

REQUEST FOR PROPOSAL (RFP) FOR THE INDEPENDENT REVIEW OF TDB'S ANTI-MONEY LAUNDERING, COMBATING THE FINANCING OF TERRORISM, AND SANCTIONS POLICIES AND PROCEDURE MANUALS

1.0 INTRODUCTION

1.1 The Bank

Eastern and Southern African Trade and Development Bank trading as Trade and Development Bank (TDB) was established on 6 November 1985 following the provisions of the Treaty of 1981 establishing the Preferential Trade Area, which has since been transformed into the Common Market for Eastern and Southern African States (COMESA), as part of the regional economic integration arrangement.

TDB is a regional development financial institution with dual headquarters in Bujumbura (Burundi) and Ebene (Mauritius), and regional hubs in Nairobi (Kenya), Harare (Zimbabwe), Addis Ababa (Ethiopia) and Kinshasa (DR Congo). TDB's main product lines comprise of Trade Finance, Project & Infrastructural Finance, Asset Management, Advisory Services and to a lesser extent, equity finance and guarantees.

1.2 Request for Proposal (RFP) to review TDB's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and Sanctions Policies and Procedure Manuals

Through this request for proposals ("RFP"), TDB is seeking to contract a qualified, reputable and experienced Firm to undertake a review with the objective of assessing the adequacy of TDB's AML / CFT and Sanctions policies and procedure manuals which were last approved by the Board of Directors in December, 2021.

The purpose of this RFP is to solicit proposals from various consulting firms so as to enable TDB to conduct a fair and extensive evaluation based on criteria listed herein and select the candidate most suitable to TDB.

TDB's Corporate Plan emphasizes the need to promote investments and trade with high regional and transformational impact. This strategy has resulted in more complex products and jurisdictions that present significant AML/CFT and Sanction risks. Accordingly, TDB's AML/CFT and Sanctions policies and procedure manuals need to be reviewed and if necessary updated to:

- Determine whether TDB's current AML/CFT and Sanctions programs are aligned to the Financial Action Task Force (FATF) recommendations and such other recommendations or best practice as set by National / Regional (as applicable within TDB's jurisdictional operations) and / or International bodies such as the Joint Money Laundering Steering Group (JMLSG);
- Review and determine whether the TDB's AML/CFT and Sanctions programs (inclusive of its World Check Screening Solution) are robust and meet international standards and emerging trends / associated risks;
- Determine whether TDB's related AML/CFT and Sanctions policy documents and Information Technology systems such as its AML Risk Scoring Model, Compliance Charter and Manual, Know Your Customer Check List, Data Protection Policy, the Worldcheck Screening Solution, Bankers' Almanac, Treasury Management System and Credit Quest, are aligned to TDB's AML/CFT and Sanctions Policies; and
- Determine whether TDB's current AML/CFT and Sanctions Policies and Procedure Manuals address risks associated with TDB's product offerings, services, countries of operation, and stakeholders.

2.0 TERMS OF REFERENCE (ToR)

2.1 Objectives of the Review

TDB is seeking the services of an independent experienced Consultant to undertake an independent review of TDB's AML/CFT and Sanctions Program. The specific objectives of the assignment include but are not limited to:

- (i) Review of the existing AML/CFT and Sanctions program with a view to recommending the necessary changes to ensure that it is robust and up-to-date and captures best practice standards for a development financial institution;

- (ii) Review of the existing AML/CFT and Sanctions policies and procedure manuals are sufficient to ensure that the TDB is able to adequately identify associated risks and take appropriate mitigatory measures; and
- (iii) Determination of such other issues as highlighted under paragraph 1.2 above.

The specific ToR, in terms of overall objectives and scope of work, is as detailed below:

- Overall review of the existing AML/CFT and Sanctions Policies and procedure manuals in terms of applicability, scope, relevance and adequacy to the TDB's activities;
- Development of appropriate checklists (borrowers, lenders, shareholders, suppliers and any other) for use by staff in assessing the AML/CFT and Sanctions risks facing TDB;
- Review and update as necessary, TDB's AML / CFT risk scoring module;
- Assessment of the adequacy of the existing system of internal controls in place to ensure ongoing compliance with TDB's AML/CFT and Sanctions policies and procedure manuals;
- Assessment of the adequacy of TDB's existing AML/CFT and Sanctions screening tools;
- Assessment of the adequacy of TDB's Customer Identification/Know Your Customer Program, especially in relation to high risk customers;
- Assessment of the adequacy of the existing AML/CFT and Sanctions training program;
- Review of Correspondent Banking Due Diligence Questionnaire (CBDDQ), Foreign Act Tax Compliance Act (FATCA Forms) and US Patriotic Act Forms in line with Banks Operations; and
- Propose amendments and appropriate recommendations upon review/assessment of the above.

