - ✓ Investments by country.
 - ✓ Investments by currency.
 - ✓ Investments by credit rating.
 - ✓ Investments by sector.
 - ✓ Investments by maturity date
 - ✓ Pending trades
 - ✓ Cash and cash equivalents
 - ✓ Provide monthly unaudited accounting reports on the first working day after the month end.
 - ✓ Provide monthly audited accounting reports not later than ten (10) working days after the month end.
 - ✓ Reporting at cost and market value.
 - ✓ Provide reconciliation reports.
 - ✓ Provide a daily comprehensive pricing report ensuring the accuracy of the prices received from various external sources
-
- ❖ Provide the company policy on data retention period.

8. IT- SYSTEMS

- ❖ Ability to provide web-based applications and automated solutions that are effective and secure.
- ✓ The applications should provide real time data and reports.
- ✓ The applications should be user-friendly.
- ✓ The reports should be convertible MS Excel, PDF
- ✓ The applications should be available 24/7.
- ✓ The applications should provide features for customization of reports.
- ✓ Provide the procedures for user access to the applications
- ✓ Provide periodic training to the users of the applications.
- ✓ Provide full time support to the users of the applications
- ✓ Provide data protection policy and affiliation to global data protection bodies.
- ✓ Ability to provide disaster recovery and business continuity services

- ❖ A system with capability to provide the following information, among others:
 - ✓ Performance and analytical databases for customized reports and Ad hoc queries.
 - ✓ Current and historical performance
 - ✓ Current and historical prices, market values and exchange rates in effect at times of pricing securities
 - ✓ Composite portfolios
 - ✓ Current and historical transactions by security, account and asset class
 - ✓ Current and historical holdings in any aggregate
 - ✓ Performance aggregate data
 - ✓ Tracking and reporting of pending class actions, exposures, filings and other deadlines.

Part 2.: Statement of Requirements

- ❖ Demonstrate ability to provide adequate protection against unauthorized access to System records under the Bank's control.

9. TRANSITION MANAGEMENT SERVICES

The custodian should be in position to provide transition services since they may be required to act as a transition manager in case the Bank changes/ replaces a fund manager/s. In addition, the custodian shall be required to facilitate the transition process in case of changeover to a new transition manager.

10. AUDIT AND QUALITY CONTROLS

- ❖ Ability to provide audit and quality control reports, including the following reports:
 - ✓ Audited Internal control reports
 - ✓ Service Organization Control (SOC) reports
 - ✓ Bridge letters
- ❖ Ability to provide information and reports for inspection, review, or audit by authorized representatives of the Bank. These may include, but are not limited to, the Bank's internal and external auditors, at all reasonable times.

11. BUSINESS CONTINUITY

Demonstrate a process that provides for the following:

- ✓ Provide an established and proven plan for business continuation in emergency situations.
- ✓ Periodically test the business continuation plan and operating procedures
- ✓ Disaster recovery plans
- ✓ Ability to provide backup procedures.

Part 2.: Statement of Requirements

- ✓ Hot site back up for systems
- ✓ Security reviews of IT systems
- ✓ Periodic testing of business continuity and disaster recovery plans

12. CYBER SECURITY

- ✓ Demonstrate ability to withstand cyber attacks
- ✓ An effective cyber security framework
- ✓ An end-to-end cyber security program scope
- ✓ Thorough risk assessment and threat modelling
- ✓ A proactive risk incident response planning
- ✓ Dedicated cyber security resources

13. TRANSITION PROCESS

❖ New custodian

- ✓ Should this RFP result in the selection of a new custodian bank, perform all procedures necessary to convert from the system of the current custodian to the new custodian's system of record.
- ✓ Present to the Bank a detailed plan for, as well as schedule of, the transition from the current custodian to the new custodian that includes the timing of each phase of transition, and the proposed involvement of the custodian in the transition process.
- ✓ Reconcile custody positions to the prior custodian's records, research all reconciling items, and correct all position discrepancies.
- ✓ Ensure that the asset conversion process, including the reconciliation of custody positions, values, outstanding foreign tax claims, receivables, or liabilities, performance data and the proper identification of reconciling items is completed within 90 days of contract signing.

