



REQUEST FOR PROPOSALS CUSTODIAL SERVICES OF MALDIVES RETIREMENT PENSION SCHEME

The Maldives Pension Administration Office (Pension Office) invites proposals from licensed Financial Institutions to provide custodial services for Maldives Retirement Pension Scheme (MRPS) for a period of 02 (Two) years from 01 July 2023 to 30 June 2025.

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 2022, MRPS had 116,938 members actively contributing to the scheme and 1,666 retired members.

The Pension Act requires a Custodian to be appointed, through a competitive bidding process.

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 2022, are stated as Annexure 1 and a summary of the custodial transactions for the last 3 years are provided as Annexure 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 custodial services

The Custodian is required to provide the following services, which includes, but not limited to the following:

- 4.1. Receive and retain paper securities in a timely manner;
- 4.2. Maintain records of paperless securities;
- 4.3. Receive and retain documents on transfer and issuance of monetary funds;
- 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 assigned to Custodian on a daily basis;
- 4.7. Monitor whether the agreements for acquisition and disposal 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 custodial agreement;
- 4.11. Ensure that Asset Managers fulfill their legal obligations in relation to investment of Pension Assets;
- 4.12. Ensure that the electronic statements of Contribution Collection Account (CCA) and Contribution Holding Account (CHA) are made available in a format and timeframe agreeable to the Pension Office;
- 4.13. Provide information of payment transactions to CCA, including identification details of the contributors;
- 4.14. Fulfill obligations specified in the custodial agreement and regulations applicable to the Custodian.

5. Eligibility

The custodial service provider must be a legal entity duly registered in the Maldives and fulfil the following conditions under Section 18 (d) of the Pension Act.

- 5.1. Possess license from CMDA for providing custodial 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. Does not lend or borrow money from “Asset Manager” or related party and associated with the same.
- 5.4. Has the capacity to provide the services specified under Section 4 (Scope of the custodial service) of this Request For Proposal (RFP).

6. Proposals

The proposals should comprise of the following:

6.1. Technical Proposal

- 6.1.1. Brief profile of the Institution.
- 6.1.2. Profiles of the key Persons who will be involved in the custodial services.
- 6.1.3. Copy of the valid custodial license from CMDA.
- 6.1.4. Last audited Financial Statement.
- 6.1.5. Approach and methodology for providing custodial services.
- 6.1.6. Confirmation and undertaking that the requirements specified under Section 4 of this RFP (Scope of the custodial service) will be fulfilled.

6.2. Financial Proposal

- 6.2.1. The Financial Proposal should exclusively include the fee proposed for providing custodial services specified in this RFP.
- 6.2.2. The fee should not be linked to any additional or value added services.
- 6.2.3. The Financial Proposal must indicate the proposed total fixed fee for each year.
- 6.2.4. The price quoted, should be 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 evaluated by 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 50% from the marks allocated to the Technical Proposal.

9. Evaluation Criteria

9.1. Technical Evaluation (Weight: 30%)

- Assessment of the Institution.
- Assessment of the key Persons involved in custodial service.
- Assessment of the approach and methodology for providing custodial services.

9.2. Financial Evaluation (Weight: 70%)

- Maximum marks will be allocated to the lowest price quoted.

10. Important Information

It is the responsibility of prospective bidders to ensure that their Proposal documents are completed and submitted before the deadline.

11. Award of the Contract

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

12. Deadline and Proposal Submission

- 12.1. Deadline for submission of the Proposal is 09 May 2023 (14:00 pm).
- 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 should be sent to:

info@pension.gov.mv

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Annexure 1:**MRPS Assets Under Management (AUM) as of 31 December 2022**

| MRPS Assets Under Management | Amount (MVR, millions) |
|-------------------------------------|-------------------------------|
| Treasury Bills | 10,260.59 |
| Treasury Bonds | 3,416.73 |
| Equity | 558.00 |
| Fixed Deposits | 541.70 |
| Sukuk | 358.08 |
| General Investments | 465.15 |
| Corporate Bonds | 100.10 |
| Total | 15,700.34 |



Annexure 2:**No. of custodial transactions (2020 - 2022)**

| Transactions Type | 2020 | 2021 | 2022 |
|---------------------------------------|-------------|-------------|-------------|
| T-Bills and FDs Purchases | 124 | 143 | 173 |
| Growth Asset Purchase | 1 | 3 | 1 |
| Member Transactions and Disbursements | 110 | 129 | 134 |
| Collateralization of RSA | 11 | 3 | 6 |
| Total Outward Transactions | 246 | 278 | 314 |
| | | | |
| Transfer Instructions | 166 | 190 | 161 |
| T-Bills and FDs Maturities | 52 | 106 | 105 |
| Growth Asset Maturities | 29 | 34 | 37 |
| Collateralization of RSA | 11 | 27 | 25 |
| Total Inward Transactions | 258 | 357 | 328 |
| | | | |
| Total No. of Transactions | 504 | 635 | 642 |

