

## Advertisement



Government of Pakistan  
Ministry of Finance

### Request for Proposals

#### Engagement of Financial Advisers

- The Government of Pakistan intends to set up Medium Term Note (MTN) programs, covering both Eurobonds and International Sukuk, for a period of one year initially. Interested financial institutions are invited to submit their proposals individually, to work as Finance Division's financial advisers for registering, structuring, launching and executing the MTN programs.
- The previous advertisement and RfP published on 23<sup>rd</sup> September, 2020 stands cancelled.
- Proposals, both technical and financial, for the purpose should be furnished to Finance Division in two separate sealed envelopes not later than **10<sup>th</sup> November, 2020**.
- RfP document can be accessed from the website of Finance Division.

#### **Section Officer (Debt Policy Coordination Office)**

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Pak Secretariat, Islamabad, Pakistan  
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## **Request for Proposals**

Government of Pakistan

Finance Division

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### **Engagement of Financial Advisers for MTN Programs**

#### **Introduction**

1. Finance Division intends to set up Medium-Term Note (MTN) Programs for issuance of US Dollars denominated Eurobonds and Sukuk in the international capital markets. The Programs shall initially cover a period of one year.
2. For the purpose, Finance Division plans to engage two consortia, consisting of five (5) financial institutions for issuance of Eurobonds and four (4) financial institutions for International Sukuk under the Programs. The selected consortia are expected to guide, advise, manage, coordinate and execute the whole range of activities associated with the programs.
3. Consortium-1 shall consist of five (5) conventional financial institutions and shall assist in issuance of Eurobonds.
4. Consortium-2 shall consist of four (4) financial institutions, including at least one Islamic financial institution, and shall assist in issuance of International Sukuk.

#### **Instructions to Financial Institutions**

1. Finance Division shall engage the consortia through an open competitive process as per the following procedure and method of selection:

**Procedure: single stage - two envelope**

**Method of selection: least cost**

2. Interested financial institutions are requested to submit their proposals separately for the Eurobonds and Sukuk by the due date mentioned in this document.
3. Each Consortium shall, at its own expense and cost, engage any other service providers needed for the purpose of the MTN programs including but not limited to Local / International Legal Counsels, International Credit Rating Agency (ies), Auditors, Fiscal Agent / Trustees, Paying Agent, Listing Agent, Stock Exchange (for listing) and Registrar.
4. Each financial institution shall submit its technical and financial proposals individually and not as a Consortium.
5. The technical and financial proposals shall be submitted separately in two sealed clearly labeled envelopes also mentioning the name of the financial institution. Proposals submitted otherwise will not be considered for evaluation and will be disqualified.
6. The envelopes marked technical proposal shall contain one original and seven copies of the technical proposal. Each page of the original proposal must be signed and stamped and copies must be made from the signed and stamped original proposals. The technical proposals must contain no reference to the financial proposals. Failure of any of these will lead to disqualification from the selection process.

7. The envelopes marked financial proposal shall contain one original copy with each page signed and stamped.
8. The technical proposals shall be opened on the due date at 1730 hrs in presence of representatives of financial institutions who choose to be present.
9. An evaluation committee constituted by Finance Division will carry out evaluation of the technical proposals to determine the technically qualified financial institutions.
10. The financial proposals of financial institutions who do not qualify technically shall be returned unopened.
11. The financial proposals of only technically qualified financial institutions shall be opened at the venue, date and time to be intimated to the technically qualified financial institutions in advance and in presence of representatives of financial institutions who choose to be present.
12. All technically qualified proposals shall be treated equally.
13. Technically qualified financial institutions shall be ranked on the basis of their financial proposals. The financial institution submitting the most advantageous financial proposal will be ranked as first, with the financial institution submitting the second most advantageous financial proposal as second and so on.
14. The decision to continue the engagement of the selected consortia on the same terms and conditions after the initial one-year period of the programs rests with the Finance Division.