Part 2.: Statement of Requirements

❖ **Prior custodian**

- ✓ Upon termination of the contract, cooperate fully with the new custodian to facilitate the transition from the prior custodian's system to the successor's system.

- ✓ During transition, provide to the Bank and the new custodian with all information about the prior custodian's system that may reasonably be needed by or useful to the successor to prepare for and effect the transition. Such information might include data formats, data element definition, update frequencies, etc. The prior custodian shall not be expected to provide proprietary information about its internal systems.

- ✓ Provide to the new custodian a copy of all portfolio data in a mutually agreed form and format for test purposes.

- ✓ On the effective date of the transition from the prior custodian to the new custodian, provide a complete final copy of all current system files to the successor including all historic performance data.

- ✓ Make a continued effort to collect tax reclaims due and coordinate with the successor custodian on outstanding claims.

- ✓ Provide the necessary personnel to ensure a smooth transition

- ✓ Oversee the transfer of securities and cash from the prior custodian to the successor, and over subsequent days ensure that all securities are received and accounted for properly.

Part 2.: Statement of Requirements

14. Management and Reporting Lines

The activities of the custodian will be coordinated and managed on behalf of the Bank by the Accounts Department under the Finance Directorate.

The Bank shall provide to the custodian a list of authorized officers for the custody accounts. The custodian may rely upon any instruction duly signed by any authorized signatories.

15. Experience of the Firm

The firm must provide at least Four (4) references from Central Banks (at least two in Africa) that the firm is currently managing in the capacity of Custodian, indicating the following items:

- ✓ Client Name
- ✓ Contact name
- ✓ Position of Contact
- ✓ Appointment Date
- ✓ Duration of appointment
- ✓ Size of Assets under your custody.
- ✓ Confirmation that it would be okay for BOU to contact/visit them to confirm relationship.
- ✓ Contact email and number

16. Qualifications and experience of staff

Provide names of at least four (4) professional staff that are currently servicing the clients indicated in 7 above/ including at least one (1) staff involved in securities lending. For each staff, please include at a minimum name, academic and professional credentials, years of professional experience and number of years with the firm.

- ✓ Experienced relationship managers with at least 10 years' experience in managing corporate/institutional relationships.

Part 2.: Statement of Requirements

- ✓ Client service personnel and account managers with minimum 10 years' experience in the Global Custody related businesses.
- ✓ Personnel with minimum 10 years' experience in the securities lending business.
- ✓ Client service personnel should possess relevant qualifications and certifications, such as Bachelors, Masters and Post-graduate Degrees.
- ✓ Possession of industry knowledge including investment operations, securities lending, and custody functions.

17. Duration of Contract

The contract shall be for a period of three (3) years renewable at the instance of the Bank upon satisfactory performance.

ADDITIONAL REQUIREMENTS FOR THE PROCUREMENT OF A GLOBAL CUSTODIAN

I. ORGANIZATION INFORMATION

Please provide the background of the organization including how long you have been providing custody services, securities lending and value-added services and full details of ownership.

❖ **Please provide the following information about your firm:**

- ✓ Name of the Bidder
- ✓ Registered Office
- ✓ Physical address
- ✓ Number of branch offices and where are they located
- ✓ Postal Address
- ✓ Telephone Number
- ✓ Fax Number
- ✓ E-mail Address
- ✓ Date of incorporation
- ✓ Certificate of incorporation number
- ✓ Country of incorporation
- ✓ Income tax personal identification number (PIN)
- ✓ International affiliations and subsidiaries

❖ **Required Administrative Documentation**

- ✓ Audited report and accounts for the last three years.
- ✓ Certificate of incorporation.
- ✓ Regulator registration certificate.
- ✓ Tax clearance certificate
- ✓ Company PIN Number
- ✓ Ownership and Directors, their passports, and Nationalities
- ✓ Top ten shareholders if a listed company

Part 2.: Statement of Requirements

If the firm has investment shares in other entities classified or practicing as fund managers, please specify the name of the entity in which shares are held, and the number and percentage of shareholding, as well as purpose of shareholding.

