

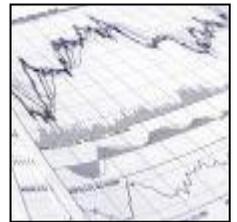


**Financial Intelligence Unit–India
Ministry of Finance, Government
of India**

Project FINnet-2

**Financial Intelligence Network
(Version 2.0)**

**Request for Proposal (RFP) for Hiring of Consultant
December 2017**



Section 1 - Instructions to Consultants

Section-2 - Technical Proposal Forms

Section 3 - Financial Proposal Forms

Section 4 - Terms of Reference

Section 5 - Conditions of Contract

Section 6 - Annexures

Table of Contents

Type chapter title (level 1)	1
<i>Type chapter title (level 2)</i>	2
Type chapter title (level 3)	3
Type chapter title (level 1)	4
<i>Type chapter title (level 2)</i>	5
Type chapter title (level 3)	6

Section 1 – INSTRUCTIONS TO CONSULTANT

1 Definitions

(a) “Employer” means the Ministry / department who have invited the bids for consultancy services and with which the selected Consultant signs the Contract for the Services and to which the selected consultant shall provide services as per the terms and conditions and TOR of the contract.

(b) “Consultant” means any entity or person or associations of person who have been shortlisted to submit their proposals that may provide or provides the Services to the Employer under the Contract.

(c) “Project specific information” means such part of the Instructions to Consultants used to reflect specific project and assignment conditions.

(d) “Day” means calendar day.

(e) “Government” means the Government of India.

(f) “Instructions to Consultants” (Section 1 of the RFP) means the document which provides shortlisted Consultants with all information needed to prepare their proposals.

(g) “Personnel” means professionals and support staff provided by the Consultant and assigned to perform the Services or any part thereof; “Foreign Personnel” means such professionals and support staff who at the time of being so provided had their domicile outside the Government’s country; “Domestic Personnel” means such professionals and support staff who at the time of being so provided had their domicile in India.

(h) “Proposal” means the Technical Proposal and the Financial Proposal.

(i) “RFP” means the Request For Proposal prepared by the Employer for the selection of Consultants.

(j) “Assignment / job” means the work to be performed by the Consultant pursuant to the Contract.

(k) “Terms of Reference” (TOR) means the document included in the RFP as **Section 4** which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Employer and the Consultant, and expected results and deliverables of the Assignment/job.

2. Introduction

2.1 The Employer named in the Part II Data Sheet will select a consulting firm/organization (the Consultant), in accordance with the method of selection specified in the Part II Data Sheet.

2.2 The name of the assignment/Job has been mentioned in Part II Data Sheet. Detailed scope of the assignment/ job has been described in the Terms of Reference in Section 4

2.3 The date, time and address for submission of the proposal has been given in Part II Data Sheet.

2.4 The Consultants are invited to submit their Proposal, for consulting Assignment/job named in the Part II Data Sheet. The Proposal will be the basis for signed Contract with the selected Consultant.

2.5 Consultants should familiarize themselves with Local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the Assignment/job and Local conditions, Consultants are encouraged to meet the Employer's representative named in part II Data Sheet before submitting a proposal and to attend a pre-bid meeting if one is specified in the Part II Data Sheet. Attending the pre-bid meeting is optional. Consultants should contact the Employer's representative to arrange for their visit or to obtain additional information on the pre-bid meeting. Consultants should ensure that these representatives are advised of the visit in adequate time to allow them to make appropriate arrangements.

2.6 The Employer will provide at no cost to the Consultants the inputs and facilities specified in the Part II Data Sheet, assist the consultants in obtaining licenses and permits needed to carry out the Assignment/job, and make available relevant project data and reports.

2.7 Consultants shall bear all costs associated with the preparation and submission of their proposals and contract. The Employer is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Consultants.

3. Clarification on RFP Document

3.1 Consultants may request a clarification on any clause of the RFP documents up to the three days before the pre-bid meeting date. Any request for clarification must be sent in writing, or by standard electronic means to the Employer's address indicated in the Part II Data Sheet. The Employer will respond in writing, or by standard electronic means and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all Consultants. Should the Employer deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure under para. 3.3 below.

3.2 The clarifications may also include the following:

(i) Comments and suggestions on the Terms of Reference including workable suggestions that could improve the quality/ effectiveness of the Assignment/job.

(ii) Suggestion / views on the draft contract attached with the RFP document. The consultant may also mention here any modifications sought by him in the provisions of the draft contract.

However, the Employer is not bound to accept any/all modifications sought and may reject any such request of modification.

3.3 At any time before the submission of Proposals, the Employer may amend the RFP including draft contract by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all Consultants and will be binding on them. Consultants shall acknowledge receipt of all amendments. To give Consultants reasonable time in which to take an amendment into account in their Proposals the Employer may, if the amendment is substantial, extend the deadline for the submission of Proposals.

4. Conflict of Interest

4.1 Employer requires that Consultants provide professional, objective, and impartial advice and at all times hold the Employer's interests paramount, strictly avoid conflicts with other Assignment/jobs or their own corporate interests and act without any consideration for future work.

4.2 Without limitation on the generality of the foregoing, Consultants, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth below:

4.2.1 Conflicting activities: A firm that has been engaged by the Employer to provide goods, works or Assignment/job other than consulting Assignment/job for a project, and any of its affiliates, shall be disqualified from providing consulting Assignment/job related to those goods, works or Assignment/job. Conversely, a firm hired to provide consulting Assignment/job for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works or Assignment/job other than consulting Assignment/job resulting from or directly related to the firm's consulting Assignment/job for such preparation or implementation. For the purpose of this paragraph, Assignment/job other than consulting Assignment/job are defined as those leading to a measurable physical output.

4.2.2 Conflicting Assignment/job: A Consultant (including its Personnel and Sub-Consultants) or any of its affiliates shall not be hired for any Assignment/job that, by its nature, may be in conflict with another Assignment/job of the Consultant to be executed for the same or for another Employer. For example, a Consultant hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and a Consultant assisting an Employer in the privatization of public assets shall not purchase, nor advice purchasers of, such assets.

4.2.3 Conflicting relationships: A Consultant (including its Personnel and Sub-Consultants) that has a business or family relationship with a member of the Employer's staff who is

directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the Assignment/job, (ii) the selection process for such Assignment/job, or (iii) supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Employer throughout the selection process and the execution of the Contract.

4.3 Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Employer, or that may reasonably be perceived as having this effect. Any such disclosure shall be made as per the Standard forms of technical proposal provided herewith. If the consultant fails to disclose said situations and if the Employer comes to know about any such situation at any time, it may lead to the disqualification of the Consultant during bidding process or the determination of its Contract during execution of assignment.

4.4 No agency or current employees of the Employer shall work as Consultants under their own ministries, departments or agencies.

5. Proposal

Consultants may only submit one proposal. If a Consultant submits or participates in more than one proposal, such proposals shall be disqualified.

6. Proposal Validity

Clause 8 of the Part II Data Sheet to consultant indicates how long Consultants' Proposals must remain valid after the submission date. During this period, Consultants shall maintain the availability of Professional staff nominated in the Proposal and also the financial proposal unchanged. Should the need arise, the Employer may request Consultants to extend the validity period of their proposals. Consultants who agree to such extension shall confirm that they maintain the availability of the Professional staff nominated in the Proposal and their financial proposal remain unchanged, or in their confirmation of extension of validity of the Proposal, Consultants could submit new staff in replacement, who would be considered in the final evaluation for contract award subject to the replacement being of equivalent expertise as per satisfaction of employer. Consultants who do not agree have the right to refuse to extend the validity of their Proposals, under such circumstance the Employer shall not consider such proposal for further evaluation.

7. Preparation of Proposals

7.1 The Proposal as well as all related correspondence exchanged by the Consultants and the Employer shall be written in English language, unless specified otherwise.

7.2 In preparing their Proposal, Consultants are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a Proposal.

7.3 The bid should be submitted in two parts :

7.3.1 **Technical Bid**- The format for submission of technical bids is provided in Section-2.

7.3.2 **Commercial Bid** – The format for submission of commercial bids is provided in Section -3

7.4 . **Technical Bid** Depending on the nature of the Assignment/job, Consultants are required to submit a Technical Proposal (TP) in forms provided in Section-2. The Part II Data sheet in Section-I indicates the formats of the Technical Proposal to be submitted. Submission of the wrong type of Technical Proposal will result in the Proposal being deemed non-responsive. The Technical Proposal shall provide the information indicated in the following paras from (a) to (I) using the attached Standard Forms (Section 2). Form Tech – I in Section-2 is a sample letter of technical proposal which is to be submitted along with the technical proposal.

7.4.1 The bidder will be assessed on the following mandatory Technical criteria, and the bidder shall submit the information for technical bid in the forms at Section-2. The bidder must submit documentary evidence in support of their claim for fulfilling the criterion and they should submit an undertaking on their letterhead with company seal by their Company Secretary to the fairness of these documents while submitting the information. The following criterion should be fulfilled by the bidder:-

- a) The bidder must be incorporated and registered in India under the Indian Companies Act 1956 or a Limited Liability Partnership (LLP) registered under the LLP Act, 2008 or Indian Partnership Act 1932 and should have been in operation in India for minimum of 5 years.
- b) The Bidding firm must be a profit making company since the last three financial years ending 31st March 2016 and should have a positive net worth.
- c) The bidder should be registered with the Service Tax department and must carry a valid PAN.
- d) The bidder's turnover from consultancy in India should be more than **Rs. 25 crores** in each of the last three financial years viz. **2013-14, 2014-15 and**

2015-16. In addition, the bidder's turnover from IT consultancy in India should be more than Rs. 10 crores in the corresponding 3 years as mentioned above. A certificate from the Chartered Accountant on **both the turnovers** in these years, must be submitted.

- e) The Bidder must have completed at least 5 IT consultancy assignments in design of systems (IT/application software and hardware), and preparation of RFP and bid process management for selection of System Integrator/ Managed Service Provider, in a large Enterprise/ Government environment in India or abroad with a consultancy value of at least Rs 50 lacs / 1 Crore each during the last 3 financial years ending 31 march 2016.
- f) The Bidder must have completed at least 1 consultancy assignments in design of AML/CFT systems (IT/application software and hardware), in a large Financial Enterprise/ Government environment in India or abroad with a consultancy value of at least Rs 1 Crore during the last 3 financial years ending 31 march 2016.
- g) The bidder should not be blacklisted by Central/ State Government Ministry/ Department/ PSU/ Government Company. Bidder also should not be under any legal action for indulging in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice with any Indian Central/ State Government Ministry/ Department/ PSU/ Government Company. An undertaking (Self- Declaration Certificate) is required as per Form Tech 6 of Section 2.
- h) The bidder should not have an exclusive re-seller relationship with any technology vendors. The bidder shall submit the certificate to the effect.
- i) The company should have minimum of 50 (Fifty) professionals who are experienced in IT Strategic consultancy, Business Process Study /System Study, having domain knowledge of Web based Applications development, Financial Management, System Software Development, Networking Architecture(LAN/WAN connectivity), Cyber & Information System Security and DC/BCP/DR setup.
- j) The Consultant must have a full-fledged office in Delhi/NCR region
- k) Consultant to confirm in Yes or No, whether it falls under the Micro, Small and Medium Enterprises Development Act, 2006. If yes, a copy of the Registration Certificate must be provided to FIU-IND. Further, keep informed to FIU-IND whether there is any change of the status of the company.
- l) The Consultant shall designate certain professionals as Key Professionals who are expected to be retained for the deployment period unless otherwise

changed, substituted or replaced by the employer as per the terms of the contract. Role of the key professionals and their minimum qualification is as per **Table 2 in clause 16** of this section. Number of key professionals to be deployed is to be proposed by the consultant. While making the proposal, the consultant must ensure that he proposes type of experts as sought by the Employer, failing which the proposal shall be considered as non-responsive.

m) Timeline for completing the work is enclosed as Appendix I to this Section. The Consultant must complete the stated scope of work within the time line given in Appendix –I of this section. The Consultant may decide to complete the work in a shorter time span than indicated by providing additional effective key professional.

7.4.2 The bids consisting of documents in support of the above criteria 7.4.1 (a – m) and those required as per Section-2 should be uploaded electronically and document should be properly page numbered and indexed.

7.5 While preparing the Technical Proposal, Consultants must give particular attention to the following:

- (a) Number of Professional staff in the Proposal shall be based on the estimate by the Consultants for completing the project assignment in given time as per Appendix I of Data Sheet attached in this section .
- (b) Alternative professional staff shall not be proposed, and curriculum vita (CV) of only confirmed Key Professional has to be submitted. However, the Consultant can propose more than one Key Professional for a specific role to meet the requirements of project time line .
- (c) A brief description of the consultant’s organization will be provided in Form Tech-2 of Section 2. In the same Form, the consultant will provide details of experience of assignments which are similar to the proposed assignment/ job as per the terms of reference. For each Assignment/job, the outline should indicate the names of Professional staff who participated, duration of the Assignment/job, contract amount, and Consultant’s involvement. Information should be provided only for those Assignment/jobs for which the Consultant was legally contracted by the Employer as a corporation or as one of the major firms within a joint venture. Assignment/jobs completed by individual Professional staff working privately or through other consulting firms cannot be claimed as the experience of the Consultant, or that of the Consultant’s associates, but can be claimed by the Professional staff themselves in their CVs. Consultants should be prepared to substantiate the claimed experience along with the proposal and must submit letter of award / copy of contract for all the assignments mentioned in the proposal.