#### **Selection of Consortium-1**

1. The financial institution ranked first shall be selected.
2. The financial institution ranked second shall be given the option to match the most advantageous financial proposal. If it chooses so, it shall be selected as part of the Consortium, otherwise it shall be rejected.
3. This process shall continue in this manner till five (5) Consortium members are selected. In case of a tie, the financial institution having secured higher technical score shall be given the option to become part of the Consortium.
4. With the selection of five (5) Consortium members, proposals of remaining financial institutions shall be rejected.
5. Proposals submitted by Islamic financial institutions shall not be considered for Consortium-1.

#### **Selection of Consortium-2**

1. The same process as in case of Consortium-1 shall be followed except that at least one Islamic financial institution shall be selected as a member of Consortium-2.

#### **Fee of the Consortia**

The total all-in fee of each Consortium shall be five times the first ranked i.e. most advantageous evaluated financial proposal for Consortium 1 and four times for Consortium 2.

## Requirements

1. Following recommendations in respect of the programs should be provided separately as per the format below along with the proposals and as and when desired by Finance Division after engagement:

		Recommendation	
		Eurobonds	Sukuk
I	Size of the MTN programs (in USD million)		
II	Inaugural issuance size (in USD million)		
III	Tenor		
IV	Inaugural issuance timing		
V	Expected coupon / rental rate		
VI	Issuance format / structure		

2. Brief description of MTN programs with list of all requisite steps, consents, approvals, registrations, rating requirements etc typically required.
3. List of parties involved in the programs (trustees, registrars, paying agents etc.)
4. Proposed marketing strategy with advice on non-deal/deal roadshows.
5. Market analysis and competing sovereigns for both Eurobonds and Sukuk.
6. Possible Sukuk structures and likely market response against each.
7. Assistance in identification and valuation of assets.

### Language of Proposals

The proposals shall be in English language.

### Validity of Proposals

The proposals shall remain valid for six months after the last submission date.

### For Clarifications

Clarifications may be requested from the office below no later than seven working days prior to the submission deadline. No query shall be entertained thereafter.

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Room 115, S.Block, Pak Secretariat, Islamabad, Pakistan  
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### Submission Date and Time

Proposals must be submitted in person or through courier at the aforementioned contact latest by 1700 hrs, 10<sup>th</sup> November, 2020.

### Online Session

In order to address any queries regarding the RfP, an online session will be conducted on 15<sup>th</sup> October, 2020 at 1500 hrs in Finance Division. The interested participants, which intend to participate, shall join via weblink which shall be available on Finance Division's website on the same date.

## Evaluation criteria

### Technical proposals:

Technical proposals shall include the following while Performa 'A' is mandatory to be filled.

1	Last year's and latest rank position as per Bloomberg league tables – "League Table Eurobonds" and "International Sukuk"	20 marks										
2	Lead order commitment, specifying the amount each for Eurobonds and Sukuk for inaugural as well as subsequent issuances separately	20 marks										
3	<p>Commitment to Pakistan's economy as per the following measures (figures may be provided for the period from 1 July 2010 to 30 June 2020):</p> <p>i. Total loans extended to Government of Pakistan, bilaterally and in syndication separately;</p> <p>ii. Total investment made in Government of Pakistan's debt securities (including domestic and international securities);</p> <p>iii. Total amount of international securities issued by Government of Pakistan's in which the financial institution was a financial adviser;</p> <p>iv. Total investment in Pakistan in any other form (e.g. equity) made by the financial institution;</p> <table border="1" data-bbox="268 884 1241 1064"> <thead> <tr> <th>Type of Investment (Bond/Loan/Entity/other (please specify separately))</th> <th>Amount (Equivalent to US\$ million)</th> <th>Holding Period (in months)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>v. Total investment in Pakistan in any other form (e.g. equity) facilitated by the financial institution</p> <table border="1" data-bbox="411 1146 1098 1326"> <thead> <tr> <th>Type of Investment (Bond/Loan/Entity/other (please specify separately))</th> <th>Amount (Equivalent to US\$ million)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Type of Investment (Bond/Loan/Entity/other (please specify separately))	Amount (Equivalent to US\$ million)	Holding Period (in months)				Type of Investment (Bond/Loan/Entity/other (please specify separately))	Amount (Equivalent to US\$ million)			15 marks
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Type of Investment (Bond/Loan/Entity/other (please specify separately))	Amount (Equivalent to US\$ million)											
4	<p>Global distribution network</p> <ul style="list-style-type: none"> <li>- Number of countries in which the financial institution has an establishment;</li> <li>- Number of offices throughout the world;</li> <li>- Number of employees engaged in sales and distribution throughout the world.</li> </ul>	15 marks										
5	Underwriting commitment, specifying the amount each for Eurobonds and Sukuk for inaugural as well as subsequent issuances separately	10 marks										
6	Proposed plan including the amount that the Government of Pakistan should target through Eurobonds and Sukuk, marketing and outreach strategy, timing and number of transactions, exchanges where the securities should be listed, potential risks and challenges and mitigation strategies etc.	10 marks										
7	Names and profiles of three (3) key members of the deal team	10 marks										

