

Response to queries raised by bidders till 11.50 pm on 7<sup>th</sup> October, 2020 on the Request for Proposal (RFP) for Appointment of Custodian of Securities for Seamen's Provident Fund Organization's (SPFO) Fund

Sr. No.	Reference (Clause No. / Page No.) in the RFP	Content of RFP requiring clarification	Points of Clarification	Response to query
1	4.2.9 / Page 12	The Custodian of Securities shall arrange an adequate insurance cover for the entire Securities belonging to SPFO, the details of which shall be submitted to SPFO after signing the agreement.	A Custodian's insurance policy covers losses to client. Kindly provide details on any specific insurance required by SPFO.	The insurance should adequately cover the losses for all the investments belonging to SPFO.
2	4.4.6.5 / Page 13	The Custodian of Securities needs to provide the Historical cash inflow and outflow reports	Custodian can provide reports for all data made available to them / available with them. Request you to elaborate on any specific requirements in this regards.	The appointed Custodian of Securities needs to provide the historical cash inflow and outflow reports basis data made available to the Custodian of securities by SPFO, portfolio manager and existing Custodian of Security.
3	5.1 / Page 16	The fee to be charged by the Custodian of Securities should be as a fixed percentage of the total face value of the quarterly average assets under custody for debt securities. The payment of the fee would be made on quarterly basis.	Thank you for clarifying fee charges for debt securities. We understand that for equity and related investments, the fee will be basis the market value. Kindly confirm if our understanding is correct.	There is no separate fee payable for equity and equity related investments. The Bidder shall quote a fee as percentage face value of the quarterly average debt Asset Under Custody as per section 8.4 of the RFP document.
4	6.1.10 / Page 19	After making the payment, Bidder needs to send an e-mail at spfoac@gmail.com mentioning about the Payment Details such as UTR No., Company Name, User ID, Payment towards SPFO Bid Processing Fees, Tender ID and Tender Title for Approval. Failure to send remittance detail to the e-mail id may lead to non-consideration of tender.	We understand that the 'User ID' mentioned here refers to the credentials used for submission of bid. Request you to confirm.	The Bidder need to quote the USER ID created on the Central Public Procurement (CPP Portal) website ( <a href="https://eprocure.gov.in/eprocure/app">https://eprocure.gov.in/eprocure/app</a> ) through which the bids will be submitted for this RFP.
5	6.1.16 / Page 20	All the pages of the proposal submitted by the Bidders must have the company seal and signature of the authorized signatory. All the pages of the proposal must be serially numbered.	Given the Covid-19 pandemic, request if we can use digitally signed documents from CEO/MD/auditors or other authorised signatory for the bid submission.	As per clause 6.1.16 of the RFP document, all the pages of the proposal submitted by the Bidder must have the company seal and signature of the authorized signatory. If the bidder is not able to provide signature of the authorized signatory due to given situation of Covid-19 pandemic then digitally signed documents can be provided.

Sr. No.	Reference (Clause No. / Page No.) in the RFP	Content of RFP requiring clarification	Points of Clarification	Response to query						
6	8.2 / Page 27	Pre-qualification bid format Names of Directors of the bidder: Shareholding pattern of the promoters: Date of incorporation: Date of commencement of business:	As per our understanding, these points are prima facie applicable to a company establishment and not to Custodians or Banks. In our case, we are Foreign Bank listed in Germany and having its branch offices in India. Therefore, these requirements, are not applicable to us. Alternatively, request you to consider if we can submit our RBI banking registration certification showing our commencement of banking operations in India along with SEBI registration certificate for Custodian of Securities as per clause 8.2.1 to furnish the requirements.	For bidder which are operating as bank branch office in India of its overseas parent company, the following documents to be provided against the below specified requirements under clause 8.2 of the RFP document; <table border="1"> <thead> <tr> <th>Requirement</th> <th>Required document</th> </tr> </thead> <tbody> <tr> <td>Date of incorporation:</td> <td>RBI Banking registration certificate</td> </tr> <tr> <td>Date of commencement of business:</td> <td>SEBI registration certificate for Custodian of Securities</td> </tr> </tbody> </table>	Requirement	Required document	Date of incorporation:	RBI Banking registration certificate	Date of commencement of business:	SEBI registration certificate for Custodian of Securities
Requirement	Required document									
Date of incorporation:	RBI Banking registration certificate									
Date of commencement of business:	SEBI registration certificate for Custodian of Securities									
7	8.2.1 / page 29	Bidder should provide copy of registration with SEBI as Custodian of Securities and the registration should be valid on the date of issue of this RFP. Bidder should have at least 5 years of experience in providing satisfactory custody services in Indian markets as on the date of issue of this RFP. For this, bidder should provide copies of registration and renewal certificates with SEBI indicating continuous experience	As SEBI started issuing Registration Certificates from 1998, we understand that we can provide an affidavit to confirm the period of custodian services being offered prior to 1998. We request you to confirm.	Bidder can provide client engagement certificates, work-order of clients for the period prior to 1998.						
8	8.3.2 / Page 32	Enclose Certificate for average of Total Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by the statutory auditor.	Period calculations of Assets under Custody is done on a monthly basis. Kindly confirm if custodians can provide certificate of average annual Assets under Custody basis month end valuations.	Bidder need to enclose certificate duly certified by an auditor recognized by ICAI as per the requirement under clause 8.3.2 of the RFP document.						
9	8.3.3 / Page 32	Enclose Certificate for average of Debt Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by an auditor recognized by ICAI.	Periodic calculations of Assets under Custody is done on a monthly basis. Kindly confirm if custodians can provide certificate of average annual Assets under Custody basis month end valuations.	Bidder need to enclose certificate duly certified by an auditor recognized by ICAI as per the requirement under clause 8.3.3 of the RFP document.						
10	8.3.5 / Page 32	Enclose certificate for Number of clients with the bidder over the last five year period ended march 2020 whose Debt Assets Under Custody is at least Rs. 5,000 Crores as on 31 March, 2020, duly certified by an auditor recognized by ICAI.	Please confirm if our understanding of the clause is correct - Custodian needs to submit a certificate that specifies the number of clients it has with Debt Assets Under Custody of at least Rs. 5,000 crores as of 31st March, 2020 and is with the custodian from the last 5 years (1st April 2015 to 31st March 2020)	Bidder needs to submit certificate specifying number of clients with Debt Asset Under Custody of at least Rs 5,000 crores as on 31 <sup>st</sup> March, 2020 and such clients are with the custodian over the last five year period ended 31 <sup>st</sup> March, 2020.						