(d) The list of the proposed Professional staff team by area of expertise, the position that would be assigned to each staff team member, and their tasks is to be provided in Form TECH-7 of Section 2.

(e) CVs of the Professional staff as mentioned in para 7.5 (d) above signed by the staff themselves or by the authorized representative of the Professional Staff (Form TECH-8 of Section 2).

7.6 The Technical Proposal shall not include any financial information. A Technical Proposal containing financial information may be declared non responsive.

7.7 **Financial Proposals:** The Financial Proposal shall be prepared using the attached Standard Forms(Section 3). The financial proposal shall not include any conditions attached to it and any such conditional financial proposal shall be rejected summarily.

8. Taxes

The Consultant shall fully familiarize themselves about the applicable to Domestic taxes (such as: value added or sales tax, service tax or income taxes, duties, fees, levies) on amounts payable by the Employer under the Contract. All such taxes must be included by the consultant in the financial proposal.

9. Currency

Consultants shall express the price of their Assignment/job in India Rupees.

10. Earnest Money Deposit (EMD)

10.1 Earnest Money Deposit

I. An EMD of Rs. 5,00,000/- in the form of Account Payee Demand Draft, Banker's Cheque or Bank Guarantee from any of the commercial banks must be submitted alongwith the Proposal. The proforma for EMD Bank Guarantee is given in **Annexure A** of the Section 6-Annexures. EMD should remain valid up to and including 60 days after the period of bid validity. These should be drawn in favour of the 'DDO, Financial Intelligence Unit, India' and payable at New Delhi,

II. Proposals not accompanied by EMD shall be rejected as non-responsive.

III. No interest shall be payable by the Employer for the sum deposited as earnest money deposit.

IV. The EMD of the unsuccessful bidders would be returned back within one month of signing of the contract with the successful bidder.

10.2 The EMD shall be forfeited by the Employer in the following events:

I. If Proposal is withdrawn during the validity period or any extension agreed by the consultant thereof.

II. If the Proposal is varied or modified in a manner not acceptable to the Employer after opening of Proposal during the validity period or any extension thereof.

III. If the consultant tries to influence the evaluation process.

IV. If the consultant, having been notified of the acceptance of its bid by the Employer during the period of bid validity:

(a) fails or refuses to execute the Contract Form, if required; or

(b) fails or refuses to furnish the Performance Security, in accordance with the instructions to Bidders;

11. Performance Bank Guarantee

The successful bidder shall execute a Performance Bank Guarantee amounting to 10% of the value of the contract as per Annexure B of the Section 6- Annexures which would be valid upto a period of three months after the contract period.

12. Bid Processing Fees

All consultants are required to pay Rs.1000/- towards Bid Processing Fees in the form of demand Draft drawn in favor of DDO, Financial Intelligence Unit-India and payable at New Delhi. The Bid Processing Fee is Non-Refundable. Please note that the Proposal, which does not include the bid processing fees, would be rejected as non-responsive.

13. Submission, Receipt, and Opening of Proposal

13.1 The Proposal shall be submitted through e-procurement portal CPPP. The procedure for filing of e-tender is provided on the portal. Files uploaded on the portal should have file name in accordance to following format [form_name. applicant_name]. Applicant name should contain only first two words of its name.

13.2 The original proposals, both Technical and Financial Proposals shall contain no interlineations or overwriting, except as necessary to correct errors made by the Consultants themselves. Submission letters for both Technical and Financial Proposals should respectively be in the format of TECH-1 of Section 2, and FIN-1 of Section 3.

- 13.3 The Authorized Representative of the Applicant should authenticate Technical and Financial proposal using digital signatures. The authorization shall be in the form of a written power of attorney accompanying the Proposal as per format given in Section 6 , Annexure E.
- 13.4 The Applicant shall submit his proposal in two covers containing details of Technical Proposal and Financial Proposal respectively.
- 13.5 The technical proposal consist of documents in support of criteria 7.4.1 (a – l)and as specified in **Section-2**. It shall also include the following:
- I. Registered Power of Attorney executed by the Consultant in favor of the authorized signatory as per format given in **Annexure E**, certifying him/her as an authorized signatory for the purpose of this Tender.
 - II. Covering Letter from the consultant as per the format provided in **Annexure-D**.
 - III. Pre contract Integrity Pact as per **Annexure "C"** duly signed by the authorised signatory of the Bidder.
 - IV. EMD of the prescribed amount and validity as per **Clause 10.1**
 - V. Bid processing fee of INR 1,000 (INR One Thousand only) in the form of demand Draft drawn in favor of DDO, Financial Intelligence Unit-India and payable at New Delhi.Original EMD and bid processing fees should be physically deposited at FIU-IND in Admin Section before the closing hours of submission.
- 13.6 The Financial bid should contain cost details, in lump sum and in Indian Rupees (INRs.) only, in following form and submitted as per the Proforma attached (FORM FIN-1, FORM FIN-2, FORM FIN-3,) **in Section "3"**
- 13.7 The Proposals must be submitted no later than the time and the date indicated in the Data sheet, or any extension to this date in accordance with **para 3.3**of this section.

14 Proposal Evaluation

- 14.1 From the time the Proposals are opened to the time the Contract is awarded, the Consultants should not contact the Employer on any matter related to its Technical and/or Financial Proposal. Any effort by Consultants to influence the Employer in the examination, evaluation, ranking of Proposals, and recommendation for award of Contract may result in the rejection of the Consultants' Proposal.
- 14.2 The employer has constituted a Consultant Evaluation Committee (CEC) which will carry out the entire evaluation process.

14.3 The Evaluation Committee shall first evaluate the technical proposal based on the information provided in the Form at Section-2 and the supporting documents submitted. In the first stage of evaluation, a Proposal shall be rejected if it is found deficient as per the following requirements for responsiveness of the proposal:

- i) All the required forms of the pre-qualification proposal should have been submitted.
- ii) EMD should have been submitted.
- iii) Bid processing fees should have been submitted.
- iv) The power of attorney in the name of authorized representative should have been submitted.

14.4 Evaluation of Technical Proposals: CEC while evaluating the Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded and the competent authority accepts the recommendation.

14.5 The CEC shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and by applying the criteria as specified in clause 15 of Section 1. A Proposal shall be rejected if it is found deficient as per the following requirements for responsiveness of the proposal:

- i) All the required forms of the technical proposal should have been submitted.
- ii) All the Key professionals for the requisite expertise as given in Table 2 should have been provided.
- iii) The technical proposal should not contain any financial information.
- iv) The CD containing the soft copy of the technical proposal should not contain financial proposal.

14.6 Only responsive proposals shall be further taken up for evaluation. Evaluation of the technical proposal will start first and at this stage the financial bid (proposal) will remain unopened. The qualification of the consultant and the evaluation criteria for the technical proposal shall be as defined in clause 15 of this section .

15 Evaluation of the Quality (Technical Proposal)

FIU-IND shall evaluate each technical proposal, using the Consultant Evaluation Committee (CEC), taking into account criteria as prescribed at Section-2. The bidder will be assessed on mandatory Technical criteria 7.4.1 (a to l). The bidder must submit documentary evidence in support of their claim for fulfilling the criterion and they should submit an undertaking on their letterhead with company seal by their Company Secretary to the fairness of these documents while submitting the information.

16 Key professionals

The Consultant shall designate certain professionals as Key Professionals who are expected to be retained for the deployment period unless otherwise changed, substituted or replaced by the employer as per the terms of the contract. The Consultant shall replace any Key Professional only in cases of resignation, disability, or other unmanageable circumstances and only upon prior written consent of FIU India and the replacement resource should be part of transition of 2 weeks. In case a resource is replaced due to unjustifiable reasons, then it will attract a penalty of Rs. 50,000.

Table 2: Key professionals to be proposed for the project

	Role of key professional	Required minimum competencies
1.	Project Leader	Must have at least 10 years of outstanding experience in project management and contemporary knowledge of technological advancements, latest developments in the field of IT, world-wide trends and practices in developed countries. The Project Manager should have leadership and team building capabilities, problem solving skills and deliverables based management. At least three Consulting experience with FIU/LEA/ Intelligence agencies is required He should possess either of PMP / PRINCE2 / TOGAF certification
2.	Project Manager	➤ Must have at least 7 years of experience and should have good project management and team management skills. Should act as the single point of contact for the project, both from functional and technical perspective. He should have extensive experience of managing procurement process for e-Governance projects. He should have at least Three Consulting experience with FIU/LEA/ Intelligence agency's processes and activities or public procurement management for e-Governance projects. He should possess at least one of PMP / PRINCE2 / TOGAF certification and a certifications on public procurement
3.	Functional Team Leader	Must have at least 7 years of experience and must be a good facilitator and have knowledge and experience of business architecture and process design. Should have good report creation skills. He should have extensive experience of managing procurement process for e-Governance projects. At least three Consulting experience with law enforcement agencies/ FIU/ e-Governance projects is required. He should possess at least one of PMP / PRINCE2 / TOGAF certification or a certifications on public procurement.

4.	Functional Support Consultant	<p>Must have at least 5 years of experience. He Must be a good facilitator and have knowledge and experience of business architecture and process design. Should have good report creation skills. He should have extensive experience of managing procurement process for e-Governance projects.</p> <p>At least one Consulting experience with law enforcement agencies/ FIU/ e-Governance projects is required. He should possess at least one of PMP / PRINCE2 / TOGAF certification or, a certifications on public procurement</p>
5.	Technical Support Consultant	<p>Must have at least 5 years of experience. He must have knowledge and experience of technology, requirement specifications, system architecture, software design techniques and software engineering. Extensive experience in procurement process for e-Governance projects is required.</p> <p>Experience in IT infrastructure assessment / gap analysis of existing e-Governance projects for the purpose of augmentation and extension, is required . Consulting experience with law enforcement agencies is preferred. He must possess at least one work experience in either of the following :</p> <ul style="list-style-type: none"> ➤ Experience in technical design and evaluation for e-Governance projects with FIU / law enforcement agencies ➤ Experience of infrastructure assessment and its augmentation for other e-Governance projects <p>He should possess</p> <ol style="list-style-type: none"> a) ITIL / ISO 27001 or equivalent certification b) CCNA / CCDA / JNCIA or equivalent certification

Table 3: Staffing Schedule during the project duration

Key personnel	Minimum percentage deployment of proposed personnel for the project duration
Project Leader	10%
Project Manager	50%
Functional Team Leader	50%
Functional Support Consultant	100%
Technical Support Consultant	50%

Note:

1. The Bidder should submit names of key personnel alongwith their CVs together with the bid documents.
2. The Bidder should provide sufficient consultants/professionals/ supporting personnel to support the above key professionals to complete the terms of reference. The Consultant need not submit the names of such non key personnel along with the bid.

17 Public opening & evaluation of the Financial Proposals

- 17.1 Financial proposals of only those bidders who are technically qualified shall be opened publicly on the date & time to be specified separately in the presence of the bidders' representatives who choose to attend. The name of the bidders and their financial proposal shall be read aloud.
- 17.2 The CEC will correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures, the former will prevail. In addition to the above corrections the items described in the Technical Proposal but not priced, shall be assumed to be included in the prices of other activities or items.
- 17.3 After opening of financial proposals, selection method as described in clause 18 and data sheet shall be applied to determine the consultant who will be declared winner and be eligible for award of the contract.

18 Method of Selection

Financial bids of only technically qualified consultants will be opened and the consultant quoting the lowest price for the assignment in Form FIN-2 will be considered for award of contract.

19 Award of Contract

- 19.1 Employer shall issue a Letter of Intent to the selected consultant and promptly notify all other Consultants who have submitted proposals about the decision taken.
- 19.2 The consultants will sign the contract after fulfilling all the formalities/pre-conditions, within 15 days of issuance of the letter of intent.

19.3 The Consultant is expected to commence the Assignment/job on the date and at the location specified in the Part II Data Sheet.

20 Confidentiality

Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the Consultants who submitted the Proposals or to other persons not officially concerned with the process, until the publication of the award of Contract. The undue use by any Consultant of confidential information related to the process may result in the rejection of its Proposal and may be subject to the provisions of the Employer's antifraud and corruption policy.

21 Non-Disclosure Agreement

The successful bidder will be required to sign a separate non-disclosure agreement with FIU-IND. Further, all personnel deployed for the project would also be required to sign a non-disclosure agreement.