❖ Experience

Please provide at least four references from Central Banks (at least two in Africa, at least one on sub-Saharan Africa preferably) that your firm is currently managing in the capacity of Custodian, indicating the following items:

- ✓ Client Name
- ✓ Contact name
- ✓ Position of Contact
- ✓ Appointment Date
- ✓ Duration of appointment
- ✓ Size of Assets under your Custody
- ✓ Confirmation that we may contact them to confirm appointment.
- ✓ Please indicate the names of the professional staff that are currently servicing the selected clients.

2. ORGANIZATIONAL STRUCTURE AND SOUNDNESS

- ❖ Please provide a structure chart of the organisation including the custody division.
- ❖ Please provide your current credit rating from all credit agencies that rate your organization for the past four fiscal years along with the specific part of your company that was rated.
- ❖ Please advise an approximate breakdown of the number of staff engaged in the provision of custody including client service, operations and systems.
- ❖ Please give details of your insurance coverage.
- ❖ Please describe your organization's business continuity/disaster recovery plans in the event of an emergency.

Part 2.: Statement of Requirements

- ❖ Outline the strategic importance of custody to your business, explaining the length of time you have been providing custody and your commitment to the continued provision of custody services.
- ❖ Identify and describe any current litigation or investigation by a regulatory authority or contingent liabilities that your company, its officers or principals have been involved in within the last three years relative to your custody services

3. CLIENT SERVICE

- ❖ Describe your client relations process, including the following:
 - ✓ Formal and informal oral and written communications
 - ✓ Inquiry and problem resolution processes
 - ✓ Information on available services and service delivery issues
 - ✓ Training in the use of the services and systems
- ❖ Describe your organization's commitment to continuous assessment and improvement of the client service organization and the quality of service to its clients.
- ❖ How do you monitor individual client satisfaction and your day-to-day performance levels?
- ❖ Please provide the names of three clients we may contact in respect of references for your services.
- ❖ Explain how you assist clients to monitor investment manager guidelines and breaches of policy mandates.
- ❖ List awards or rankings the custody line of business has been awarded in the past five years. Indicate the name of the award, the awarding body and the period for which the award was given.
- ❖ Describe any educational events or client conferences you sponsor for your custody clients with a schedule of any events planned.

Part 2.: Statement of Requirements

- ❖ Describe other means you have for keeping clients fully educated and for providing a forum for new ideas and needs.
- ❖ How do you monitor legislative and/or regulatory changes affecting Master Trust/Custody administration? How are these changes communicated to clients?

4. SUBCUSTODIAN NETWORK

- ❖ Provide a list of all sub-custodians and the markets for which each is responsible. Please indicate which of your sub custodians are branches and which are agents.
- ❖ Briefly describe the process and frequency of reconciling the custodian's positions with its sub custodians.
- ❖ Discuss your process for managing the sub-custodian network in terms of
 - selection, oversight, problem resolution and termination.

5. SETTLEMENT

- ❖ Please describe your settlement process for securities transactions.
- ✓ How are unsettled trades monitored and followed through to resolution?
- ✓ Briefly describe how your bank handles securities processing on behalf of its clients for each of the items listed below. [Where automated processing is available, indicate the nature of the automation and level of availability (e.g., overnight batch, real-time)].
- ✓ Receipt of trade instructions including same-day (cash) trades
- ✓ Affirmation processing (DTC). Indicate what provisions have been made for interactive ID.
- ✓ Securities movement and control (SMAC) systems update
- ✓ Notification of settled trades, failed trades, available balances, etc.
- ✓ Securities position reporting and reconciliation f. Reporting of income on securities held
- ✓ Trade discrepancies

Part 2.: Statement of Requirements

- ❖ Does your system have built-in edit features to ensure accuracy in trade input (e.g., security description/security identifier cross check features, calculations of remaining par on factor-based securities, computation of accrued interest)?
- ❖ Do you support the Industry Standardization for International Trade Communication and/or the Society for Worldwide Interbank Financial Telecommunication (ISITC/SWIFT) format for trade instruction entry?
- ❖ Do you currently use electronic transmissions to communicate trades, holdings and other information to and from clients? Describe the level of automation, standby procedures, and customization options.