Sr. No.	Reference (Clause No. / Page No.) in the RFP	Content of RFP requiring clarification	Points of Clarification	Response to query
11	8.4 / Page 33	Financial Bid Format	The portal ( <a href="https://eprocure.gov.in/eprocure/app">https://eprocure.gov.in/eprocure/app</a> ) has their own BOQ file formats for submitting the financial quotes. Please clarify, if custodians has to use that BOQ file or a separate excel sheet in the format given by SPFO in the RFP document.	Financial bid shall be submitted by the bidder as per the format given in clause 8.4 and 9.3 and the financial bid submitted as per the prescribed format in the RFP document will be considered for the evaluation of the financial bid.
12	General	Opening of Bank Account with Custodian	For successful operation of custodian services, a client needs to open bank account also with custodian along with depository/CSGL account and securities account for its investment related activities. Understand that SPFO will also be opening investment bank account with the appointed custodian.	SPFO is in the process of selecting portfolio manager for managing SPFO'S fund. The account set up and mode of operation would be decided by SPFO in consultation with the appointed portfolio manager. SPFO will open CSGL accounts with the appointed Custodian of Securities.
13	General	Current Custodian of SPFO	Who is the current custodian of SPFO from where the securities will come to the new appointed Custodian?	SBI-SG Global Securities Services Private Limited is the existing Custodian of securities for SPFO's funds.
14	8.3.2, 8.3.3 / Pg:32	<ul style="list-style-type: none"> <li>Enclose Certificate for average of Total Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by the statutory auditor.</li> <li>Enclose Certificate for average of Debt Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by an auditor recognized by ICAI.</li> </ul>	Please advise if we can certify all the documents from an ICAI certified auditor including the average of total Assets under custody or do we have to mandatorily certify the average of total Assets under custody by a Statutory Auditor.	Enclose certificates duly certified by an auditor recognized by ICAI for the requirement under clause 8.3.2 and 8.3.3. of the RFP document.
15	8.3.5 / Pg:32	Enclose certificate for Number of clients with the bidder over the last five year period ended march 2020 whose Debt Assets Under Custody is at least Rs. 5,000 Crores as on 31 March, 2020, duly certified by an auditor recognized by ICAI.	Should we provide the number of only clients with us for more than 5 years with Debt AUC of at least Rs. 5000 crore as on 31 Mar, 2020 or can we provide the number of clients with Debt AUC of at least Rs. 5000 crore as on 31 March 2020, irrespective of their period of association with us.	Bidder needs to submit certificate specifying number of clients with Debt Asset Under Custody of at least Rs 5,000 crores as on 31 <sup>st</sup> March, 2020 and such clients are with the custodian over the last five year period ended 31 <sup>st</sup> March, 2020.
16	5.6.1 / Pg:16	All incidental charges whatsoever such as premium, commission, etc. with respect to the PBG shall be borne by the Bidder. The PBG shall be valid till 180 days after the completion of the tenure of the appointment including extensions, if any.	Is it correct to say that PBG would remain valid for a max of 6 months after completion of tenure / termination of appointment.	Yes. This is as per requirement under GFR 171(ii) & further extended period is as per RBI guidelines vide Notification RBI/ 2004-05/68 dated July 23, 2004 on the subject matter.

Sr. No.	Reference (Clause No. / Page No.) in the RFP	Content of RFP requiring clarification	Points of Clarification	Response to query
17	4.4.1 / Pg:13	Custodian of Securities shall furnish periodic reports, for such duration and time, specified by SPFO and any such information and documents as may be required by SPFO, from time to time.	Kindly confirm that the scope of the RFP is limited to custodial services or would you require our Fund accounting services as well?	The scope of the RFP is limited to Custodial services as per the scope of work given under section 4 of the RFP document.