PART II :DATA SHEET OF INSTRUCTIONS TO CONSULTANT

Clause No. of Data	Ref of ITC	Particulars

1	2.1	Name of the Employer: Financial Intelligence Unit-India, Ministry of Finance 2.0 Method of Selection: L1 amongst Technically qualified consultants
2	2.2	Financial Proposal to be submitted along with Technical proposal : Yes Name of the Assignment/job is: Consultancy Service for Project FINnet 2.0
3	2.3	Last Date & time and address for submission of proposal/ bid: Date: <17><04>2017 Time: 16.00Hrs Address: Financial Intelligence Unit-India 6 th Floor, Hotel Samrat Kautilya Marg, Chanakyapuri, New Delhi 110021, India
4	2.5	A pre-bid meeting will be held: Yes Date: <28><03> 2017 Time: 11.00Hrs Address: Conference Room Financial Intelligence Unit-India 6 th Floor, Hotel Samrat Kautilya Marg, Chanakyapuri, New Delhi 110021, India
5	2.5	The Employer's representative is: Name: Chaitanya Shukla Joint Director, FIU-IND Address: Financial Intelligence Unit-India 6 th Floor, Hotel Samrat Kautilya Marg, Chanakyapuri New Delhi 110021, India Telephone: +91-11-26874369 Facsimile: +91-11-26874459 E-mail: cshukla@fiuindia.gov.in
6	2.6	FIU-IND would provide requisite office space to the Consultants and work with them for providing domain expertise and facilitating meetings with other stakeholders. FIU-IND would also ensure that the people required for the requirements analysis would be made available as and when required. The Consultant is expected to provide for all costs such as domestic transportation costs and secretarial support. The Consultant is required to provide for requisite domestic trips outside Delhi of two Consultants each during the course of the assignment.

7	3.1	<p>Clarifications may be requested not later than 3 days before the pre-bid meeting. The address for requesting clarifications is:</p> <p>Name: Chaitanya Shukla Joint Director, FIU-IND Address: Financial IntelligenceUnit-India 6th Floor, Hotel Samrat, Kautilya Marg, Chanakyapuri New Delhi 110021, India</p> <p>Facsimile: +91-11-26874459 E-mail: cshukla@fiuindia.gov.in</p>
8	6	<p>Proposals must remain valid for 120 days from the date of submission of the bids.</p>
9	7.5	<p>The estimated number of professional man months required for the Assignment/job is shall be based on the estimate by the Consultants for completing the project assignment in given time as per Appendix I of this Data Sheet.</p> <p>Note:</p> <ol style="list-style-type: none"> 1. The Consultant should submit names of key personnel along with their CVs together with the bid documents. 2. The Consultant should provide sufficient consultants/professionals/ supporting personnel to support the above key professionals to complete the terms of reference. The Consultant need not submit the names of such non key personnel along with the bid. 3. The Consultant must ensure that he proposes the type of key professionals as sought by the employer, failing which the proposal shall be considered as non-responsive. 4. Broad timeline which is indicative is enclosed as Appendix I to this Section. The Consultant has to provide key professional on the basis of their estimate of effort required to complete the terms of reference given in Section 4 of the RFP. <p>The required competency for each of the identified roles of key professionals is tabulated as under:+-</p>

	Role of key professional	Required minimum competencies
1.	Project Leader	Must have at least 10 years of outstanding experience in project management and contemporary knowledge of technological advancements, latest developments in the field of IT, world-wide trends and practices in developed countries. The Project Manager should have leadership and team building capabilities, problem solving skills and deliverables based management. At least three Consulting experience with FIU/LEA/ Intelligence agencies is required He should posses either of PMP / PRINCE2 / TOGAF certification
2.	Project Manager	Must have at least 7 years of experience and should have good project management and team management skills. Should act as the single point of contact for the project, both from functional and technical perspective. He should have extensive experience of managing procurement process for e-Governance projects. He should have at least Three Consulting experience with FIU/LEA/ Intelligence agency's processes and activities or public procurement management for e-Governance projects. He should possess at least one of PMP / PRINCE2 / TOGAF certification and a certifications on public procurement
3.	Function al Team Leader	Must have at least 7 years of experience and must be a good facilitator and have knowledge and experience of business architecture and process design. Should have good report creation skills. He should have extensive experience of managing procurement process for e-Governance projects. At least three Consulting experience with law enforcement agencies/ FIU/ e-Governance projects is required. He should possess at least one of PMP / PRINCE2 / TOGAF certification or a certifications on public procurement.
4.	Function al Support Consulta nt	Must have at least 5 years of experience. He Must be a good facilitator and have knowledge and experience of business architecture and process design. Should have good report creation skills. He should have extensive experience of managing procurement process for e-Governance projects. At least one Consulting experience with law enforcement agencies/ FIU/ e-Governance projects is required. He should possess at least one of PMP / PRINCE2 / TOGAF certification or, a certifications on public procurement
5.	Technical Support Consulta nt	Must have at least 5 years of experience. He must have knowledge and experience of technology, requirement specifications, system architecture, software design techniques and software engineering. Extensive experience in procurement process for e-Governance projects is required. Experience in IT infrastructure assessment / gap analysis of existing e-Governance projects for the purpose of augmentation and extension, is required . Consulting experience with law enforcement agencies is preferred. He must possess at least one work experience in either of the following : <ul style="list-style-type: none"> ➤ Experience in technical design and evaluation for e-Governance projects with FIU / law enforcement agencies ➤ Experience of infrastructure assessment and its augmentation for other e-Governance projects ➤ He should possess ITIL / ISO 27001 or equivalent certification ➤ CCNA / CCDA / JNCIA or equivalent certification

10	7.6	The formats of the Technical Proposal to be submitted are: Form Tech 1: Letter of Proposal submission Form Tech 2: Consultant's organization & experience Form Tech 3: Technical Bid Information Form Tech 4: Other Documents Form Tech 5: Financial Information (As per Audited Balance Sheet) Form Tech 6: Declaration as per 7.4.1(g) Form Tech 7: Team Composition & Task Assigned Form Tech 8: Curriculum vitae Form Tech 9: Information regarding any conflicting activities and declaration thereof.
11	9	Consultant to state the cost in Indian Rupees.
12	13.4	The Applicant shall submit his proposal in two parts containing details of Technical Proposal and Financial Proposal respectively. Consultant must submit 4 copies of the Technical Proposal and a CD.
13	15	Criteria for technical evaluation of the bids shall be as under: FIU-IND shall evaluate each technical proposal, using the Consultant Evaluation Committee (CEC), taking into account criteria as prescribed at Section-2. The bidder will be assessed on mandatory Technical criteria 7.4.1 (a to I). The bidder must submit documentary evidence in support of their claim for fulfilling the criterion and they should submit an undertaking on their letterhead with company seal by their Company Secretary to the fairness of these documents while submitting the information
14	18	Method of Selection: Financial bids of only technically qualified consultants will be opened and the consultant quoting the lowest price for the assignment in Form FIN-2 will be considered for award of contract.
15	20.3	Expected date for commencement of consulting Assignment/job: < Month> 2017 at New Delhi
16	20.3	Location for performance assignment/job: Financial Intelligence Unit – India 6 th Floor, Hotel Samrat Chanakyapuri, Kautilya Marg New Delhi -110021

APPENDIX I: I) BROAD TIMELINE

	M1		M2		M3		M4		M5		M6		M7		M8
	H1	H2	H1	H2	H1	H2	H1	H1	H1	H2	H1	H2	H1	H2	H1
<i>DNFBP study and assessment model</i>															
<i>Primary study</i>															
<i>Secondary study</i>															
<i>Updated DNFBP assessment report**</i>															
<i>Updated assessment framework for DNFBPs**</i>															
<i>Preparation of RFP for SI</i>															
<i>Workload Assessment Report</i>															
<i>Revised Process Design Report</i>															
<i>Technology Assessment Report</i>															
<i>Submission of draft RFP for selection of new System Integrator (SI)</i>															
<i>Review and approval of the RFP**</i>															
<i>Bid process management</i>															
<i>Release of RFP**</i>															
<i>Conducting pre-bid meeting</i>															
<i>Responses to pre-bid queries</i>															
<i>Bid submission by SI</i>															
<i>Technical evaluation of bids</i>															
<i>Financial evaluation of bids</i>															
<i>Issuance of LOI to the new vendor**</i>															
<i>Vendor finalization and contract signing**</i>															

*** Timelines for these steps are subject to approval by FIU-IND and other stakeholders*

Time line given above is for indicative purpose.. The Consultant may decide to complete the work in a shorter time span than indicated in the table above.

SECTION 2 – Technical Bid FORMS

FORM TECH-1: LETTER OF PROPOSAL SUBMISSION

<Location, date>

To:

Director, FIU-IND Financial
Intelligence Unit-India 6th Floor,
Hote Samrat
Chanakyapuri, New Delhi -110021
India

Sir,

We, the undersigned, offer to provide the consulting services for Project FINnet 2.0 in accordance with your Request for Proposal dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes the following:

- i) Technical Proposal (one original and four copies along with one softcopy)
- ii) Financial Proposal sealed under a separate envelope

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

We understand you are not bound to accept any Proposal you receive. We remain,

Yours sincerely,

(Signature of the Consultant)

Name :

Designation :

Seal :

Date :

Place :

Business Address:

FORM TECH-2: CONSULTANT'S ORGANIZATION AND EXPERIENCE

A - Consultant's Organization

[Provide here a brief description of the background and organization of your firm/entity and each associate for this Assignment/job. The brief description should include ownership details, date and place of incorporation of the firm, objectives of the firm etc.

B - Consultant's Experience

[Using the format below, provide information on each assignment for which your firm, and each associate for this assignment, was legally contracted either individually as a corporate entity or as one of the major companies within an association, for carrying out consulting services similar to the ones requested under this assignment. The Consultant should give information about projects covering the areas of design of Anti Money Laundering/Risk Assessment Systems, Process Design, Information Systems Design, Information Security Planning and Project Management. Preference will be given to Consultants who present evidence of having successfully carried out similar assignments in the area of Anti-Money Laundering or Risk Management Systems etc.

Name of Consultant/Firm:	
Assignment/job name:	
Nature of Assignment:	
Description of Project	
Approx. value of the contract (in Rupees):	
Country:	
Location within country:	

Duration of Assignment/job (months) :	
Name of Employer:	
Address and contact details:	
Total No of staff-months of the Assignment/job:	
Approx. value of the Assignment/job provided by your firm under the contract (in Rupees):	
Start date (month/year):	
Completion date (month/year):	
Name of associated Consultants, if any:	
No of professional staff-months provided by associated Consultants:	
Name of senior professional staff of your firm involved and functions performed.	
Description of actual Assignment/job provided by your staff within the Assignment/job:	

Note: Please attach Letter of Intent or Purchase Order or certificate of successful completion for each project, from the respective Client(s).

(Signature of the Consultant)

Name :

Designation :

Seal :

Date :

Place :

Business Address:

FORM TECH3: Form for Submission of Technical Bid Information

Name of Consulting Firm:	
Contact Person:	
Signature:	

SI No	Prequalification Criteria	Supporting Documents	Documents Provided (Y/N)
1	The bidder must be incorporated and registered in India under the Indian Companies Act 1956 or a Limited Liability Partnership (LLP) registered under the LLP Act, 2008 or Indian Partnership Act 1932 and should have been in operation in India for minimum of 5 years.	Should produce Articles of association (in case of registered firms), Bye laws and certificates for registration (in case of registered co-operative societies), Partnership deed (in case of partnership firm).	
2	The Bidding firm must be a profit making company since the last three financial years and should have a positive net worth.	<i>Certificate from CA firm/P&L statement and Balance sheet approved by the auditor</i>	
3	The bidder should be registered with the Service Tax department and must carry a valid PAN.	<i>Copy of registration along with copy of PAN</i>	
4	The bidder's turnover from consultancy in India should be more than Rs. 25 crores in each of the last three financial years viz. 2013-14, 2014-15 and 2015-16 . In addition, the bidder's turnover from IT consultancy in India should be more than Rs. 10 crores in the corresponding 3 years as above.	<i>Certificate from CA firm</i>	

SI No	Item	Document	Provided (Y/N)
1.	An EMD of Rs. 5 lakhs, in the form as specified in clause 10.1 of section 1	Demand Draft/ Pay Order details: Date: Drawn on: Amount	
2.	Letter of authorization supported by Board Resolution/ power of attorney as per Annexure E		
3.	Pre bid integrity pact as per Annexure C		

FORM TECH 5: Financial Information (as per Audited Balance Sheets)

Please provide information for three last declared financial years

Particulars	<Year 1>	<Year 2>	<Year 3>
Turnover (in Crores)			
Profit Before Tax (in Crores)			
Revenue from Consulting Services (in INR Crores)			
Revenue from IT Services (in INR Crores)			
Other Relevant Information			

1. Please attach copies of relevant financial statements and audited accounts for the three last declare financial years.
2. Please attach the copies of Profit and Loss Accounts for the three declared financial years.

FORM TECH 6: Declaration

Date:

To,

Director,
Financial Intelligence Unit- India,
6th Floor, Hotel Samrat, Kautilya Marg,
Chanakyapuri, New Delhi-110021.

Sir,

Ref.: Request for information for Technical Bid for "Selection of Consultant for FINnet 2.0"

I / We hereby confirm that our firm has not been banned or blacklisted by any government organization/ financial organization/ financial institution / court/ public sector unit/ central or state government.

I/ We also confirm that there is no any legal action for indulging in corrupt practice, fraudulent practice, coercive practice,

undesirable practice or restrictive practice is pending with any Indian Central/ State Government Ministry/ Department/ PSU/ Government Company/ Court.

*Place:
Date:*

*Signature of Consultant
Name:
Designation:
Contact No.:*

eMail:

Seal:

FORM TECH-7 : TEAM COMPOSITION AND TASK ASSIGNMENT

Key Professionals

Sr. No.	Name of Staff	Name of Firm	Role	Position Assigned	Tasks Assigned

Note:

1. Names of only those Key Professional Personnel whose CV are enclosed in Form TECH-8 (Curriculum Vitae for Proposed Professional Staff) should be mentioned here. If more than one Key Professional is provided for a particular role, all the names should be mentioned in separate rows.