6. COLLECTION OF INCOME

- ❖ What sources of information do you use to provide accurate and timely information on dividends, interest, and redemption?
- ❖ Do you provide contractual income collection? In which markets?
- ❖ Please explain your system for logging, recording, and accounting for dividend receipts.
- ❖ Are income payments based on traded or settled positions?

7. CORPORATE ACTIONS AND PROXYVOTING

- ❖ Please describe your corporate action service.
- ❖ What system do you use to communicate with your clients and their investment managers?
- ❖ Please describe your proxy voting service.

8. TAX RECLAMATION SERVICES

- ❖ Describe your tax reclaim policy and procedures

Part 2.: Statement of Requirements

- ❖ How do you monitor and track outstanding tax reclaims?
- ❖ Describe the process for notifying clients of any changes in tax laws.

9. INVESTMENT MANAGER LIAISON

- ❖ Confirm that you can perform a monthly reconciliation between the Custodian and the Bank's investment managers and provide a summary report that reflects any differences in net asset value of the portfolios.
- ❖ Describe the role your organization plays in the investment manager reconciliation process. What specific procedures are performed on the reconciliations prepared by managers?
- ❖ Describe your process for interfacing with the investment managers serving your global custody clients, including the following:
 - ✓ Dedicated staff positions and responsibilities
 - ✓ Mode and means of trade instruction communication and validation
 - ✓ Cash management support including foreign exchange transactions
 - ✓ Mode, timing, and content of reports provided them
 - ✓ Inquiry and problem resolution processes
 - ✓ Accounting record reconciliation and audit procedures
 - ✓ Special support for investment managers located outside the principal location.

10. DERIVATIVES

- ❖ Describe in detail the derivative services included in your proposal (e.g., collateral management, valuations, reconciliation, servicing, guideline monitoring, trade capture, etc.).
- ❖ Do you have different levels of service available for each of the services described above? If so, please explain. Is the processing of derivative instruments such as futures, swaps, and options done within the main accounting system?
- ❖ Is there a separate module or system dedicated to handling such securities?

Part 2.: Statement of Requirements

- ❖ The structure of the team/personnel that supports derivative servicing, including biographies on the key individuals and locations.
- ❖ Describe the electronic tools you utilize to provide these services. Specify if they are proprietary, off the-shelf, or a combination.
- ❖ Provide a sample derivative reporting package that is provided to clients.
- ❖ Do clients have access to information online? If so, describe.

11. CASH MANAGEMENT & FOREIGN EXCHANGE

- ❖ Please describe your cash management services.
- ❖ Do you have an on-line link which can be used for submitting instructions?
- ❖ Can you provide a full cash reporting and forecasting facility?
- ❖ Please describe how you support foreign exchange and in which markets.

12. AUDIT AND INTERNAL CONTROLS

- ❖ **Explain your Audit cycle both internal and external for the following?**
 - ✓ Safekeeping/operations (trade processing)
 - ✓ Custody Services
 - ✓ Income collection
 - ✓ Vault (physical assets)
 - ✓ Asset reconciliation
 - ✓ Security operations
 - ✓ Systems data processing controls (e.g., systems access, program change controls)
- ❖ **Describe the internal audit staff including:**
 - ✓ Normal staffing levels
 - ✓ Professional qualifications of staff (e.g., CIA, CPA, CBA)
 - ✓ Training in securities markets and operations

Part 2.: Statement of Requirements

❖ **Identify your bank's external auditor and indicate what cycle applies to auditor examinations of:**

- ✓ Safekeeping, custody control
- ✓ Asset reconciliation
- ✓ Vault (physical assets)
- ✓ Security operations
- ✓ Systems data processing controls (e.g., systems access, program change controls)
- ✓ General systems control review

❖ **Briefly describe how the internal and external audit functions are coordinated in the above areas. Are the audits performed using:**

- ✓ External staff only?
- ✓ External oversight of internal staff?
- ✓ Internal staff only with SAS-70 verification by external auditors?

