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Government of Pakistan
Ministry of Finance

REQUEST FOR PROPOSAL

**Engagement of Financial Advisor(s)/Lead
Manager(s)**

- The Government of Pakistan intends to issue sovereign Panda Bond in the Chinese capital market. Reputed financial institutions are invited to submit their proposals to work as Finance Division's Financial Advisor(s)/Lead Manager(s) for structuring, launching and executing this transaction.
- Proposals, both Technical and Financial, for the purpose should be furnished to Finance Division in two separate sealed envelopes not later than 20th March, 2019.
- Detailed RFP document can be found at www.finance.gov.pk.

Section Officer (EF FCM)
Room 229, Q Block, Finance Division
Pak Secretariat, Islamabad, Pakistan
Ph: +92 51 9203313 Fax: +92 51 9210835

Government of Pakistan
Finance Division

Request for Proposals – Engagement of Financial Advisor(s) / Lead Manager(s)

Introduction

Finance Division, Government of Pakistan, intends to establish a Panda Bond issuance programme to issue Panda Bond in the Chinese capital markets. For the purpose, Finance Division solicits the services of Financial Advisor(s)/Lead Manager(s) through an open competitive process. Interested financial institutions are requested to participate in the engagement process. Participating financial institutions are expected to guide, advise, manage, coordinate and execute the whole range of activities associated with such issuances.

General Requirements

1. Interested financial institutions should have past experience in arranging Panda Bonds for sovereign issuers.
2. Following recommendations in respect of Panda Bond should be provided separately along with the proposals and as and when desired by Finance Division after engagement:
 - Size
 - Programme size
 - Inaugural issue size under the programme
 - Tenor
 - Structure
 - Timing of issuance
 - Expected coupon
 - Indicative post swap pricing

Specific Requirements

1. Information required for evaluation of submitted proposals.
2. Description of how Panda Bonds are issued and list of all necessary steps, consents, approvals, registrations, rating requirements that are typically required.
3. List of relevant parties involved in the transaction i.e. trustees, registrars, paying agents, issuing brokers etc.
4. List of all expected expenses tied to the transaction, item wise and including expenses to be borne on behalf of the Government.
5. Recommendations for external legal counsels for the Government.

6. Breakdown of anticipated investor interest (geographic and type of institution), proposed marketing strategy with advice on non-deal and/or deal roadshow(s).
7. List of different options available to the Government for hedging the Panda Bond in RMB, USD and PKR.
8. Proposed strategy to position Pakistan's credit in order to achieve the best possible all-in pricing (including fee).
9. Current market analysis including optimal and detailed time line for issuance and competing sovereign Panda Bond pipeline.
10. Proposed number of bookrunners, underwriters, co-lead managers etc and the value-add proposition of having both Chinese and international banks as part of the syndicate.

Validity of Proposals

Proposals must remain valid for sixty (60) days after submission and must be in English language.

For Clarifications

Clarifications may be requested no later than seven (07) working days prior to the submission deadline. No query shall be entertained thereafter. Contact details for clarifications are:

Ms. Sherin Tariq
Section Officer, External Finance (Financial & Capital Markets)
Room 229, Q Block, Pak Secretariat
Islamabad, Pakistan
44000
Ph: +92 51 9203313 Fax: +92 51 9205298 and +92 51 9210835
Email: so.c3@finance.gov.pk

Procedure for Submission of Proposals

Technical Proposals

One (01) original and seven (07) copies must be submitted. Every page of the original proposal must be signed and stamped and copies must be made from the signed and stamped original proposal. Technical Proposals must contain no reference to the Financial Proposal. Failure of any of these will lead to disqualification from the selection process.

Financial Proposals

One (01) original with each page signed and stamped.

Mode of Submission

Technical and Financial proposals should be submitted separately in two sealed envelopes clearly mentioning each with the name of the bank. Proposals submitted otherwise will not be considered for evaluation and will lead to disqualification.

Submission Date and Time

Proposals must be submitted in person or through courier at the above mentioned contact latest by 1700 hrs 20th March, 2019.

Proposals Opening Date and Time

Technical Proposals shall be opened in the Committee Room 2nd Floor of Q Block, Finance Division, Pak Secretariat, Islamabad on the due date at 1730 hrs in presence of the representatives of banks who choose to be present.

Financial Proposals of only technically qualified banks shall be opened in the presence of representatives of technically qualified banks. Date and time of opening of Financial Proposals shall be communicated after evaluation of Technical Proposals.

Evaluation Criteria

Technical Proposals (60 marks)

- i. Experience of arranging the issuance of Panda Bonds in the Chinese capital market as Lead Manager and/or Joint Lead Manager (10 marks).
- ii. Experience of arranging the issuance of sovereign Bonds in the international capital market as Lead Manager and/or Joint Lead Manager and rank position during the last three years (10 marks).
- iii. Commitment to underwrite the issuance, specifying the amount (10 marks).
- iv. Experience of working with/for the Government of Pakistan in the last three years (10 marks).
- v. Quality of the proposal with consideration given to the proposed recommendations and strategy (10 marks).
- vi. Deal team, in terms of number of personnel and their experience, made available for issuance (5 marks).
- vii. Nature of post-issue services offered (5 marks).

Financial Proposals (40 marks)

- i. Issuance fee (in bps) including both the Joint Lead Underwriter and Participation fees.
- ii. All-in expenses (in USD), both initial and ongoing, including legal (local and external counsels of both the Government and the Financial Advisor(s)/Lead Manager(s)), documentation, printing, distribution, listing agent fee, fiscal agent fee, rating fee, custodian fee, bookbuilding fee, roadshow expenses of the Government and the Financial Advisor(s)/Lead Manager(s), out of pocket expenses and any other expenses associated with issuance.

Evaluation of Proposals

An Evaluation Committee comprising of representatives of the Finance Division and the State Bank of Pakistan will evaluate the Technical and Financial Proposals.