2. Select Role of Key Professional from the following:

- Project Leader
- Project Manager
- Functional Team Leader
- Functional Support Consultant
- Technical Support Consultant

3. Select Task assigned from the following tasks to be performed

- Conduct Primary study
- Conduct Secondary study
- Design updated DNFBP assessment report**
- Design updated assessment framework for DNFBPs**
- Prepare workload assessment report.
- Identify Stake holder Expectations
- Identify processes and key indicators

Redesign the existing processes
Design of new processes
Prepare Revised Process Design Report
Design of Training courses and capacity building of REs
Design of verification tool for system based audit of REs
Review of existing IT applications and hardware
Estimation of additional IT requirements - hardware sizing and application licenses
Assess New IT Architecture Requirement
Prepare Information Technology Plan
Prepare Information Security Plan
Prepare Technical Architecture
Prepare Technology Assessment and Enhancement Report
Prepare Request for Proposals (RFPs)
Assist in Vendors election

(Signature of the Consultant)

Name :

Designation :

Seal :

Date :

Place :

Business Address:

FORM TECH-8 : CURRICULUM VITAE (CV) FOR PROPOSED KEY PROFESSIONALS

[For each position of key professional separate form Tech-8 will be prepared]:

1	Name of Firm: [Insert name of firm proposing the staff]
2	Name of Staff: [Insert full name]
3	Proposed Role in Project FINnet: [Select Role of Key Professionals from the following Project Manager Business Process Expert AML Expert Security Expert Technology Expert Implementation Manager]
4	Whether the service would be available full time during the deployment period: Yes/No
5	Date of Birth:
6	Nationality:
7	Education: [Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment]
8	Membership of Professional Associations:
9	Other Training:
10	Countries of Work Experience: [List countries where staff has worked in the last ten years]
11	Languages [For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]
12	Employment Record: From [Year]: To [Year]: Employer: Positions held: [Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment.]
13	Detailed Tasks Assigned [List all tasks to be performed under this Assignment/job]

14	<p>Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned</p> <p>Name of Assignment/job or project:</p> <p>Year:</p> <p>Location:</p> <p>Employer:</p>
----	---

	Positions held: Activities performed: <p style="color: blue;">[Among the Assignment/jobs in which the staff has been involved, indicate the following information for those Assignment/jobs that best illustrate staff capability to handle the tasks listed under point 13.]</p>
15	Certification: I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any wilful misstatement described herein may lead to my disqualification or dismissal, if engaged.
16	[Signature of staff member or authorized representative of the staff]
17	[Full name of authorized representative]
18	Date:
19	Place:

(Signature of the Consultant)

Name :

Designation :

Seal :

Date :

Place :

Business Address:

FORM TECH-9: DECLARATION FORM

Are there any activities carried out by your firm or group company or any member of the consortium which are of conflicting nature as mentioned in para 4 of section 1. If yes, please furnish details of any such activities. If no, please certify,

We hereby declare that our firm, our associate / group firm or any of the member of the consortium are not indulged in any such activities which can be termed as the conflicting activities under para 4 of the section 1. We also acknowledge that in case of misrepresentation of the information, our proposals / contract shall be rejected / terminated by the Employer which shall be binding onus.

(Signature of the Consultant)

Name :

Designation :

Seal :

Date :

Place :

Business Address:

SECTION 3 – FINANCIAL PROPOSAL FORMS

FORM FIN-1: FINANCIAL PROPOSAL SUBMISSION FORM

To:

Director, FIU-IND
Financial Intelligence Unit-India
6th Floor, Hotel Samrat, Chanakyapuri, New
Delhi -110021 India

Sir,

We, the undersigned, offer to provide the consulting services for Project FINnet in accordance with your Request for Proposal dated XX 2016 and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures]. This amount is inclusive of the Domestic taxes.

We hereby confirm that the financial proposal is unconditional and we acknowledge that any condition attached to financial proposal shall result in rejection of our financial proposal. Our Financial Proposal shall be binding upon us, up to expiration of the validity period of the Proposal, i.e. before the date indicated in clause 8 of the Part II Data Sheet.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

(Signature of the Consultant)

Name :

Designation :

Seal :

Date :

Place :

Business Address:

FORM FIN-2: SUMMARY OF COSTS

S.No	Particulars	Amount in Rupees	Amount in words (In Indian Rupees)
1	Consultancy Charges		
2	Service Tax / Any other tax at applicable rates		
3	Total		

Note:

1. The total amount in Row 3 above would be used for commercial evaluation.

(Signature of the
Consultant) Name :

Designation :

Seal :

Date :

Place :

Business Address:

FORM FIN-3: Deliverables and timelines

S. No.	Deliverables	Timeline (illustrative)
1.	DNPBP study report	T+10 weeks
2.	Workload Assessment Report	T+6 weeks
3.	Revised Process Design and Technology Assessment Report	T+12 weeks
4.	Submission of draft RFP for selection of new SI	T+16 weeks
5.	• Review and approval of the RFP	T+18 weeks (T1)
6.	Bid process	T1+3months

T = Date of contract signing.

Note:

1. Activity 1 may run in parallel with activity 2 and 3.
2. The Project time line should be submitted as per Appendix I of Data Sheet. The same should be mentioned in the table above.

(Signature of the
Consultant) Name :

Designation :

Seal :

Date :

Place :

Business Address:

SECTION 4- TERM OF REFERENCE

1. BACKGROUND INFORMATION

1.1 About FIU-IND

The Government of India set up Financial Intelligence Unit – India (FIU-IND) on 18th November 2004 to coordinate and strengthen collection, processing analyzing and sharing of financial intelligence with various law enforcement/intelligence agencies through an effective national, regional and global network to combat money laundering and related crimes. FIU-IND reports to the Economic Intelligence Council (EIC) headed by the Finance Minister.

1.2 Functions of FIU-IND

The Government of India's O.M. dated 18th November 2004 set up Financial Intelligence Unit – India (FIU-IND) as the central national agency responsible for receiving, processing, analyzing and disseminating information of suspect financial transactions to various agencies. The broad categories of functions of FIU-IND are intelligence management, relationship management and policy review and development.

1.2.1 Intelligence Management

- Receiving reports from reporting entities.
- Identification of suspicious cases.
- Analysis of suspicious cases.
- Dissemination of information to relevant national intelligence/enforcement agencies and foreign FIUs.
- Sharing information with national intelligence/enforcement agencies and foreign FIUs.
- Identifying and obtaining any other data/information relevant for analysis.

1.2.2 Relationship Management

- Establishing and maintaining relationships with domestic intelligence/enforcement agencies, supervisory and regulatory agencies, reporting entities and foreign FIUs.
- Establishing membership in international organisations involved in anti-money laundering and combating financing of terrorism (CFT) efforts.
- Facilitating and administering MOUs with foreign FIUs.
- Maintaining relationships with international organisations like the IMF, World Bank, World Customs Organisation etc. to build international environment to tackle money

laundering.

- Assisting in the formulation of training programmes for reporting entities and intelligence/enforcement agencies.

1.2.3 Policy review and development

- Reviewing regulatory and operational issues and suggesting policy changes.
- Promoting awareness on issues concerning economic crimes including money laundering.

1.3 Obligations under PMLA relevant to FIU-IND

Section 12 of PMLA lays down following obligations on the banking companies, financial institutions and intermediaries.

“12. (1) Every banking company, financial institution and intermediary shall-

1. maintain a record of all transactions, the nature and value of which may be prescribed, whether such transactions comprise of a single transaction or a series of transactions integrally connected to each other, and where such series of transactions take place within a month;
2. furnish information of transactions referred to in clause (a) to the Director within such time as may be prescribed;
3. verify and maintain the records of the identity of all its clients, in such a manner as may be prescribed

Provided that where the principal officer of a banking company or financial institution or intermediary, as the case may be, has reason to believe that a single transaction or series of transactions integrally connected to each other have been valued below the prescribed value so as to defeat the provisions of this section, such officer shall furnish information in respect of such transactions to the Director within the prescribed time.

(2) The records referred to in sub-section (1) shall be maintained for a period of ten years from the date of cessation of the transactions between the clients and the banking company or financial institution or intermediary, as the case may be.”

Thus there are three obligations of reporting entities under PMLA i.e. maintenance of records, furnishing information to FIU-IND and verification of identity of clients.

1.4 Maintenance of Records

Rule 3, 4, 5 and 6 of the Rules notified in Notification No. 9/2005 dated 1st July, 2005 specifically provide rules for maintenance and retention of records.

1.4.1 Maintenance of Records of transactions

Rule 3 of the Rules notified under Notification No. 9/2005 requires every banking company, financial institution and intermediary to maintain record of –

- (A) All cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency,
- (B) All series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month,
- (C) All cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place, and
- (D) All suspicious transactions whether or not made in cash.

1.4.2 Information to be contained in Records

Rule 4 of the Rules notified under Notification No. 9/2005 requires recording of the nature of the transactions, the amount of the transaction, the currency in which it was denominated, the date on which the transaction was conducted and the parties to the transaction.

1.4.3 Procedure and manner of maintaining information

Rule 5 of the Rules notified under Notification No. 9/2005 requires that every banking company, financial institution and intermediary shall evolve an internal mechanism for maintaining information in respect of transactions with its clients in hard and soft copies in accordance with the procedure and manner specified by the regulatory agencies.

1.4.4 Retention of Records

Rule 6 of the Rules notified under Notification No. 9/2005 requires that the records referred to in Rule 3 shall be maintained for a period of ten years from the date of cessation of the transactions with the client.

1.5 Furnishing information

PMLA and the Rules notified thereunder require every banking company, financial institution and intermediary, to furnish to FIU-IND information relating to –

- (A) All cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency,
- (B) All series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month,
- (C) All cash transactions where forged or counterfeit currency notes or bank notes have

- been used as genuine and where any forgery of a valuable security has taken place,
and
- (D) All suspicious transactions whether or not made in cash.

1.5.1 Procedure and manner of furnishing information

Rule 7 of the Rules notified under Notification No. 9/2005 lays down the procedure and manner of furnishing information. This rule requires every banking company, financial institution and intermediary to communicate the name, designation and address of its Principal Officer to the Director, FIU-IND. This rule also requires every banking company, financial institution and intermediary to evolve an internal mechanism for furnishing information. The Principal Officer is made responsible for furnishing the information to the Director, FIU-IND in the prescribed form.

1.5.2 Cash Transaction Reports

PMLA, and the Rules notified thereunder require every banking company, financial institution and intermediary, to furnish to FIU-IND information relating to –

- All cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency, and
- All series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month.
- The due date for furnishing cash transaction reports for a month is the 15th day of the succeeding month.

1.5.3 Suspicious Transaction Reports

Every banking company, financial institution and intermediary is required to furnish information of all suspicious transactions to FIU-IND. Suspicious transaction means a transaction, whether or not made in cash, which to a person acting in good faith –

- gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- appears to be made in circumstances of unusual or unjustified complexity; or
- Appears to have no economic rationale or bonafide purpose.

The reporting format of STR notified by RBI lays down following broad categories of suspicion for a banking company:

- i) Identity of client - False identification documents; identification documents which could not be verified within reasonable time; accounts opened with names very close to other established business entities.

- ii) Background of client - Suspicious background or links with known criminals.
- iii) Multiple accounts - Large number of accounts having a common account holder; introducer or authorized signatory with no rationale; unexplained transfers between multiple accounts with no rationale.
- iv) Activity in accounts - Unusual activity compared with past transactions; sudden activity in dormant accounts; activity inconsistent with what would be expected from declared business.
- v) Nature of transactions- Unusual or unjustified complexity; no economic rationale or bonafide purpose; frequent purchases of drafts or other negotiable instruments with cash; nature of transactions inconsistent with what would be expected from declared business.
- vi) Value of transactions - Value just under the reporting threshold amount in an apparent attempt to avoid reporting; value inconsistent with the client's apparent financial standing. Similar broad categories of suspicion have been laid down by SEBI and IRDA for intermediaries of securities market and insurers respectively.

1.5.4 Counterfeit Currency Reports

The Prevention of Money-laundering Act, 2002, and rule thereunder require every banking company, financial institution and intermediary, to furnish to FIU-IND information relating to all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions.

1.5.5 Cross Border Wire Transfer Reports

All Reporting Entities are required to furnish to Director, FIU-IND the report of all cross border wire transfers of the value of more than five lakh rupees or its equivalent in foreign currency where either the origin or destination of fund is in India.

1.6 Verification of Identity of Clients

Section 12 of PMLA and the Rules notified thereunder require every banking company, financial institution and intermediary to verify and maintain the records of the identity of all its clients in prescribed manner. Rules 9 and 10 of Notification No. 9/2005 dated 1st July 2005 provide for verification and maintenance of the records of the identity of clients.

1.6.1 Verification of the records of the identity of clients

Rule 9 of the Rules notified under Notification No. 9/2005 requires every banking company, financial institution and intermediary to verify and maintain the record of identity and current address or addresses including permanent address or addresses of the client, the nature of business of the client and his financial status. The Rule also specifies that where it is not possible to verify the identity of the client at the time of opening an account

or executing any transaction, the banking company, financial institution and intermediary shall verify the identity of the client within a reasonable time after the account has been opened or the transaction has been executed. Rule 9 also specifies documents needed for verification of identity of individuals, companies, partnership firms, trusts, associations of persons or bodies of individuals.