❖ **Does your external auditor provide third-party letters attesting to:**

- ✓ Adequacy of controls over securities operations?
- ✓ Adequacy of controls over physical assets?
- ✓ Adequacy of controls over system access and modifications?
- ✓ Verification/reconciliation of assets held?
- ✓ Adequacy of disaster recovery plans (including testing)?
- ✓ Information systems?
- ✓ Operations contingency plans?

13. SYSTEMS AND TECHNOLOGY

❖ Describe your custody systems architecture. How long has this system been in place?

❖ Provide a summary of the systems supporting the global custody service, including:

- ✓ Custody systems (securities movement and control, trust accounting, global custody, multicurrency accounting, derivative accounting)
- ✓ Corporate Actions systems
- ✓ Securities lending systems

Part 2.: Statement of Requirements

- ✓ Performance measurement systems
 - ✓ Compliance Systems
 - ✓ Pricing and valuation
 - ✓ Accounting and reporting
 - ✓ Any recent or planned system developments
 - ✓ How integrated are the systems supporting the global custody service
 - ✓ Do you have infrastructure and supporting networks in several time zones.
-
- ❖ What methods are available to the client for submission of instructions, receipt of reporting and general communication with your firm?

 - ❖ What equipment and software is necessary for clients to obtain on-line and/or web services?

 - ❖ What security procedures are employed in order to protect customer information?

 - ❖ What training do you provide to clients with regard to the use of your systems?

 - ❖ What is your commitment to technology development?

 - ❖ What is the lag time between trade execution, availability of online transaction data to the client and the posting of the transactions to your accounting system?

14. SECURITY AND BUSINESS CONTINUITY

- ❖ What are your security procedures to protect client information, especially with respect to unauthorized access to data, methods for authenticating users, and providing different access rights and permissions? Please describe in detail your security measures.

- ❖ Describe your process for real-time file back-up and off-site storage for data and software, including back-up locations.

Part 2.: Statement of Requirements

- ❖ If you transmit or store client data at any time within your computing environments, including data back-ups, please identify the locations where data reside or traverse, and whether client data are or are not encrypted both at rest and in transit.

- ❖ Describe your emergency management/business continuation plan. In your description, please identify alternative operating sites and the maximum time required to resume business operations. Please provide the date of the last testing and a summary of results or lessons learned.

- ❖ Do you currently carry cybersecurity insurance? If yes, provide an overview of the coverage.

- ❖ Do you conduct periodic risk assessments to identify cybersecurity threats, vulnerabilities and potential business consequences?

15. REPORTING AND ACCOUNTING

- ❖ Please provide an overview of your client reporting system and the level of information available to clients/their investment managers.

- ❖ Provide a schedule of all accounting reports and electronic feeds and include samples. How often are such reports produced and delivered?

- ❖ Describe your investment accounting and general ledger capability provided to custody clients (include system name and year developed).

- ❖ Discuss how your custody and accounting systems function together. Are they on a single platform or are they disparate systems that are linked? Include a description of the processes that are used to ensure both systems reconcile.

- ❖ Are the systems maintained in-house or subcontracted to a service? If subcontracted, specify the vendor names.

Part 2.: Statement of Requirements

- ❖ Is report customization available?
- ❖ Is reporting provided on a trade-date, accrual basis?
- ❖ Do asset valuation and transaction statements reflect pending transactions?
- ❖ Is accrued interest included in asset valuations? What, if any, transactions are not accrued?
- ❖ Provide information on the possibility of interface to the Bank's General Ledger.
- ❖ Confirm that you offer daily accounting.
- ❖ Discuss the timelines of delivery of statements and reports
- ❖ Describe your system of quality control to ensure reporting accuracy.
- ❖ Please confirm that reports are audited before they are delivered to clients and describe how reports are audited and corrected.
- ❖ How soon after fiscal year end are annual reports available?
- ❖ How soon after accounting periods are fully audited reports available?
- ❖ Please list and provide samples of the standard reports (audited and un-audited) provided by your system:
- ❖ Are clients able to view accounting and reporting information on-line?
- ❖ Is access available 24 hours a day?
- ❖ Is data available real-time (access trade information as it changes throughout the day) or batch processed (data is updated each night)?

