

## Advertisement



Government of Pakistan  
Ministry of Finance

### Request for Proposals

#### Engagement of Financial Advisers

- The Government of Pakistan intends to set up a Medium Term Note (MTN) Program, 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 Program.
- Proposals, both technical and financial, for the purpose should be furnished to Finance Division in two separate sealed envelopes not later than 14<sup>th</sup> October, 2019.
- Detailed RfP document can be found at the website of Finance Division.

#### Section Officer (EF FCM)

Room 229, Q Block, Finance Division  
Pak Secretariat, Islamabad, Pakistan  
Ph: +92 51 9203313 Fax: +92 51 9210835

## **Request for Proposals**

Government of Pakistan  
Finance Division

### **Engagement of Financial Advisors for MTN Program**

#### **Introduction**

1. Finance Division intends to set up a Medium-Term Note (MTN) Program for issuance of US Dollars denominated Eurobonds and Sukuk in the international capital markets. The Program shall initially cover a period of one year.
2. For the purpose, Finance Division plans to engage two consortia, each consisting of five (5) financial institutions, for issuance of Eurobonds and Sukuk under the Program. The selected consortia are expected to guide, advise, manage, coordinate and execute the whole range of activities associated with the Program.
3. Consortium-1 shall consist of five (5) conventional financial institutions and shall assist in issuance of Eurobonds.
4. Consortium-2 shall consist of five (5) financial institutions, including at least two Islamic financial institutions, 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 by the due date mentioned in this document.
3. Each financial institution shall submit its technical and financial proposals individually and not as a consortium.
4. 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.
5. The envelope 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 proposal. The technical proposal must contain no reference to the financial proposal. Failure of any of these will lead to disqualification from the selection process.
6. The envelope marked financial proposal shall contain one original copy with each page signed and stamped.

7. 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.
8. An evaluation committee constituted by Finance Division will carry out evaluation of the technical proposals to determine the technically qualified financial institutions.
9. The financial proposals of only technically qualified financial institutions shall be opened at the venue, date and time to be intimated to all financial institutions in advance and in presence of representatives of financial institutions who choose to be present.
10. The financial proposals of financial institutions who do not qualify technically shall be returned unopened.
11. All technically qualified proposals shall be treated equally.
12. Technically qualified financial institutions shall be ranked on the basis of their financial proposals. The financial institution submitting the lowest evaluated financial proposal will be ranked as first, with the financial institution submitting the second lowest evaluated financial proposal as second and so on.

**Selection of Consortium-1:**

13. The financial institution ranked first shall be selected.
14. The financial institution ranked second shall be given the option to match the lowest evaluated financial proposal. If it chooses so, it shall be selected as part of the consortium, otherwise it shall be rejected.
15. 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.
16. With the selection of five (5) consortium members, proposals of remaining financial institutions shall be rejected.
17. Proposals submitted by Islamic financial institutions shall not be considered for Consortium-1.

**Selection of members of Consortium-2:**

18. The same process as in case of Consortium-1 shall be followed except that at least two Islamic financial institutions shall be selected as members of Consortium-2.
19. The option to match the lowest evaluated financial proposal shall be given to conventional financial institutions in their order of ranking till a maximum of three (3) such institutions are selected. Financial proposals of the remaining conventional financial institutions shall be rejected.
20. In case three (3) conventional financial institutions are already selected before completion of the Consortium-2, option to match the lowest evaluated financial proposal shall be given to the higher ranking Islamic financial institution and the

process shall continue until at least two (2) Islamic financial institutions are selected as members of Consortium-2.

21. The total all-in fee of each consortium shall be five times the first ranked i.e. lowest evaluated financial proposal.

### Requirements

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

	Recommendation	
Size of the MTN program covering both Eurobonds and Sukuk		
Inaugural issuance	Size	Tenor
	Eurobond	
	Sukuk	
Inaugural issuance timing		
Expected coupon / rental rate		
Issuance format / structure		

2. Brief description of MTN Program with list of all requisite steps, consents, approvals, registrations, rating requirements etc typically required.
3. List of parties involved in the Program (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 sixty days 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.

Ms. Sherin Tariq  
Section Officer, External Finance (Financial & Capital Markets)  
Room 229, Q Block, Pak Secretariat, Islamabad, Pakistan  
Ph: +92 51 920 3313 Fax: +92 51 920 5298 Email: so.c3@finance.gov.pk

### Submission Date and Time

Proposals must be submitted in person or through courier at the aforementioned contact latest by 1700 hrs, 14<sup>th</sup> October, 2019.

## Evaluation criteria

### Technical proposals:

Technical proposals shall include the following.

1	Last year's and latest rank position as per Bloomberg league tables – MENA, CEEMEA and International Sukuk – for sovereigns	20 marks
2	Global distribution network	20 marks
3	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.	15 marks
4	Underwriting commitment, specifying the amount each for Eurobonds and Sukuk for inaugural as well as subsequent issuances separately	15 marks
5	Lead order commitment, specifying the amount each for Eurobonds and Sukuk for inaugural as well as subsequent issuances separately	15 marks
6	Commitment to Pakistan's economy as per the following measures (figures may be provided for the period from 1 July 2010 to 30 June 2019): i. Total loans extended to Government of Pakistan, bilaterally and in syndication ii. Total investment made in Government of Pakistan's debt securities (including domestic and international securities) iii. Total amount of international securities issued by Government of Pakistan's in which the financial institution was a financial adviser iv. Total investment in Pakistan in any other form (e.g. equity) made or facilitated by the financial institution	10 marks
7	Names and profiles of three (3) key members of the deal team	5 marks

### Financial proposal:

Financial proposal shall be submitted on the following format:

		% age	In words
All-in fee to be charged on individual basis for each issuance under the Program	As percentage of amount raised by the Government in each issuance	___ %	

- All-in fee includes issuance as well as transactions costs, expenses and applicable taxes in connection with the issuance of Eurobonds and Sukuk under the Program, but excludes the following which shall be borne by Finance Division:
  - Fee of legal counsels of Finance Division
  - Fee of Credit Rating Agencies
  - Expenses of the Government delegation on roadshows
- The all-in fee quote should be calculated bearing in mind that a five (5) member consortium would be selected.
- 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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