1.6.2 Client Identification Programme

Rule 9 of the Rules notified under Notification No. 9/2005 requires every banking company, financial institution and intermediary to formulate and implement a client identification programme that it considers appropriate to enable it to determine the true identity of its clients as required under PMLA. A copy of the client identification programme is also required to be forwarded to the Director, FIU- IND.

1.6.3 Maintenance of Records of Identity

Rule 10 of the Rules notified under Notification No. 9/2005 requires every banking company, financial institution and intermediary to maintain the record of identity, current addresses, permanent address, nature of business and the financial status of the client. This rule also requires that the records of the identity of clients shall be maintained in hard and soft copies for a period of ten years from the date of cessation of the transactions with the client.

1.7 Circulars issued by Regulatory Agencies

The reporting entities under PMLA are regulated by various regulatory agencies such as:

- I. Reserve Bank of India (RBI)
- II. Securities and Exchange Board of India (SEBI)
- III. Insurance Regulatory and Development Authority (IRDA)

Some significant circulars issued by the Regulatory Agencies are:

- I. RBI's circular dated 29th Nov 2004 on KYC Guidelines – AML Standards
- II. RBI's circular dated 15th Feb 2006 on Obligation of Banks under PMLA
- III. SEBI's circular dated 18th Jan 2006 on Guidelines for Anti Money Laundering Measures
- IV. SEBI's circular dated 20th Mar 2006 on Obligations of Intermediaries under PMLA
- V. IRDA circular dated 31st Mar 2006 on Guidelines on AML programme for Insurers

1.8 Reporting Entities under PMLA

PMLA lays down certain obligations on reporting entities falling within the definition of banking company, financial institution or intermediary. The definition of banking company, financial institution and intermediary under PMLA is given in following paragraphs.

1.8.1 Banking Company under PMLA

“Banking Company” under PMLA includes:

- All nationalized banks, private Indian banks and private foreign banks.
- State Bank of India and its associates and subsidiaries.
- All co-operative banks viz. primary co-operative banks, state co-operative banks and central (district level) co-operative banks.
- Regional Rural Banks.

1.8.2 Financial Institution under PMLA

“Financial Institution” under PMLA includes:

- All India Financial Institutions namely EXIM Bank, NABARD, NHB, SIDBI, IFCI Ltd., IDFC Ltd., IIBI Ltd. and TFCI Ltd.
- Insurance companies.
- Hire Purchase companies.
- Chit fund companies as defined in the Chit Funds Act.
- Housing finance institutions as defined in the National Housing Bank Act such as HDFC.
- Non-banking financial companies such as motor and general, hire purchase companies, leasing companies, investment companies etc.

1.8.3 Intermediary under PMLA

“Intermediary” under PMLA includes following persons registered under Section 12 of the Securities and Exchange Board of India Act, 1992:

- Stock brokers
- Sub-brokers
- Share transfer agents
- Bankers to an issue
- Trustees to trust deed
- Registrars to issue
- Merchant bankers
- Underwriters
- Portfolio Managers
- Investment advisers
- Depositories and Depository Participants
- Custodian of securities
- Foreign institutional investors
- Credit rating agencies
- Venture capital funds

- Collective investment schemes including mutual funds

1.9 International Cooperation

The value of information exchange at an international level is very significant in combating money laundering and terror financing. FIUs have a unique ability to exchange financial information that may be helpful to law enforcement investigations in following the financial trail and uncovering criminal assets.

1.9.1 Financial Action Task Force(FATF)

The Financial Action Task Force (FATF) is an inter-governmental body, which sets standards and promotes policies to combat money laundering and terrorist financing. The Forty Recommendations of FATF are International Standards on anti-money laundering and combating financing of terrorism and Proliferation covering the criminal justice system, law enforcement, financial system regulation and international co-operation. These Recommendations have been recognised, endorsed, and adopted by many international bodies including the U.N.

1.9.2 India is a member of FATF since June 2010. India is also a member of two FATF Style Regional Bodies (FSRBs) namely the Asia Pacific Group on Anti-Money Laundering (APG) and the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). The FSRB also carry the mandate to ensure implementation of FATF Standards in the region apart from undertaking peer review.

1.9.3 Egmont Group

The Egmont Group serves as an international network fostering improved communication and interaction among FIUs. Egmont Group is named after the venue in Brussels where the first such meeting of FIUs was held in June of 1995. The goal of the Egmont Group is to provide a forum for FIUs around the world to improve support to their respective governments in the fight against money laundering, terrorist financing and other financial crimes. This support includes:

- Expanding and systematizing international cooperation in the reciprocal exchange of financial intelligence information.
- Increasing the effectiveness of FIUs by offering training and personnel exchanges to improve the expertise and capabilities of personnel employed by FIUs.
- Fostering better and secure communication among FIUs through the application of technology, presently via the Egmont Secure Web (ESW).
- Promoting the establishment of FIUs in those jurisdictions without a national anti-money laundering/terrorist financing program in place, or in areas with a program in the beginning stages of development.

1.9.4 Financial Intelligence Units

The definition of Financial Intelligence Unit as formalised by the Egmont Group in 1996 is as under:

“A central, national agency responsible for receiving, (and as permitted, requesting) analysing and disseminating to the competent authorities, disclosures of financial information:

- I. concerning suspected proceeds of crime, or required by national legislation or regulation,
- II. In order to combat money laundering and terrorist financing.”

2 Project FINnet

FIU-IND initiated the FINnet project in 2006 to “Adopt industry best practices and appropriate technology to collect, analyze and disseminate valuable financial information for combating money laundering and related crimes”. However, due to environmental and fast technological changes in the world, it is incumbent upon the Government and its agencies to search for new technology and methods to face the new challenges. Hence, FINnet 2 has been conceptualised by FIU to increase the effectiveness of FIU as well as the AML/CFT regimes. The scope of work has been updated visualising the present scenario of environment.

FIU India entrusted the responsibility of developing and implementing the FINnet project to a System Integrator, with the following objectives:

- Build efficient system for collection of data from Reporting Entities to reduce the lead time in processing the data.
- Build capacity to effectively analyze large number of reports and produce quality intelligence.
- Build efficient system for dissemination and exchange of information with other Agencies.
- Build adequate internal capacity in terms of administrative support and knowledge base that will make FIU India an agile organization to meet its changing needs.
- Adopt an array of security measures and internal controls to protect the information from unauthorized disclosure and provide reasonable assurance regarding prevention or prompt detection of unauthorized acquisition, use, or disposition of information assets.

The FINnet project consisted of two phases: Design phase and Implementation phase. The design phase involved the appointment of a consulting agency to finalize the functional and technical specifications for the project, which was translated into a RFP for selection of a System Integrator (SI). The Implementation phase covered the selection of the SI for the following activities:

- Implementation and Roll Out
 - Development / customization, integration, testing and rollout of software applications at FIU-IND office location, PDC and BCP-DR sites.
 - Supply, installation, integration, commissioning and roll out of hardware at FIU-IND office location, PDC and BCP-DR sites.
 - Supply, installation and configuration of security solutions at FIU-IND office location, PDC and BCP-DR sites.
 - Migration of Legacy data.
- Enhanced Support
 - Administration of Databases, Systems and Network.
 - Help Desk services to support external stakeholders.
 - Facility management services at FIU-IND office location.
 - Maintenance of FIU-IND web-site.
 - Training (Technical and Certification).
 - Audit (Infrastructure, Application Security).
- Maintenance Support
 - Maintenance services for Software deployed.
 - Maintenance services for Hardware deployed.

The scope of the work of the FINnet project for the System Integrator was classified into the following software solution areas (SSAs):

- IT Enablement of Processes
- Report Generation and Submission Utilities
- FINnet Gateway (FINGATE)
- Report Digitization System
- Collection Processing System
- Identity and Relationship Resolution (IRR)
- Analysis and Search System
- Risk Management System
- FINnet Exchange (FINEX)
- Knowledge Management System
- Help Desk System
- Administration System

Project FINnet has been aimed at increasing the efficiency and effectiveness of FIU-IND's three core functions, viz. collection of information, analysis of information and dissemination of information. The figure below provides a high level overview of the functioning of the FINnet project under these three functional areas:

Collection of information:

Several Reporting Entities (REs) have been identified to provide periodic information to FIU-IND about related accounts, transactions, individuals, legal entities, and addresses, alongwith their relationships in a structured manner. The information collection from REs has been enabled through the FINnet Gateway Portal (FINgate). The project provides the REs with a Report Generation Utility (RGU) to assist them in generation of the prescribed XML reports from various data sources. There is also a Report Validation Utility (RVU) which enables REs to validate an XML report before submission to FIU-IND online duly signed digitally.

Analysis of information:

This function is realised in the system through processing of the information collected through Cash Transaction Reports (CTRs), Suspicious Transaction Reports (STRs) and Counterfeit Currency Reports (CCRs) from various REs. This includes data validation, link identification, identity resolution, and trend analysis using rule based engines. Information and trend analysis is integrated with digital maps to present geographical distribution of values or percentage changes with drill down to the state, district and pin code level. The information analysis and processing is integrated into a case management system which allows each case to be managed separately, and decisions to be made on dissemination of information to various agencies.

Exchange of information:

FINnet Exchange (FINex) enables seamless exchange of information with domestic agencies. The exchange is enabled through the FIU-IND portal, and can be made in various formats such as downloadable PDF or XML.

Project FINnet went live on 20 Oct, 2012 and maintenance phase started w.e.f. 1 April 2013.

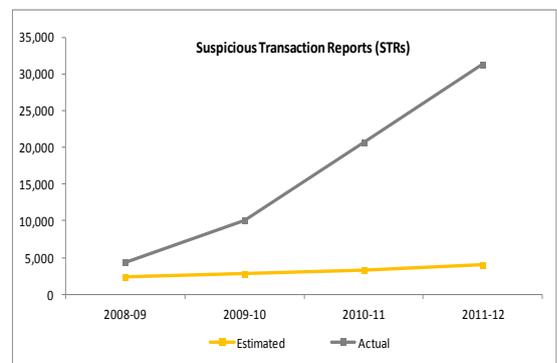
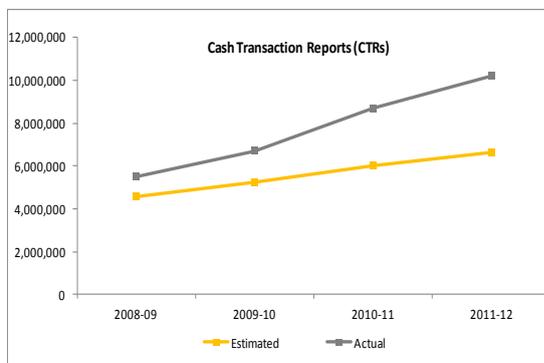
3 Challenges Faced

Due to the changes in the legal and operational framework, FIU-IND needs to review and enhance the scope of Project FINnet. During the last five years, the financial sector has witnessed a significant growth, and alongside the Anti-Money Laundering (AML) guidelines

have also been adopted. Some of the changes in the legal and operational framework that may require re-assessing the scope of work of Project FINnet are enumerated below:

A. Increase in reporting by Reporting Entities (REs)

- i. Improved compliance: Subsequent to the enforcement of the PMLA, 2002, the respective regulators i.e. RBI, SEBI, and IRDA, have followed up with stringent AML regulations and KYC norms. This has led to an increase in compliance to the reporting requirements by the REs and hence an increased volume of CTRs and STRs received by FIU-IND.
- ii. Use of IT systems by REs: With the implementation of robust IT systems by the REs, the identification of suspicious transactions has become easier and therefore the number of CTRs and STRs has increased. For instance, 61 indicators out of the total 88 red flag indicators notified for identification of suspicious transactions require the RE to implement an automated AML system. Therefore, as the IT infrastructure of REs improves, the number of transactions reported will increase exponentially. For example, the number of STRs reported by public sector banks increased from 16 in 2006-07 to 2,891 in 2009-10, an increase of 180 times. Similarly, the number of STRs for foreign banks increased from 184 to 755 during the same period.
- iii. Actual Vs Estimated growth: More than estimated growth of CTRs and STRs.



S. No.	Components	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
		(07-08)	(08-09)	(09-10)	(10-11)	(11-12)	(12-13)	(13-14)	(14-15)
1.1	Estimated		15%	15%	15%	10%	10%	10%	10%

S. No.	Components	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
		(07-08)	(08-09)	(09-10)	(10-11)	(11-12)	(12-13)	(13-14)	(14-15)
	Growth rate of CTRs								
1.2	Projected No. of CTRs (accounts) to be submitted annually ('000)	3,960	4,554	5,237	6,023	6,625	7,287	8,015	8,816
1.3	Actual Growth rate of CTRs		39%	21%	30%	17%	(-)13 %	(-)1%	(-)9%
1.4	Actual number of CTRs reported annually ('000)	3,960	5,511	6,694	8,687	10,198	8,882	8,779	8,008
2.1	Estimated Growth rate of STRs		20%	20%	20%	20%	20%	20%	20%
2.2	Projected No. of STRs reported annually	1,916	2,299	2,759	3,311	3,973	4,768	5722	6866
2.3	Actual Growth rate of STRs		130%	130%	105%	51%	1%	95%	(-)5%
2.4	Actual number of STRs reported	1,916	4,409	10,067	20,698	31,317	31,731	61,953	58,646

B. Introduction of new Reporting Entities (with reference to amendment in PMLA in June 2009)

With the amendment on PMLA in June 2009, three new Reporting Entities (REs) were added viz. Payment System Operators, Authorized Persons and Casinos.