Part 2.: Statement of Requirements

- ❖ How long is data available on the system?
- ❖ Discuss your procedures for tracking and reporting failed trades.
- ❖ How do you determine exchange rates for your reports?
- ❖ What are your sources for pricing securities? Please provide a full schedule of all primary and supplemental pricing sources by asset class.
- ❖ What procedures are in place to investigate unusual or significant pricing changes from the previous pricing period?
- ❖ How do you price securities that are not listed on pricing services.
- ❖ What is the frequency of your pricing updates?

16. TRANSITION MANAGEMENT SERVICES

- ❖ Do you offer transitional management services?
- ❖ How would you approach and manage the transition of assets?
- ❖ Do you have a fully-fledged asset management unit/ division which is adequately skilled and staffed?
- ❖ Does your firm have the adequate resources for the transition management? In terms of Risk Management, IT, Compliance, Portfolio Management, Back Office, Client Management, Portfolio Administration etc.
- ❖ Please provide a draft transition plan and an indicative timescale.

17. SECURITIES LENDING

- ❖ Do you offer a securities lending program? When was it established?
- ❖ Is the securities lending program offered directly or indirectly? If indirectly, who provides the program?
- ❖ Please provide an overview of your securities lending service including when it started, in which markets you offer lending and how you manage collateral.

Part 2.: Statement of Requirements

- ❖ What is the total size of securities lending program?
- ❖ List the markets in which you currently participate.
- ❖ How is borrower creditworthiness determined?
- ❖ What reports on securities lending activity do clients receive and at what frequency?
- ❖ Do you provide collateral reinvestment transparency reporting, i.e. maturity schedules, credit quality, sector breakdown, guideline compliance, etc.? Please provide samples
- ❖ Please provide an estimate of the annual revenue for our portfolios and the percentage split you would be prepared to offer.
- ❖ Does your firm stress test your securities lending program (collateral and borrowers)?
- ❖ Describe the methodology and procedures utilized for stress testing, including the frequency of testing.
- ❖ What internal controls, systems and procedures do you have regarding securities lending?
- ❖ How often do you audit the securities lending program internally and externally? Who is your outside auditor?
- ❖ What is your timeframe for the recall of securities from a borrower?

18. PERFORMANCE MEASUREMENT

- ❖ Please describe your risk and performance measurement services.
- ❖ Describe the methodology used to calculate performance.
- ❖ Can you provide daily, monthly, quarterly, adhoc and annual performance calculations?
- ❖ Does your system has the capability to report gross returns of investment management fees?

Part 2.: Statement of Requirements

- ❖ How soon after month-end is performance data available on-line?
- ❖ Can the client create custom reports?
- ❖ Is all the data drawn from the core custody system?
- ❖ Are you able to provide customized benchmarks and reporting?
- ❖ Do you provide attribution analysis?

19. COMPLIANCE MONITORING

- ❖ Do you offer an automated system to monitor a client's investment manager compliance with investment guidelines? If so, please describe it, and indicate if it offers the following:
 - ✓ Portfolio holding tests: tests performed on the portfolio data by manager and for the portfolio (i.e., test the maximum total domestic equity as a percent of total assets)
 - ✓ External data tests: tests that require data available from external database sources (i.e., credit ratings of fixed income instruments)
 - ✓ Derivatives tests: tests that measure the exposure to derivative instruments
 - ✓ Risk management tests: tests that measure the risks associated with individual portfolios as well as the total fund (i.e., value-at-risk analysis)

20. CUSTODIAN TRANSITION

- ❖ Describe your transition planning process. Provide a sample of documentation and a calendar for a normal transition including the required actions on the side of the custodian and the Bank and the timeframe required to complete each task.
- ❖ What dedicated resources (personnel, equipment, training of personnel, consultants, etc.), procedures and controls will you provide or recommend in the conversion period to ensure that the conversion is completed successfully in both a timely and accurate manner?
- ❖ How do you handle transactions and claims that are in process during the transition/conversion period?

Part 2.: Statement of Requirements

- ❖ Give a detailed description of any specific problems that occurred during transitions over the past year and solutions that were instituted.