**Financial proposals:**

Financial proposals shall be submitted on the following format:

All-in fee to be charged on individual basis for each issuance under the programs	_____ . _____ bps
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1. The all-in fee includes:
  - a) Issuance as well as transactions costs and any other expenses;
  - b) Applicable taxes in connection with the issuance of Eurobonds and Sukuk under the programs;
  - c) Fee of service providers to be engaged for the MTN programs;
  - d) Any other cost / fee (if applicable).
2. All-in-fees shall be quoted in basis points (bps) and in multiples of 1/100<sup>th</sup> of a basis point. For instance:

Sr. No.	Quoted Fee	Interpretation	Computations for a transaction size of USD 1.0 billion	Imputable fees (USD)
1	<u>00.50</u>	Half basis Points	$1,000,000,000 \times 0.0050\%$	50,000
2	<u>01.00</u>	One basis point	$1,000,000,000 \times 0.0100\%$	100,000
3	<u>01.20</u>	One and one-fifth of a basis point.	$1,000,000,000 \times 0.0120\%$	120,000

3. The all-in fee proposals should be calculated bearing in mind that Consortium 1 shall consist of five (5) members and Consortium 2 of four (4) members.
4. The all-in fee shall be paid to the financial advisers out of the issuance proceeds at the time of their realization.

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**Technical Evaluation Form (Performa 'A')**

<b>Ranking as per Bloomberg League Table - "League Table Eurobonds" in case of Eurobond &amp; "International Sukuk" in case of Sukuk</b>			
Section I	2019		
	2020		
<b>Underwriting Commitment (USD million)*</b>			
Section II	Inaugural Issuance		
	Subsequent Issuance		
<b>Lead Order Commitment (USD million)*</b>			
Section III	Inaugural Issuance		
	Subsequent Issuance		
<b>Relationship with Government of Pakistan (GoP) - (01-Jul-2010 to 30-Jun-2020)</b>			
Total loan extended to GoP Bilaterally (USD million)			
Total loan extended to GoP In Syndicate (USD million)			
<b>Total amount of GoP International Securities, issued by Financial Institution as Financial Advisor</b>		USD million	Holding Period (in months)
Total Investment in GoP Debt Securities		USD million	Holding Period (in months)
Domestic Bonds			
International Bonds			
<b>Total Investment in any other form (Equity), made by Financial Institution</b>			
Section IV	Bonds		
	Loans		
	Government Entity		
	Other		
<b>Total Investment in any other form (Equity), facilitated by Financial Institution</b>			
Bonds			
Loans			
Government Entity			
Other			
<b>Global Distribution Network</b>			
Section V	No. of Countries in which the Financial Institution has an establishment		
	No. of Offices throughout the World		
	No. of Employees engaged in sales and distribution throughout the World		

\*assuming USD 1.0 billion Issuance size, for Inaugural and subsequent issuances