Category	Definition
Authorized person	2(c) "authorized person" means an authorized dealer, money changer, off-shore banking unit or any other person for the time being authorized under sub-section (1) of section 10 to deal in foreign exchange or foreign securities

Payment System Operator	(rc) “payment system operator” means a person who operates a payment system and such person includes his overseas principal.
Casino	2(1)(ja) “designated business or profession” means carrying on activities for playing games of chance for cash or kind, and includes such activities associated with casino or such other activities as the Central Government may, by notification, so designate, from time to time;

C. Introduction of new Reports (with reference to amendment in PMLA in November 2009)

Further, with the amendment in November 2009, a new reporting requirement of NPO Transaction Reports (NTRs) (all transactions involving receipts by non-profit organisations of value more than rupees ten lakh, or its equivalent in foreign currency) was introduced. Latter Cross Border Wire Transfer Report was introduced in 2012.

D. Introduction of Prevention of Money Laundering (Amendment) Bill, 2011 and (Amendment) Act, 2012

One of the implications of the planned adherence to FATF recommendations was the latest Prevention of Money Laundering (Amendment) Bill, 2011. This bill was expected to include several new reporting entities as well as inclusion of attempted transactions under the reporting regime. Further, with the introduction of Prevention of Money Laundering (Amendment) Act, 2012, following were included:

- i. Wire transfers / Electronic Funds transfers
- ii. New reporting entities
 - Real estate agents
 - Dealers in precious metals, precious stones and other high value goods
 - Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908

With the additions and amendments in the Prevention of Money Laundering (Amendment) Act, 2012, the responsibilities of FIU-IND are expected to grow far beyond its current mandate. The ambit of reporting entities and information collected may further increase. Furthermore, FINnet’s operational workload is also expected to increase in the future owing to the increasing number of agencies requiring dissemination of information collected and processed by FIU India.

FIU now wishes to invite consultancy services from reputed organizations to assess the work load in future due to changes described above, review the working of the FINnet 1.0, recommend appropriate IT strategy, and finalise the project scope and approach, assist FIU-

IND in identification of a Managed Services Provider (MSP)/ Systems Integrator (SI) through a competitive bidding process.

4.Scope of Work of the Consultant

This scope of work invites consultants to provide consultancy services for enhancement of scope of FIU-IND to assist FIU in the following activities:

4.1DNFBP Sector Study

4.1.1 In the previous consulting assignment, a sector study of the Designated Non-Financial Businesses and Profession (DNFBPs) covering the following aspects was conducted:

- I. Size and composition of the sector
- II. Size and nature of the activity carried out by DNFBPs
- III. Ownership structure of financial institutions and businesses in the sector
- IV. Types of products and services offered and types of customers serviced
- V. Nature of payment systems and the prevalence of cash-based transactions
- VI. Corporate governance arrangements
- VII. Existing licensing, supervisory and regulatory regime and its coverage
- VIII. Existing requirements for customer identification, reporting and record-keeping.

4.1.2 As an incremental step, the consultant will focus on detailing the assessment and regulatory framework for three types of DNFBPs viz. real estate agents, dealers of precious gems and dealers of precious metals. The consultant will update the existing information on DNFBPs with FIU-IND by/to

- I. Preparation of questionnaires to be circulated to various DNFBPs
- II. Conduct secondary study based on available report, news, exiting research estimates
- III. Conduct primary study in atleast three large cities (viz. Delhi, Mumbai and Bangalore) to understand their business setup, key business transactions, governance mechanism, key money laundering avenues, etc.
- IV. Provide latest estimates of the size of sectors and categorize types of products and services offered
- V. Provide updated information of ownership structure, type of products and services, payment systems, corporate governance arrangements, licensing/supervisory/regulatory regime, existing requirements for customer identification, reporting and recordkeeping.
- VI. Preparation of updated DNFBP assessment report

4.1.3 Draft FIU-IND's assessment guidelines and framework for these DNFBPs

- I. Conduct study of leading practices from other FIUs to draw similar experiences, processes and frameworks which can be applied for DNFBP assessment by FIU India

- II. Study of PMLA to identify risk parameters and assessment parameters and guidelines for any compliance and enforcement activities to be carried out by FIU-IND under the PMLA
- III. Design the reporting templates for various reports to be collected from these entities
- IV. Update the Reporting Entity Compliance Assessment and Monitoring (RECAM) Model of FIU-IND with the various product categories and risk ratings of the new reporting entities

Deliverable 1

- 1. Best practices Study and Design report**
- 2. Updated DNFBP assessment report and assessment framework.**

4.2 Workload assessment and IT Strategy for FINnet 2.0

4.2.1 Workload Assessment and Process Design

Since the release of the last RFP for FINnet system, the scope of work for the System Integrator (SI) needs to be revisited in line with the current scenario. Changes in the legal and operational framework has necessitated the re-assessment of processes and Technology. These changes also need to be integrated in the scope of work of SI for Project FINnet 2.0. The consultant will conduct/prepare/design the following aspects:

4.2.1.1 Estimation of growth in work load for next five years on Project FINnet

- i. Based on the study of DNFBPs as well as the new Reporting Entities (viz. Payment System Operators, Authorized Persons, and Casinos), estimate the type and volume of data expected to be received, processed and disseminated by FINnet
- ii. Assess the type and volume of data to be received, processed and disseminated by FINnet due to inclusion of NPO Transaction Reports, reports related to wire transfers / electronic funds transfers, reports from Registrars or Sub-Registrars
- iii. Analyze the growth trend of CTRs / STRs / NTRs and correlate the growth with various factors such as growth in adoption by REs, growth in IT system implementation, growing economy, increase in number of REs, etc. Prepare a

estimation model to forecast the increase in CTRs / STRs / NTRs expected to be received from new REs during the next five years

- iv. Preparation of Workload Estimation Report due to new REs

4.2.1.2 Review and design of Processes

The review and design of processes should clearly define how various stakeholders will interact with the system and the outcomes that will be produced, at each stage along with transaction volume and metrics for each significant service (and where applicable at the task level). As a part of the activities, the consultant should document the key changes being proposed. Benefits arising out of the revised set of processes should be clearly identifiable. This exercise should be comprehensive spanning the entire scope of operations, even if phased/partial implementation is envisaged. In addition, identification and evaluation of best practices from other FIUs Internationally that could be considered for introduction as part of the process improvement should be explored. Scope of work includes:

- I. Review of documentation and interviews with FIU-IND officers to assess existing processes for data collection, processing and dissemination
- II. Compare the existing processes based on the new role and increased responsibilities for FIU-IND
- III. Identify the best practices followed internationally and suggest best fit practices for FIU-IND.
- IV. Identify changes required in the processes in line with the changes in reporting entities / report types / workload/change in technology.
- V. Conduct workshop of FIU stakeholders to discuss and finalize process changes. The consultants should interact with the stake holders and identify the requirements and expectation in terms of integration, IT interoperability, process challenges so that seamless data sharing is possible with relevant stake holders. Based on that following is expected:
 - a) Design and implementation of secure mobile ecosystem for information access.
 - b) Design of new process for data exchange mechanism for seamless data exchange with partners.
 - c) Design and implementation of a streamlined and robust risk based system within FIU and mechanism for sharing risk assessment results with other stakeholders (including financial sector).
- VI. Design of revised processes, along with process maps and documentation, if required

4.2.1.3 Preparation of Process Design report.

4.2.1.4 Compliance and training

- I. Development of training courses (with virtual certificate) and LMS for capacity building of reporting entity users.
- II. Update the Reporting Entity Compliance Assessment and Monitoring (RECAM) Model of FIU-IND with the development of verification toolkit for conducting systems based audit of reporting entities

Deliverable 2

- 1. Workload Estimation Report.**
- 2. Process Design Report.**
- 3. Capacity Building- Design of LMS and Training Course.**

4.2.2 Review of existing IT applications and hardware

- i. Review of existing application, hardware, storage, network and DC/DR architecture of FIU-IND
- ii. Assessment of the current performance and load of hardware / storage/ network / application
- iii. Identification of key constraints / performance issues / inefficiencies in IT hardware / storage/ network / application

4.2.2.1 Estimation of additional IT requirements - hardware sizing and application licenses

- I. Assessment of need for additional hardware (servers / network devices), additional network requirements (bandwidth, switches, etc.), and storage requirements (database licenses, storage devices, etc.)
- II. Assessment of need for new applications / additional modules to be developed to handle new data based on new reporting formats
- III. Assessment of need for integration of new applications/ modules, with the current applications in FINnet system
 - a) Design and implementation of a strategic analysis module for risk assessment and trend analysis. Integration of international and domestic exchange of information for effective risk management.
 - b) Design and implementation of a research module for conducting research/statistical analysis and providing inputs for policy making.
 - c) Application for effective analysis and linkages that need to be integrated with FINnet:
 - i. Design of data mining capability for proactive detection of new targets.

- ii. Design of semantic web and network analytics to detect implicit relationship between entities.
 - iii. Design of text analytics for effective processing of ground of suspicion in STRs.
 - iv. Design of machine learning to learning from working of analysts and feedback.
- IV. High level assessment of the buy-back value of hardware products that are end of life and end of support. This assessment can be carried out based on the accepted norms and guidelines in the GFR rules
- V. Assessment of requirements for integration with external databases like NATGRID, Banks etc
- VI. Assessment of additional security measures to ensure the new / additional data is exchanged and stored in secured manner
- VII. Design of the new IT architecture, taking into account the revised IT requirements
- VIII. Preparation of Technology Assessment and Enhancement Report

Deliverable 3

- 1 IT Infrastructure Requirements and Sizing Report**
- 2 Solution Architecture.**
- 3 Technology Assessment and Enhancement Report**

4.2.2.2 Preparation of a RFP for selection of a System Integrator to manage the existing FINnet system and also update and upgrade the system as per the new requirements

- I. Review the FINnet RFP for SI selection and the existing contract with SI
- II. In line with the Technology Assessment and Enhancement Report, identify the additional scope of work for SI
- III. Review the updated Functional Requirements Specifications (FRS) and any other system documentation of the current FINnet system to be prepared by SI, for the purpose of including in the RFP
- IV. Assist in preparing a RFP for selection of the SI for managing the FINnet system, including updation and upgradation of the system as per the additional scope of work
- V. Consultants will prepare draft contract/ agreement containing services, service levels requirement. This draft contract will form part of the RFP Document.

Deliverable 4

- 1. Request for Proposal (RFP) Document**
- 2. Draft Contract.**

4.2.3 Assist in Bid Process Management for the selection of the new SI vendor

The consultant will assist FIU-India in conduct of following activities :

- I. Assist in releasing the RFP
- II. Assist in conducting and managing the pre-bid conference
- III. Assist in responding to the pre-bid queries
- IV. Assist in preparing clarification / response to bidder queries
- V. Assist in preparing corrigendum / addendum, if required
- VI. Assist in bid opening at all the three stages i.e. Pre-qualification, Technical and Financial
- VII. Provide assistance in evaluation of responses to the Tender documents by the bidder(s), and prepare evaluation reports/results for the Technical Evaluation Committee
- VIII. Attend bidder presentations / demonstrations and assist in evaluating the same
- IX. Assist in seeking clarifications from bidders, if required
- X. Assistance in compiling pre-qualification and technical compliance reports and pre-qualification and technical comparison reports and presenting summarized form for decision making
- XI. Support in short listing of technically qualified bidders
- XII. Assist in evaluation of financial bids and compilation of evaluation/results for the Consultancy Evaluation Committee

Deliverable 5

- 1. Technical Bid Evaluation Report.**
- 2. Financial Bid Evaluation Report.**

Section 5- GENERAL CONDITIONS OF CONTRACT

1. GENERAL PROVISIONS

- 1.1. The Consultant or any organization or person, deployed on this project should note that, they will not be eligible to bid for the downstream work relating to the implementation of this project. The Consultant has to provide an undertaking, signed by authorized signatory, declaring that; if in the event of award of winning this consulting contract, the vendor or any of their group company shall not participate in the bidding for System Integration / Implementation of the Project. The SI / Implementation Project would be an outcome of this consulting assignment. The selection process for the envisaged SI/ Implementation is expected to take place through EOI / RFP floated by Employer at a later date.
- 1.2. Consultant represents and warrants that it is in compliance with, and shall continue to comply with, all applicable laws, ordinances, rules, regulations, and lawful orders of public authorities of any jurisdiction in which work shall be performed under this contract.
- 1.3. The Consultant/Consultant shall bear all costs associated with the preparation and submission of its Proposal and EMPLOYER shall not be responsible or liable for those costs, regardless of the conduct or outcome of the selection process.
- 1.4. EMPLOYER reserves the right to accept or reject any bid, to annul the entire bid process or reject all bids at any time prior to award of contract, without thereby incurring any liability to the affected Consultant(s) or any obligation to inform the affected Consultant(s) the grounds for such decision.
- 1.5. EMPLOYER, by issuance of this ToR/RFP does not necessarily indicate or imply that the project will be commenced. The consultant will absolve EMPLOYER of all responsibilities if the project does not start within a stipulated time-frame. EMPLOYER reserves the right to withdraw this assignment any time, without prior consultation or intimation to the Consultants.
- 1.6. The information contained in this document is only disclosed for the purposes of enabling consultants to submit a proposal to EMPLOYER. No part of this document including the Annexures can be reproduced in any form or by any means, disclosed or distributed to any party not involved in the bid process without the prior consent of EMPLOYER except to the extent required for submitting bid. This document should not therefore be used for any other purpose.