21. FEES (Please Provide this Information in the Financial Proposal Only, which should be sealed separately)

- ❖ Please outline your proposed fees.
- ❖ Please detail what services are included and any additional chargeable items.
- ❖ Is investment accounting included in your core custody fees?
- ❖ What out of pocket expenses may be charged to the client?
- ❖ What fees or costs might a client face transitioning to or away from your company?

Part 3: Contract

Section 5: General Conditions of Contract

Any resulting contract shall be subject to the Government of Uganda General Conditions of Contract (GCC) for the Procurement of Consultancy Services (available on request) except where modified by the Special Conditions below.

Section 6: Special Conditions of Contract

Procurement Reference Number: BOU/SRVCS/21-22/00185/C

The clause numbers given in the first column correspond with the relevant clause number of the General Conditions of Contract.

GCC clause reference	Special Conditions of Contract
Eligible Countries GCC 1.2 (e)	All countries are eligible, unless as a matter of law or official regulation, the Government of Uganda prohibits commercial relations with that country or by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Government of Uganda prohibits any import of Supplies from that country or any payments to persons or entities in that country.
Authorised Representatives GCC 4.4	The Authorised Representatives are: For the Bank of Uganda: Chief Accountant for the Bidder: _____
Governing Law GCC 5.1	The Contract shall be governed by the Laws of Uganda.
Notices GCC 7.1	For notices , the Bank of Uganda 's address shall be: Attention: Director PDD Street Address: Kampala Road Floor/Room number: 3 rd Floor Town/City: Kampala PO Box: 7120 Country: Uganda Telephone: +256 414-233715 For notices , the Provider's address shall be:
Commencement GCC 8.1	The Bidder shall commence the Services within one (1) month after the date of the Contract.
Dispute Resolution GCC 17.2	The formal mechanism for dispute resolution shall be the Arbitration and Conciliation Act Cap 4 of the Laws of Uganda.
Completion	The period for the completion of the Services shall be: Three (3) years

Part 4: Contract

GCC clause reference	Special Conditions of Contract
Period GCC 18.1	renewable at the instance of the Bank upon satisfactory performance.
Payment Documentation GCC 24.1	The following documentation shall be required to support invoices requesting payments: <ul style="list-style-type: none">• Transaction reports• Values of Assets held by each fund manager.
Payment Schedule GCC 25.1	The payment schedule shall be: Quarterly.
Payment Period GCC 27.1	Payments shall be made by the Bank of Uganda within thirty days of receipt and certification of invoices accompanied by the supporting documents specified in GCC 24.1.
Insurance to be taken out by the Provider GCC 40.1	The Bidder shall take out and maintain the following insurance coverage: <ul style="list-style-type: none">(i) Third Party motor vehicle:(ii) Third Party liability:(iii) Employer's liability and workers' compensation:(iv) Professional liability:(v) Loss or damage to equipment and property:(vi) Other:

Section 7: Agreement

Agreement
For Lump Sum/Time Based Contracts

Procurement Reference No: _____

THIS AGREEMENT made this _____ day of _____, _____,
between _____ of
_____ (hereinafter called "Bank of Uganda "), _____ and
_____ of _____ (hereinafter
called "the Bidder").

WHEREAS

- (a) the Bank of Uganda has requested the Bidder to provide certain consultancy services (hereinafter called the "Services") as defined herein and attached to this Contract;
- (b) the Bidder having represented to the Bank of Uganda that it has the required professional skills, personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract.

NOW THEREFORE the parties hereto agree as follows:

- 1. The documents forming the Contract shall be as stated in and in the order of priority stated in the General Conditions of Contract.
- 2. The mutual rights and obligations of the Bank of Uganda and the Bidder shall be as set forth in the Contract, in particular:
 - (a) The Bidder shall carry out the Services in accordance with the provisions of the Contract; and
 - (b) the Bank of Uganda shall pay the Bidder the Contract Price of _____ or such other sum as may become payable under the provisions of the Contract, at the times and in the manner prescribed by the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

Signed by _____ (Authorised Representative of the
Procuring _____ and Disposing Entity)

Name: _____ Position:

In the presence of:

Part 4: Contract

Name: _____ Position: _____

Signed by _____ (Authorised Representative of the Bidder)

Name: _____ Position: _____

In the presence of:

Name: _____ Position: _____
