

Maldives Pension Administration Office
INVITATION FOR SUBMISSION OF PROPOSALS FOR
CUSTODIAN SERVICES OF MALDIVES RETIREMENT PENSION SCHEME ASSETS

The Maldives Pension Administration Office (Pension Office) invites proposals from licensed financial institutions to provide custodian services for Maldives Retirement Pension Scheme (MRPS) assets for a period of 1 year from 1 July 2022 to 30 June 2023.

1. Background

Act Number: 8/2009 (Pension Act) requires the Pension Office to administer the MRPS, which is a mandatory Defined Contribution (DC) pension scheme that covers both public and private sector. Under this scheme employers and employees together make monthly contributions to the scheme.

The contributions are invested in different asset classes. The returns on investments, along with the contributions (net of admin-fees) are accumulated until the members reach retirement age. By the end of 2021, MRPS had 109,868 registered active members and 1,502 retired members.

The Pension Act requires a custodian to be appointed, through a competitive bidding process, to safekeep the invested Pension Assets.

2. MRPS Investments

MRPS investments are made in accordance with the Statement of Investment Principles (SOIP) and Strategic Asset Allocation (SAA) established by the Board of the Pension Office. All investment activities are conducted in-house.

MRPS Assets Under Management (AUM) of the Pension Office, as of 31 December 2021, are stated as Annex 1. A summary of the custodian transactions for the last 3 years are provided as Annex 2.

3. MRPS Fund governance and accounting basis

MRPS Financial Statements are prepared on the accrual basis of accounting in accordance with the International Financial Reporting Standards (IFRS) and are subject to statutory audits.

MRPS is subject to supervision by the Pension Supervision Department of the Capital Market Development Authority (CMDA). In addition to annual disclosure of MRPS financial reports, quarterly reports are filed with the CMDA.

MRPS follows a unitized accounting model for the purpose of individual members record keeping. MRPS comprise of four separate funds, and a daily Net Asset Value (NAV) statement and price is determined for each fund for issuance, redemption of units and valuation of member accounts.



4. Scope of the custodian service

The custodian is required to provide the following services, which includes, but not limited to the following.

- 4.1. Receive and retain paper securities that constitute Pension Assets in a timely manner;
- 4.2. Maintain records of paperless securities that constitute Pension Assets;
- 4.3. Receive and retain documents on transfer and issuance of monetary funds that constitute Pension Assets;
- 4.4. Trade processing and settlements on a daily basis;
- 4.5. Provide to the Pension Office information required from the custodian as per the Pension Act;
- 4.6. Make entries in corresponding accounts in the registry of Pension Assets assigned to custodian on a daily basis;
- 4.7. Monitor whether the agreements for acquisition and disposal of Pension Assets are in accordance with the Pension Act, regulations formulated under the Act, and the investment principles determined by the Pension Office;
- 4.8. Follow instructions of the Pension Office, which do not contravene with any law, regulation or investment principle;
- 4.9. Ensure that Pension Assets are invested in accordance with the Pension Act and regulations without contravening investment principles;
- 4.10. In the event of any breach, notify the Pension Office in accordance with the procedure for notification specified in the custodian agreement;
- 4.11. Ensure that Asset Managers fulfill their legal obligations in relation to investment of Pension Assets;
- 4.12. Fulfill obligations specified in the custody agreements and regulations applicable to the custodian.

5. Eligibility

To be eligible for providing custodian services, the service provider must be a legal entity duly registered in the Maldives and fulfill the following conditions under Section 18 (d) of the Pension Act.

- 5.1. Possess license from the Securities Market Regulator for providing custodian service and is not under an enforcement action and license is not being withheld;
- 5.2. Is not an Asset Manager of the Pension Office and is not a party related and associated with the Asset Manager or any member of the Board of the Pension Office;
- 5.3. A party that does not lend or borrow money from “Asset Manager” or a party related and associated with the same.



6. Bid Proposals

The bid proposals should comprise of the following:

6.1. Technical Proposal

- 6.1.1. Brief profile of the Institution;
- 6.1.2. Copy of the valid custodian license from CMDA;
- 6.1.3. Most recent audited Financial Statements;
- 6.1.4. How the requirements specified under Section 4 "*Scope of the custodian service*" would be fulfilled.

6.2. Financial Proposal

- 6.2.1. The Financial Proposal shall exclusively include the fee proposed for providing custodian services as per this RFP and the fee should not be linked to any additional or value added services.
- 6.2.2. The Financial Proposal must indicate the proposed total fixed fee for each year, inclusive of all costs associated directly with the provision of custodian service.
- 6.2.3. The price shall be quoted in Maldivian Rufiyaa (MVR).

7. Disqualification

The proposals will be disqualified or excluded from evaluation under the following circumstances.

- 7.1. Submission of the proposal after the deadline.
- 7.2. Incomplete or ineligible proposals.
- 7.3. Submission of incorrect or fraudulent information.

8. Evaluation

- 8.1. The proposals will be reviewed and evaluated by the Procurement Committee of the Pension Office.
- 8.2. The Technical Proposal will be opened before the Financial Proposal. The Financial Proposal will not be considered in case the Technical Proposal does not receive the minimum qualifying marks of 15% from the category.



9. Evaluation Criteria

9.1. Technical Evaluation (Weight: 30%)

- Profile of the Institution;
- Validity of the custodian license;
- Assessment of the Institution;
- Fulfillment of the requirements specified under Paragraph 4 “Scope of the custodian Service”.

9.2. Financial Proposal (Weight: 70%)

10. Important Information

- 10.1. Each Institution shall submit only one proposal;
- 10.2. It is the responsibility of prospective bidders to ensure that their Proposal documents are completed and submitted before the closing date and time of the proposal;
- 10.3. Only eligible bidders will be informed, notified or contacted.

11. Award of the Contract

The contract will be awarded for the successful bidder only after all evaluations are completed and the selection of the custodian service provider is approved by the Board of Pension Office.

12. Deadline and Proposal Submission

- 12.1. Deadline for submission of the Proposal is 18 May 2022 (12pm).
- 12.2. All Proposals must include hard copies of documents in a sealed envelope for Technical Proposal and Financial Proposal separately.
- 12.3. Proposals must be addressed and submitted to:

*Maldives Pension Administration Office
8th Floor, Allied Building
Chaandhanee Magu
Male', Maldives*

13. Inquiries

Inquiries regarding this RFP can be sent to:
info@pension.gov.mv



Annex 1:**MRPS Assets Under Management (AUM) as of 31 December 2021**

MRPS Assets Under Management	Amount (MVR, millions)
Treasury Bills	8,637
Treasury Bonds	3,368
Equity	559
Fixed Deposit	298
Sukuk	358
General Investment	269
Corporate Bonds	113
Total	13,601

Annex 2:**No. of custodian transactions**

Transactions Types	2019	2020	2021
T-Bills and FDs Purchases	85	124	143
Growth Asset Purchase	6	0	2
Member Transactions and Disbursements	92	110	129
Collateralization of RSA	13	11	3
Total Outward Transactions	196	245	277
Transfer Instructions	159	166	190
T-Bills and FDs Maturities	76	52	106
Growth Asset Maturities	23	29	34
Collateralization of RSA	0	11	27
Total Inward Transactions	258	258	357
Total Transactions	454	503	634