2. Fraud and Corruption

2.1. Definitions

It is the Employer's policy to require that Employers as well as Consultants observe the highest standard of ethics during the execution of the Contract. In pursuance of this policy, the Employer defines, for the purpose of this provision, the terms set forth below as follows:

- (i) "corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in contract execution;
- (ii) "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;
- (iii) "collusive practices" means a scheme or arrangement between two or more consultants, with or without the knowledge of the Employer, designed to establish prices at artificial, non-competitive levels;
- (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;

2.2 Measures to be taken by the Employer

- (a) The Employer will terminate the contract if it determines at any time that representatives of the consultant were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the consultant having taken timely and appropriate action satisfactory to the Employer to remedy the situation;
- (b) The Employer will sanction/censure the Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the Consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a Employer-financed contract;

2.3 Commissions and Fees

The Employer will require the successful Consultants to disclose any commissions or fees that may have been paid or are to be paid to agents, representatives, or commission agents with respect to the selection process or execution of the contract. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.

3 Force Majeure

1.1 Definition

- (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the

reasonable control of a Party, is not foreseeable, is unavoidable, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by Government agencies.

(b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Sub-Consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder.

(c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

1.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

1.3 Measures to be taken

(a) A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

(b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.

(c) Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

(d) During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant, upon instructions by the Employer, shall either:(i) demobilize; or(ii)Continue with the Services to the extent possible, in which case the Consultant shall continue to be paid under the terms of this Contract.

(e) In the case of disagreement between the Parties as to the existence or extent of Force

Majeure, the matter shall be settled according to Clause 10 of this section.

4 Suspension

The Employer may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultant to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

5 Termination for Default

a. The Employer may, without prejudice to any other remedy for breach of contract, by written notice of default ,not less than thirty (30) days' and sixty (60) days' in case of the event referred to in (ix), sent to the Consultant, terminate the contract in whole or part:

- i. If the Consultant fails to deliver any or all of the services within the time period(s) specified in the contract, or any extension thereof granted by the Employer; or
- ii. if the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause 4 hereinabove, within thirty(30) days of receipt of such notice of suspension or within such further period as the Employer may have subsequently approved in writing; or
- iii. If the Consultant becomes insolvent or go into liquidation or receivership whether compulsory or voluntary; or
- iv. If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 10hereof; or
- v. If the Consultant, in the judgment of the Employer, has engaged in corrupt or fraudulent practices in competing for or in executing this Contract; or
- vi. If the Consultant submits to the Employer a false statement which has a material effect on the rights, obligations or interests of the Employer; or
- vii. If the Consultant fails to perform any other obligation(s) under the contract; or
- viii. If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- ix. If the Employer, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

b. In the event the Employer terminates the contract in whole or in part, the Employer may procure, upon such terms and conditions as it deems appropriate, services

similar to those undelivered, and the Consultant shall be liable to the Employer for any excess costs for such similar services. However, the Consultant shall continue performance of the contract to the extent not terminated.

6. OBLIGATIONS OF THECONSULTANT

6.1. General

6.1.1.Standard of Performance

The Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the Employer, and shall at all times support and safeguard the Employer's legitimate interests in any dealings with Third Parties.

6.1.2.Law Governing Services

The Consultant shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that Personnel of the Consultant, comply with the Applicable Law. The Employer shall notify the Consultant in writing of relevant local customs, and the Consultant shall, after such notification, respect such customs.

6.1.3.Confidentiality

Except with the prior written consent of the Employer, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services. The successful bidder will sign a separate non-disclosure agreement with FIU-IND. Further, all personnel deployed for the project would also be required to sign a non-disclosure agreement.

6.1.4.Consultant's Actions Requiring Employer's Prior Approval

The Consultant shall obtain the Employer's prior approval in writing before making any change or addition to the Personnel.

6.1.5.Documents Prepared by the Consultant to be the Property of the Employer

All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultant for the Employer under this Contract shall become and remain the property of the Employer, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Employer, together with a

detailed inventory thereof. The Consultant may retain a copy of such documents, but shall not use anywhere, without taking permission, in writing, from the Employer and the Employer reserves right to grant or deny any such request. If license agreements are necessary or appropriate between the Consultant and third parties for purposes of development of any such computer programs, the Consultant shall obtain the Employer's prior written approval to such agreements, and the Employer shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

Conflict of Interest

Employer requires that Consultants provide professional, objective, and impartial advice and at all times hold the Employer's interests paramount, strictly avoid conflicts with other Assignment/jobs or their own corporate interests and act without any consideration for future work.

6.1.6. Indemnity

6.1.6.1. The Consulting Agency agrees to indemnify and hold harmless the Client from and against any and all claims, actions, proceedings, lawsuits, demands, losses, liabilities, damages, fines or expenses (including interest, penalties, attorneys' fees and other costs of defence or investigation (i) related to or arising out of, whether directly or indirectly, (a) the breach by the Consulting Agency of any obligations specified in relevant clauses hereof; (b) the alleged negligent, reckless or otherwise wrongful act or omission of the Consulting Agency including professional negligence or misconduct of any nature whatsoever in relation to Services rendered to the Employer; (c) any Services related to or rendered pursuant to the Work order (collectively "Indemnified matter"). As soon as reasonably practicable after the receipt by the Employer of a notice of the commencement of any action by a third party, the Employer will notify the Consulting Agency of the commencement thereof; provided, however, that the omission so to notify shall not relieve the Consulting Agency from any liability which it may have to the Employer or the third party. The obligations to indemnify and hold harmless, or to contribute, with respect to losses, claims, actions, damages and liabilities relating to the Indemnified Matter shall survive until all claims for indemnification and/or contribution asserted shall survive and until their final resolution thereof. The foregoing provisions are in addition to any rights which the Employer may have at common law, in equity or otherwise.

6.1.6.2. The Consulting Agency shall at all times indemnify and keep indemnified FIU-IND against all claims/damages etc. for any infringement of any Intellectual Property Rights (IPR) while providing its services under the Project.

6.1.6.3. The Consulting Agency shall at all times indemnify and keep

indemnified FIU-IND against any claims in respect of any damages or compensation payable in consequences of any accident or injury sustained or suffered by its (Consulting Agency's) employees or agents or by any other third party resulting from or by any action, omission or operation conducted by or on behalf of the Consulting Agency.

6.1.6.4. The Consulting Agency shall at all times indemnify and keep indemnified FIU-IND against any and all claims by Employees, Workman, Contractors, sub-contractors, suppliers, agent(s), employed engaged or otherwise working for the Consulting Agency, in respect of wages, salaries, remuneration, compensation or the like.

6.1.6.5. All claims regarding indemnity shall survive the termination or expiry of the Work Order.

CONSULTANTS' PERSONNEL

General - The Consultant shall employ and provide such qualified and experienced Personnel as are required to carry out the Services.

Removal and/or Replacement of Personnel-

(a) Except as the Employer may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Personnel, the Consultant shall forthwith provide as a replacement a person of equivalent or better qualifications.

(b) If the Employer (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the Employer's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the Employer.

(c) Any of the Personnel provided as a replacement under Clauses (a) and (b) above, as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Consultants may wish to claim as a result of such replacement, shall be subject to the prior written approval by the Employer. The rate of remuneration applicable to a replacement person will be the rate of remuneration paid to the replacement person. Also (i) the Consultant shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

(d) In case any of the proposed resources are found to be not performing or not

meeting the expectations of FIU-IND, the consultant shall find a replacement for the resource within two weeks. FIU-IND will evaluate the replacement profile and indicate the acceptance / rejection of the profile. If required, FIU may seek a personal interview of the person being proposed.

OBLIGATIONS OF THE EMPLOYER

Assistance and Exemptions

Employer shall use its best efforts to ensure that the Government shall:

Provide the Consultant, Sub-Consultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub-Consultants or Personnel to perform the Services.

Arrange for the Foreign Personnel to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in India.

Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services.

Change in the Applicable Law Related to Taxes and Duties

If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties, which are directly payable by the consultant for providing the services i.e. service tax or any such applicable tax from time to time, which increases or decreases the cost incurred by the Consultant in performing the Services, then the consultancy charges otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause 9.1(b) of this section.

PAYMENTS TO THECONSULTANT

In consideration of the Services performed by the Consultant under this Contract, the Employer shall make to the Consultant such payments and in such manner as is provided below:

Total Cost of the Services

- (a) The total cost of the Services payable is set forth in as per the consultant's proposal to the Employer.
- (b) Additional payments shall be made to the Consultant in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause 9.1(a) above, the ceiling or ceilings, as the case may be, shall be increased by the amount or amounts, as the case may be, of any such additional payments.
- (c) **Currency of Payment**

All payments shall be made in Indian Rupees.

Terms of Payment

The payments in respect of the Services shall be made as follows:

The consultant shall submit the invoice for payment when the payment is due as per the agreed terms. The payment shall be released as per milestones achieved and as per the specified percentage as given below:

Table 2: Payment milestones

Stage	Percentage of total payment to be released
1. DNFBP study and assessment model	
Conduct of DNFBP study and Submission of updated DNFBP assessment report and assessment framework	20%
2. Preparation of RFP for selection of SI	
Submission of Updated Process Design Report , Technological assessment Report and preparation of updated RFP and Draft contract for selection of SI	40%
3. Bid Process Management	
Bid Process Management including submission of technical and financial evaluation report and Issue of LOI and Signing of contract with the successful bidder	40%

6.1.7. Once the milestone is completed, the consultant shall submit the requisite deliverables as specified in this agreement. The Employer shall release the requisite payment upon acceptance of the deliverables.

6.1.8. For the purpose of payment under **Clause 9.3.2** above, acceptance means; acceptance of the deliverables by the Employer after submission by the consultant and the consultant has made presentation to the Employer with / without modifications to be communicated in writing by the Employer to the consultant.

6.1.9. If the deliverables submitted by the consultant are not acceptable to the Employer, reasons for such non-acceptance should be recorded in writing; the Employer shall not release the payment due to the consultant. This is without

prejudicing the Employer's right to levy any liquidated damages under clause 11 of this section. In such case, the payment will be released to the consultant only after it re-submits the deliverable and which is accepted by the Employer.

6.1.10. The stage payments made do not relieve the Consultant of any obligations hereunder, unless the acceptance has been communicated by the Employer to the consultant in writing and the consultant has made necessary changes as per the comments / suggestions of the Employer communicated to the Consultant.

SETTLEMENT OF DISPUTES

- 6.2. Amicable Settlement If, due to unforeseen reasons, problems arise during the progress of the contract leading to disagreement between the Employer and the Consultant, both the Employer and the Consultant shall first try to resolve the same amicably by mutual consultation. If the parties fail to resolve the dispute by such mutual consultation within twenty-one days, then, depending on the position of the case, either Employer or the Consultant can give notice to the other party of its intention to commence arbitration and the applicable arbitration procedure will be as per Indian Arbitration and Conciliation Act, 1996
- 6.3. Arbitration In the case of dispute arising between the Employer and the Consultant, which has not been settled amicably, any party can refer the dispute for Arbitration under the Arbitration Act, 1996. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by the Employer and the Consultant, the third arbitrator shall be appointed by Department of Revenue, Government of India and shall act as Presiding Arbitrator. Award of the arbitration, as the case may be, will be final and binding on both the parties. The Indian Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings.
- 6.4. Place of Arbitration proceedings shall be held in India at New Delhi and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

7. LIQUIDATED DAMAGES

If the employer suffers losses/damages, due to negligence of the Consultant, quantification of which may be difficult, and hence the amount specified hereunder shall be construed as reasonable estimate of the damages and the Consultant agrees

- to pay such liquidated damages, as defined hereunder as per the provisions of this agreement.
- 7.1. The amount of liquidated damages under this agreement shall not exceed 10 % of the total value of the contract.
 - 7.2. The liquidated damages shall be applicable under following circumstances:
 - 7.2.1. If there is delay in the entire scope of work attributable to the Consultant, the consultant may be liable to pay 0.5% of the total cost of the contract value for each week of delay or part thereof beyond the Scheduled completion date.
 - 7.2.2. If the agreement is terminated pursuant to Clause 5 a(i) to (vii), the employer may levy liquidated damages of an amount equal to 10% of total cost of the contract value or as may be determined by the Employer at the time of termination.
 - 7.2.3. If the deliverables are not acceptable to the Employer as mentioned in Clause 9.3.4, the Employer may levy an amount equal to 2% of total cost of the contract value or as may be determined by the Employer at that time as liquidated damages.
 - 7.3. The liquidated damages will be adjusted against pending payments as decided by the Employer.

