



**EXPRESSION OF INTEREST (EOI)**  
**3<sup>RD</sup> PARTY ARRANGEMENT FOR AML/CFT COMPLIANCE**

1. Central Directorate of National Savings ("**CDNS**") is an Attached Department of Finance Division as per Schedule III of Rules of Business, 1973. Key Role of CDNS is to formulate policies on NSS and offer it to general public through its 376 National Saving Centers ("**NSCs**") across the country.
2. The CDNS intends to hire the services of a SBP regulated **Commercial Banks** as per Rule 36 (C) of PPRA rules, for conducting AML- CFT compliance under a 3<sup>rd</sup> Party Arrangement in line with National Savings Schemes (AML - CFT) Rules, 2019, AMLA Act, 2010 and FATF recommendations as applicable on CDNS operations for:
  - a) CDNS existing customers (Approximate 4 Million)
  - b) CDNS new customers
3. Eoi Document containing eligibility criteria, scope of work and other terms and conditions may be obtained free of cost from the office of the undersigned or downloaded from PPRA website: [ppra.org.pk](http://ppra.org.pk) or CDNS website: [savings.gov.pk](http://savings.gov.pk).
3. The interested banks are required to submit sealed EOI, carefully prepared in accordance with the instructions provided in the EOI documents, to the office of the undersigned by **3.00 pm on 30.12.2019 (Monday)**. The same shall be opened on same day, at **3.30 pm** in **Committee Room of CDNS** in the presence of representatives of interested banks.
4. CDNS reserves the right to accept or reject any or all EOI as per PPRA Rules 2004. Incomplete and late submission of EOI shall not be considered. Please feel free to contact the undersigned for any query or clarification.

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NATIONAL SAVINGS

Government of Pakistan  
Ministry of Finance  
Central Directorate of National Savings  
Islamabad



MINISTRY OF FINANCE  
GOVERNMENT OF PAKISTAN

## **EXPRESSION OF INTEREST (EOI)** **3<sup>RD</sup> PARTY ARRANGEMENT FOR AML/CFT COMPLIANCE**

### **Introduction of CDNS**

Central Directorate of National Savings ("CDNS") is an Attached Department of Finance Division as per Schedule III of Rules of Business, 1973 (issued by Federal Government in exercise of the powers conferred by Articles 90 and 99 of the Constitution of the Islamic Republic of Pakistan). Key Role of CDNS is to formulate policies on National Savings Schemes ("NSS") and offer these schemes to public through its 376 National Saving Centers ("NSCs") across the country. These offices are administratively controlled by 12 Regional Directorates supported by more than 38 auxiliary offices. Further details in respect of historical perspective, products features and volume of business are available in CDNS website: <http://savings.gov.pk/>.

### **Purpose of EOI**

CDNS in process to comply the AML-CFT regime in NSCs and NSS in line with National Savings Schemes (AML - CFT) Rules, 2019, AMLA Act, 2010 and FATF recommendations as applicable on CDNS operations. For timely achievement of this purpose CDNS considers it need of the time to join hand with an IT equipped bank having vast network, skilled HR and other infrastructure. In this context, CDNS intends to hire the services of a SBP regulated Commercial Bank, to conduct AML/CFT compliance under a 3<sup>rd</sup> Party under Rule 36 (C) PPRA Rules, 2004. The bank would be required to conduct the activities as per 'Scope of Work' mentioned hereunder for:

- i. CDNS existing customers (approx. 4 Million)
- ii. CDNS new customers

### **Eligibility Criteria**

Only the banks which fulfill the following criteria are eligible to express their interest.

Sr.	Eligibility Criteria	Means of Verification
1	The bank shall be rated at least 'AA+' from local Rating agencies and shall have more than 500 broad based branches network across the country.	Submission of relevant documents from Rating Agency and a proof for branch network i.e. Province wise and district wise list of branch network.

