

Maldives Pension Administration Office

Request for Proposals for

Custody services for Maldives Retirement Pension Scheme

Deadline For Submission: 2 April, 2017

1. Introduction

Overview

The Maldives Pension Administration Office is (MPAO) is soliciting proposals from qualified organizations for Custody Services.

The MPAO was established in 2009 by the Pension Act of Maldives. MPAO manages and administers the Maldives Retirement Pension Scheme (MRPS), which is a mandatory defined contribution pension scheme that covers workers in both public and private sector.

Membership

Under the Maldives Pension Act, all Maldivian workers and their employers are required to pay, jointly, 14% of the pensionable wage as monthly pension contributions to MPRS. The contributions are invested and members are assigned individual accounts. The returns on investments along with the contributions net of fees are accumulated until the member reaches the retirement age. The distributions from the scheme take place when the member reaches the retirement age.

Membership as of 31 December 2016

Profile	2016
Active Members	90,192
Retired Members	3,631

Contributions during the year 2016 accounts for MVR 936 Million and benefits paid to members accounts for MVR 47 Million.

Investments

Assets in the Retirement System are derived from three sources: (i) employer contributions; (ii) employee contributions; and (iii) investment earnings. The assets are invested pursuant to investment policy guidelines as established by the Board of MPAO.

Method of Reporting

MPRS financial statements are prepared on the accrual basis of accounting in accordance with IFRS and are subject to statutory audits. MRPS follows unitized accounting model for the purpose of individual member record keeping.

MPRS comprise of four separate funds and a daily net asset value statement and price is determined for each fund for issuance, redemption of units and valuation of member accounts.

MRPS is subject to supervision by the Pension Supervision Department of the Capital Market Development Authority (CMDA). In addition to annual disclosure of MRPS financial reports, quarterly reports are filed with CMDA.

Investment Structure

As of December 2016, total market value of assets was MVR over 5 billion and invested in mainly government securities. The investment activities are done in-house and MPAO currently has no external asset managers.

Investment Structure	Market Value (MVR Million)
Treasury Bills	3,042
Sovereign Bonds	2,412
Corporate Bonds/Sukuk	32
Bank Deposits	277
Equity	225
Total Fund	5,988

2. Service Requirements

MPAO requires a complete set of services from a Custodian Service Provider as specified in Article 18 of the Pension Act, which includes, but not limited to, the following;

- Receive and retain paper securities that constitute Pension Assets.
- Maintain records of paperless securities that constitute Pension Assets.
- Receive and retain documents on transfer and issuance of monetary funds that constitute Pension Assets.
- Trade processing and settlements.
- Make entries in correspondent accounts.
- Provide necessary information to the Pension Office in order to perform obligations under this Act.
- Monitor whether the agreements for acquisition and disposal of Pension Assets are in accordance with this Act and, regulations formulated under this Act, and the basic investment principles determined by the Pension Office.
- Follow instructions of the Pension Office, except where such instructions contravene this Act or any other Act or applicable regulation or investment principles.
- Ensure that Pension Assets are invested in accordance with this Act, other asset investment regulations without contravening investment principles thereto.
- Ensure that Asset Managers fulfill their legal obligations in relation to investment of Pension Assets.
- Fulfill obligations specified in the Custody Agreement and regulations applicable to the Custodian.

3. Eligibility

To be eligible for provision of Custodian Services the service provider must be a legal entity duly registered in the Maldives and fulfil the following conditions;

- Having approval of the Securities Market Regulator for such an undertaking and is not under an enforcement action and license not being withheld;
- Is not Asset Manager of the Pension Office and is not a party related and associated with the Asset Manager or any member of the Board of the Pension Office;
- A party that does not lend or borrow money from Asset Manager or a party related and associated with the same.

4. Format and Content of Proposals

The proposal should comprise of the following information;

- Brief Company Profile
- The organization structure of custodian services operations
- The internal controls and risk management process in place
- Profiles of key persons handling the custodian operation
- Clearly stating how the services requirements (as stated under heading service requirements) are met
- Value added services to be provided
- Proposed fee as per Article 18 (G)3

Proposals must be addressed to;

**The Maldives Pension Administration Office
Umaru Shopping Archade
Chandanee Magu
Male', Maldives**

5. Schedule of Events

<u>Action</u>	<u>Date</u>
RFP is advertised and issued	March 9, 2017
Deadline to submit written questions and requests for interpretation	March 16, 2017
Response to written questions to be provided to all participants	March 23, 2017
Deadline for Submission of Proposal	April 2, 2017
Contract Signing and Appointment	(Latest by) April 30, 2017

6. Inquiries

Please forward all inquiries to the following e-mail;

admin@pension.gov.mv

For information please visit;
www.pension.gov.mv