Section 6- Annexures

Annexure A: Proforma for EMD

(Please see *Clause 10.1 of Section 1 – Instructions to Consultants*)

Whereas _____ (hereinafter called “the Tenderer”) has submitted its bid dated _____ for “**Tender for Hiring of Consultant for the Project FINnet 2.0**” (hereinafter called "the Bid") to **Director, FIU-IND**.

Know all men by these presents that We _____ of _____ having our registered office at _____ (hereinafter called "the Bank") are bound unto the Director, FIU-IND (hereinafter called "the Employer") to the sum of _____ for which payment well and truly to be made to the said Employer, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said Bank on this _____ day of _____

THE CONDITIONS of this obligation are:

1. If bid is withdrawn during the validity period or any extension agreed by the consultant thereof; or
2. If the bid is varied or modified in a manner not acceptable to the Employer after opening of bid during the validity period or any extension thereof; or
3. If the Tenderer tries to influence the evaluation process; or
4. If the Tenderer, having been notified of the acceptance of its bid by the Employer during the period of bid validity:
 - (a) fails or refuses to execute the Contract Form, if required; or
 - (b) fails or refuses to furnish the Performance Security, in accordance with the instructions to Consultants;

We undertake to pay to the Employer up to the above amount upon receipt of its first written demand, without the Employer having to substantiate its demand, provided that in its demand the Employer will note that the amount claimed by it is due to it owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to and including 60 days after the period of bid validity, and any demand in respect thereof should reach the Bank not later than the above date.

(Authorized Signatory of the Bank)

Annexure B-Proforma for Performance Guarantee

Ref: _____

Date: _____

Bank Guarantee No.: _____

To

Director, FIU-IND

Financial Intelligence Unit-India

6th Floor, Hotel Samrat, Chanakyapuri

New Delhi -110021

India

1. Against contract vide Advance Acceptance of the Tender No. **XXXXX** covering "Tender for Hiring of Consultant for Project FINnet-II" (hereinafter called the said 'contract') entered into between the Director, FIU-IND (hereinafter called the Employer) and _____ (hereinafter called the Tenderer) this is to certify that at the request of the Tenderer we _____ Bank Ltd., are holding in trust in favour of the Employer, the amount of _____ (write the sum here in words) to indemnify and keep indemnified the Employer against any loss or damage that may be caused to or suffered by the Employer by reason of any breach by the Tenderer of any of the terms and conditions of the said contract and/or in the performance thereof. We agree that the decision of the Employer, whether any breach of any of the terms and conditions of the said contract and/or in the performance thereof has been committed by the Tenderer and the amount of loss or damage that has been caused or suffered by the Employer shall be final and binding on us and the amount of the said loss or damage shall be paid by us forthwith on demand and without demur to the Employer.

2. We _____ Bank Ltd., further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for satisfactory performance and fulfilment in all respects of the said contract by the Tenderer i.e. till _____ hereinafter called the said date and that if any claim accrues or arises against us _____ Bank Ltd., by virtue of this guarantee before the said date, the same shall be enforceable against us _____ Bank Ltd., notwithstanding the fact that the same is enforced within three months after the said date, provided that notice of any such claim has been given to us _____ Bank Ltd., by the Employer before the said date. Payment under this letter of guarantee shall be made promptly upon our receipt of notice to that effect from the Employer.

3. It is fully understood that this guarantee is effective from the date of the said contract and that we _____ Bank Ltd., undertake not to revoke this guarantee during its currency without the consent in writing of the Employer.

4. We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Tenderer in any suit or proceeding pending before any court or Tribunal relating thereto our liability under this present bond being absolute and unequivocal.

5. The payment so made by us under this bond shall be a valid discharge of our liability for payment there under and the Tenderer shall have no claim against us for making such payment.

6. We _____ Bank Ltd., further agree that the Employer shall have the fullest liberty, without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the Tenderer from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said Tenderer and to forebear or enforce any of the terms and conditions relating to the said contract and we, _____ Bank Ltd., shall not be released from our liability under this guarantee by reason of any such variation or extension being granted to the said Tenderer or for any forbearance by the Employer to the said Tenderer or for any forbearance and or omission on the part of the Employer or any other matter or thing whatsoever, which under the law relating to sureties, would, but for this provision have the effect of so releasing us from our liability under this guarantee.

7. This guarantee will not be discharged due to the change in the constitution of the Bank or the tenderer.

Date _____

Place _____

Witness _____

Signature _____

Printed name _____

(Bank's common seal)

Annexure C -PRE CONTRACT INTEGRITY PACT

General:

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on..... day of the month of201__, between, on one hand, the President of India acting through Shri _____, Director, Financial Intelligence Unit-Ind, Department of Revenue, Government of India (hereinafter called the "BUYER", which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the first part and M/s represented by Shri..... .(hereinafter called the "BIDDER /SELLER" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second part.

WHEREAS,

The BUYER proposes to procure (Name of the Stores/ Equipment/Item/ Services) and the BIDDER/Seller is willing to offer/has offered the services and WHEREAS the BIDDER is a private company/public company/Government undertaking/partnership/registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is a Ministry/ department of the Government of India performing its functions on behalf of the President of India.

NOW, THEREFORE, To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-

Enabling the BUYER to obtain the desired said stores/equipment/item/ services at a competition price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption, in any form, by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:-

Commitments of the BUYER

1.1The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either themselves or for any person, organisation or third party related to the contract in exchange for an

advantage in the bidding process, bid evaluation, contracting on implementation process related to the contract.

1.2 The BUYER will, during the pre-contract stage, treat all BIDDERS alike and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

1.3 All the officials of the BUYER will report to the appropriate "CVO" any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

Commitments of BIDDERS

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-

3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract of any other contract with the government for showing or forbearing to show favour or disfavor to any person in relation to the contract of any other contract with the Government.

3.3 Foreign BIDDERS shall disclose the name and address of their Indian agents and representatives in India, and Indian BIDDERS shall disclose their foreign BUYERS or associates.

3.4 BIDDERS shall disclose the payments to be made by them to their agents/brokers or any other intermediary, in connection with this bid/contract.

3.5 The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacturer/integrator/authorized agent of the stores/equipment/items and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the BUYER or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.

3.6 The BIDDER, either while presenting the bid or during pre-contract or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.

3.7 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

3.8 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

3.9 The BIDDER/Contractor will not commit any offence under the relevant India penal code (IPC) /Provision of corruption (PC) act .Further improperly, for purposes of competition or personal gain, pass on to others, any information provided by the BUYER as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

3.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

3.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the BUYER, or alternatively, if any relative of an officer of the BUYER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender. The term 'relative' for this purpose would be as defined in section 6 of the Companies Act 1956.

3.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee or the BUYER.

4. Previous Transgression

4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify; BIDDER's exclusion from the tender process.

4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

5. Sanctions for Violations:

5.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one of the following actions, wherever required:-

(i) The Earnest Money Deposit (in pre-contract stage) and/or Security Deposit/ Performance Bond (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.

(i) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.

(iii) To recover all sums already paid by the BUYER, and in the case of an Indian BIDDER with interest thereon at 2% above the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% above the LIBOR (London Inter Bank Offer Rate). If any outstanding payment is due to the BIDDER from the BUYER in connection with any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.

(iv) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER, along with interest.

(v) To cancel all or any other contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.

(vi) To debar the BIDDER from participating in the future bidding processes of LIC for a minimum period of five years which any be further extended at the discretion of the BUYER. (viii) To recover all sums paid in

violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.

(vii) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with the BIDDER, the same shall not be opened.

(viii) Forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

5.2 The BUYER will be entitled to take all or any of the actions mentioned at para 6.1(i) to (x) of this pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

5.3 The decision of the BUYER to the effect that a breach of the provisions of this pact has been committed by the BIDDER shall be final and convulsive on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes this Pact.

6. Fall Clause:

7.1 The BIDDER undertakes that it has not supplied/is not supplying similar product/systems/items or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems/items was supplied by the BIDDER to any other Ministry/Department of the Government of India or PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER, if the contract has already been concluded.

7. Independent Monitors:

7.1 The BUYER has appointed (hereinafter referred to as Monitors) for this Pact in consultation with the Central Vigilance Commission. Name address of the Monitor(s): Ø
..... Ø
.....

7.2 The task of the Monitors shall be to review independently and objectively, whether and to what extend the parties comply with the obligations under this Pact.

7.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently. It will be obligatory for him to treat the information & documents of the Bidder /Contractor as confidential.

7.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/procurement, including minutes of meetings.

7.5 As soon as the Monitor notices, or has reason to believe, a violation of this pact, he will so inform the Authority designated** by the BUYER.

7.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.

7.7 The BUYER will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

7.8 The Monitor will submit a written report to the designated authority** of BUYER /Secretary in the Department/ within 8 to 10 weeks from the date of reference or intimation to him by the BUYER /BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

8. Facilitation of Investigation:

In case of any allegation of violation of any provisions of this pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER. The BIDDER shall provide necessary information and documents in English and shall extend all possible help of the purpose of such examination/inspection.

9. Law and Place of Jurisdiction:

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER.

10. Other Legal Actions:

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extent law in force relating to any civil or criminal proceedings.

11. Validity:

11.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the BUYER and the BIDDER/Seller, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.

11.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

12. The parties hereby sign this Integrity Pact at.....on.....

BUYER
Name of the Officer:
Designation
Deptt./MINISTRY/PSU

BIDDER
CEO
Company Name

Witness

1.....

1..... 2.....

2.....

*Provisions of these clauses would need to be amended/deleted in line with the policy of the BUYER in regard to involvement of Indian agents of foreign suppliers.(M.F. O.M. No 14(12)/2008-E.II(A), dt 19.7.2011)

ANNEXURE D-RFP Response Cover Letter

Original signed copy on company letterhead

[Date]

To,

The Director, FIU-IND
Financial Intelligence Unit-India 6th Floor,
Hotel Samrat
Chanakyapuri, New Delhi -110021
India

Dear Sir,

Ref: Response to Request for Proposal for Consultant for FINNet 2.0

Having examined the RFP, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide the Consultancy services as required and outlined in the RFP for the FINNet 2.0 project and agree to abide by this response for a period of six months from the last date for submission of RFP response.

The following persons will be the authorized representative of our company/organisation for all future correspondence between the FIU-IND and our organisation till the completion of the project assignment.

Details	Primary Contact	Secondary Contact	Executive Contact
Name:			
Title:			
Company Name:			
Address:			
Phone:			
Mobile:			
Fax:			
E-mail:			

We fully understand that in the event of any change in our contact details, it is our responsibility to inform FIU-IND about the new details. We fully understand that FIU-IND shall not be responsible for non-receipt or non-delivery of any communication and/or any missing communication from the FIU-IND to us, in the event that reasonable prior notice of any change in the authorized person(s) of the company is not provided to FIU-IND.

We confirm that the information contained in this response or any part thereof, including its exhibits, and other documents and instruments delivered or to be delivered to the FIU-IND is true, accurate, verifiable and complete. This response includes all information necessary to ensure that the statements therein do not in whole or in part mislead FIU-IND in its short-listing process.

We fully understand and agree to comply that on verification, if any of the information provided here is found to be misleading, we are liable to be dismissed from the selection process or, in the event of our selection, our contract is liable to be terminated.

We agree for unconditional acceptance of all the terms and conditions set out in this RFP document.

We agree that you are not bound to accept any response that you may receive from us. We also agree that you reserve the right in absolute sense to reject all or any of the products/ services specified in the RFP response.

It is hereby confirmed that I/We are entitled to act on behalf of our company /corporation/firm/organization and empowered to sign this document as well as such other documents, which may be required in this connection.

Dated this Day of2016

Signature:.....

Name:.....

Designation:.....

Date:

List of Enclosures:

1. Envelop superscribed "Technical Bid"

2. Envelop superscribed "Financial Bid"
3. EMD

ANNEXURE E-Format for Power of Attorney for Authorized Representative

Know all men by these presents, We, [name of organization and address of the registered office] do hereby constitute, nominate, appoint and authorize Mr / Ms [name], son/ daughter/ wife of [name], and presently residing at [address], who is presently employed with/ retained by us and holding the position of [designation] as our true and lawful attorney (hereinafter referred to as the "Authorized Representative"), with power to sub-delegate to any person, to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Proposal for and selection as Consulting Agency for [name of assignment], to be developed by FIU-IND (the "Authority") including but not limited to signing and submission of all applications, proposals and other documents and writings, participating in pre-bid and other conferences and providing information/ responses to the Authority, representing us in all matters before the Authority and undertakings consequent to acceptance of our proposal and generally dealing with the Authority in all matters in connection with or relating to or arising out of our Proposal for the said Project and/or upon award thereof to us until accepting the work order with the Authority.

AND, we do hereby agree to ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Authorized Representative pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Authorized Representative in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, [name of organization], THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS [date in words] DAY OF [month][year in 'yyyy' format].

For [name and registered address of organization] [Signature] [Name]
[Designation]

Witnesses:

1. [Signature, name and address of witness]
2. [Signature, name and address of Witness]

Accepted

Signature] [Name] [Designation] [Address]

Notes:

1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required the same should be under seal affixed in accordance with the required procedure.
2. Wherever required, the Applicant should submit for verification the extract of the charter documents and other documents such as a resolution/power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.
3. For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Applicants from countries that have signed The Hague Legislation Convention, 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.