2.2 Tracking of Future Risks

The review team is also expected to recommend, if need be, a practical system on how future AML/CFT/Politically Exposed Persons/Politically Influential Persons and Sanctions risks shall be assessed, what kind of enhanced due diligences should be followed based on a risk based approach and the actual impacts tracked by TDB.

3.0 EXPECTED DELIVERABLES

The expected deliverables of this exercise are as follows:

- (i) To deliver an inception report that shall reflect clear comprehension of the tasks, the method of execution and work plan to ensure the final outcome is in line with TDB's expectations.

- (ii) To submit a draft of the revised AML/CFT and Sanctions Policies (and related documents) that shall incorporate the proposed changes that should be in line with current best practice and should cover all TDB's processes and operations.
- (iii) To submit an integrated manual that shall incorporate revised procedures; checklists; tools (templates) for assessment of AML/CFT and Sanctions risk.
- (iv) Proposal of appropriate AML/CFT and Sanctions related training aimed at addressing identified capacity gaps.
- (v) To separately make presentations to and train Board of Directors, Senior Management, and staff (sessions will be customized based on different functions, and to include make-up sessions) on the recommendations made regarding TDB's AML/CFT and Sanctions policies and procedure manuals, and the wider current AML/CFT and Sanctions regimes.

4.0 EXPECTED COMPETENCIES AND EXPERIENCE

The selected Consultant will be responsible for the overall planning and implementation of the review, the production and presentation of the draft and final reports and timely presentation of deliverables. The Consultant's profile should meet the following requirements:

- Advanced University degree in a discipline relevant to the scope of the assignment;
- Ability to demonstrate experience (6 – 8 years' experience) in similar assignments, particularly with financial institutions;
- Proven experience of understanding industry practices in the area of AML/CFT and Sanctions practices and risks;
- Expert knowledge of internal and external rules governing the AML/CFT and Sanctions compliance area;
- Internationally recognized AML/CFT and Sanctions certification;
- Proven ability to rapidly produce quality reports; and
- Excellent oral and written communication skills.

5.0 PROPOSAL GUIDELINES AND BUDGET.

This Request for Proposal represents the requirements for an open and competitive process. Proposals will be accepted until 5 p.m. on **22nd August 2024**. Any proposals received after this date and time will not be considered. All proposals must be signed by an official agent or representative of the consulting firm submitting the proposal.

If the consulting firm submitting a proposal must outsource or contract any work to meet the requirements contained herein, this must be clearly stated in the proposal. Additionally, all costs included in proposals must be all-inclusive to include any outsourced or contracted

work. Any proposals which call for outsourcing or contracting work must include a name and description of the organizations being contracted.

All costs must be itemized to include an explanation of all fees and costs which shall be denominated in United States of America Dollars (USD).

Contract terms and conditions will be negotiated upon selection of the winning bidder for this RFP. All contractual terms and conditions will be subject to review by the TDB and will include scope, budget, schedule, and other necessary items pertaining to the project.

6.0 PROPOSAL EVALUATION CRITERIA

TDB will evaluate all proposals based on the criteria below. To ensure consideration for this Request for Proposal, your proposal should be complete and include all of the following criteria:

- Overall proposal suitability: proposal must meet the scope and needs included herein and be presented in a clear and organized manner;
- Organizational Experience: Bidders will be evaluated on their experience as it pertains to the scope of this assignment;
- Previous work: Bidders will be evaluated on examples of their work on similar assignments as well as client testimonials and references;
- Value and cost: Bidders will be evaluated on the proposed cost based on the work to be performed in accordance with the scope of this assignment; and
- Technical expertise and experience: Bidders must provide descriptions and documentation of staff technical expertise and experience.

Each bidder must submit a soft copy of their proposal (technical and financial proposals in separate document), which should be clearly labelled:

“PROPOSAL (RFP) FOR THE INDEPENDENT REVIEW OF TDB’S ANTI-MONEY LAUNDERING, COMBATING THE FINANCING OF TERRORISM, AND SANCTIONS POLICIES AND PROCEDURE MANUALS”, to the address below by **22nd August 2024** at 5 pm:

**ATTENTION: Corporate Services and Administration
TDB Tower,
184 Lenana Road,
P.O Box 48596 - 00100,
Nairobi,
KENYA**

Tel: +254 732 192000

Alternatively, submissions may be emailed to procurement@tdbgroup.org with subject **“PROPOSAL (RFP) FOR THE INDEPENDENT REVIEW OF TDB’S ANTI-MONEY LAUNDERING, COMBATING THE FINANCING OF TERRORISM, AND SANCTIONS POLICIES AND PROCEDURE MANUALS”**,

Any queries should be addressed to the email below:

ComplianceRFP@tdbgroup.org

7.0 PROJECT DURATION

The assignment should be completed within 5 weeks of contract signing between TDB and winning Bidder.