Sr.	Eligibility Criteria	Means of Verification
2	The bank should have a robust, scalable, secure and efficient Core Banking System (CBS) and underlying infrastructure, Fraud Monitoring System, Alternate Delivery Channels (ATMs, Internet Banking, or Branchless Banking Agents etc.), Information Security Governance, and Disaster Recovery (DR) and Business Continuity Arrangements (BCP).	Province-wise and District-wise list of branches and ADCs, Downtime of IT systems (past five years), details of resources dedicated to information security, certifications, evidence of compliance with international standards and best practices.
3	The bank to have strong financial position and must meet SBP's Minimum Capital and Capital Adequacy requirements.	Latest available audited financial statements.
4	The bank to have necessary systems to perform AML/CFT compliance function for CDNS customers in line with National Savings Schemes (AML & CFT) Rules, 2019, FATF recommendations and SBP requirements.	List of existing relevant systems and an affidavit confirming existence and operational status of such systems
5	The bank to have relevant policies, processes, people and structure to perform AML/CFT compliance for CDNS customers.	Undertaking, duly signed by bank's Chief compliance Officer.
6	The bank to have fully operational transaction monitoring and screening system in place for AML/CFT.	Undertaking, duly signed by bank's Chief compliance Officer.

**SCOPE OF WORK**

The selected bank shall be responsible for all activities/processes for AML/CFT compliance as per National Savings Schemes (AML & CFT) Rules, 2019, FATF recommendations, SBP requirements and shall be required to perform following functions:

- Perform Screening, KYC/customer due diligence/enhanced due diligence, and risk profiling of all existing customers of CDNS in accordance with National Savings Schemes (AML & CFT) Rules, 2019, Anti Money Laundering Act 2010, FATF recommendations and SBP requirements and other applicable laws including Anti-Terrorism Act 1997 and United Nations (Security Council) Act 1948. The bank to complete screening of approximately 4 million existing customers against applicable sanctions lists in six months and complete the risk profiling in 12 months after entering into 3<sup>rd</sup> party arrangement.
- The bank shall make arrangements for customer onboarding and perform necessary KYC/CDD/EDD at National Saving Centers as per National Savings Schemes (AML & CFT) Rules, 2019, AMLA Act, 2010 and FATF recommendations.
- The bank to undertake end-to-end onboarding of all existing and new customers of CDNS after completing AML-CFT formalities as per National Savings Schemes (AML - CFT) Rules, 2019, AMLA Act, 2010 and FATF recommendations.
- The bank to open a linked account for CDNS customers.

- The bank shall conduct CDD and Screening of the customers on ongoing basis.
- The bank to carry out transaction monitoring of CDNS customers and generate STRs and CTRs as per requirements National Savings Schemes (AML - CFT) Rules, 2019 and AMLA Act, 2010.
- The bank to assist CDNS in developing necessary policies, processes, formats to collect information from existing customers for AML-CFT compliance.
- The bank to maintain record of CDNS customers as per National Savings Schemes (AML- CFT) Rules, 2019, AMLA Act, 2010 and FATF recommendations.
- The bank to install ATMs in 50 branches of CDNS, at banks cost, in first year and submits a plan to CDNS for installation of ATMs in remaining branches of CDNS.
- The bank may also offer cash handling services to all CDNS branches.

**Term of the Agreement:**

The agreement would be, initially, for the period of three years and renewable for such time as mutually agreed by the parties.

**Contract effectiveness condition:**

The bank to have sufficient operational capability to complete the rollout of required infrastructure, human resources and systems to carry out the AML/CFT compliance activities in three months.

The interested banks meeting the above noted eligibility criteria and willing to perform the activities as per '**Scope of Work**' should submit their EOI, carefully prepared in accordance with the instructions in the EOI Document, to the undersigned by **3.00 pm 30.12.2019 (Monday)**. The same shall be opened on same day at **3.30 pm in Committee Room of CDNS** in presence of representative of interested banks. The Document is also available on PPRA website: [ppra.org.pk](http://ppra.org.pk) and CDNS website: [savings.gov.pk](http://savings.gov.pk).

The CDNS reserves the right to accept or reject any or all applications in accordance with PPRA Rule, 2004. Incomplete and late submission of EOI shall not be considered. Please feel free to contact the undersigned for any query or clarification.

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