

**Maldives Pension Administration Office**

**Request For Proposals for  
Custody services for Maldives Retirement Pension Scheme**

**Deadline For Submission: 18 May 2021**



## 1. Introduction

### 1.1 Overview

The Act Number: 8/2009 (Maldives Pension Act) requires the Pension Office to appoint a Custodian to safekeep the invested Pension Assets. Accordingly, the Custodian will be appointed through a competitive bidding process.

In this regard, the Maldives Pension Administration Office (Pension Office) is soliciting proposals from qualified institutions for Custodian Services on Maldives Retirement Pension Scheme (MRPS) assets.

The Pension Office was established in May 2009 under the Pension Act to administer the MRPS, which is a mandatory Defined Contribution scheme that covers both the public and private sector.

### 1.2 Membership

Under the Pension Act, all Maldivian workers and their employers are required to pay (jointly) 14% of the pensionable wage as monthly pension contributions to MPRS. The contributions are invested in different asset classes and members are assigned individual accounts. The returns on investments along with the contributions net of admin-fees are accumulated until the member reaches the retirement age (65 years). The distributions from the scheme take place when the member reaches the retirement age.

By the end of 2020, MRPS has 152,466 registered active members and 6,534 retired members.

### 1.3 Investments

Funds for MRPS investments are derived from three sources:

1. Employer contributions;
2. Employee contributions;
3. Investment gains.

These funds are invested in accordance with the Statement of Investment Principles (SOIP) and Strategic Asset Allocation (SAA) established by the Board of the Pension Office. All investment activities are conducted in-house and the Pension Office has no external asset managers.

MRPS Assets Under Management of the Pension Office, as of 2020 end, are stated as Annex 1.

A summary of the Custodian transactions for the last 3 years are provided as Annex 2:



## 1.4 Reporting Method

MPRS Financial Statements are prepared on the accrual basis of accounting in accordance with the International Financial Reporting Standards (IFRS) and are subject to statutory audits. MRPS is subject to supervision by the Pension Supervision Department, of the Capital Market Development Authority (CMDA). In addition to annual disclosure of MRPS financial reports, quarterly reports are filed with CMDA.

MRPS follows a unitized accounting model for the purpose of individual member record keeping. MRPS comprises four separate funds and a daily Net Asset Value statement and price is determined for each fund for issuance, redemption of units and valuation of member accounts.

## 2. Requirements of Custodian Services

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

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



### 3. Required duration of Custodian Service

3 Years (from 1 July 2021 to 30 June 2024)

### 4. Eligibility

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

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

### 5. Content of the Proposal

The proposal should comprise of the following information:

- Brief Company Profile;
- The organization structure of custodian services operations;
- The internal controls and risk management process;
- Profiles of key persons handling the custodian operation;
- How the services requirements (as stated under heading “Requirements of Custodian Services”) can be met;
- Value added services to be provided;
- Proposed Fee as per Section 18(g)(3) of the Act.

### 6. Evaluation Criteria

The proposals will be evaluated based on the following:

- Technical Competency      20%
- Fee Proposal                      80%



## 7. Schedule of Events

Action	Date
RFP is advertised and issued	2 May 2021
Information Session to the Banks	5 May 2021
Deadline for submission of Proposal	18 May 2021 (11am)
Bid Opening and start of Evaluation	18 May 2021
Selection and announcement of the Custodian	27 May 2021

## 8. Inquiries

Forward all inquiries to the following e-mail;  
admin@pension.gov.mv

For information please visit;  
[www.pension.gov.mv](http://www.pension.gov.mv)

Proposals must be addressed to;

**Maldives Pension Administration Office**  
**Allied Building, 8th Floor**  
**Chaandhanee Magu**  
**Male', Maldives**



**Annex:1**

<b>Assets Under Management</b>	<b>Amount (MVR, millions)</b>
Treasury Bills	6,973
Treasury Bonds	3,326
Equity	559
Fixed Deposit	316
Sukuk	195
General Investment	159
Corporate Bonds	124
<b>Total</b>	<b>11,652</b>

**Annex 2:**

<b>Transactions Type</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Fixed Deposit Placements	66	46	75
Bonds and Share Purchase	112	87	52
MRPS Benefit Disbursements	215	208	190
Collateralization of RSA	46	15	11
<b>Total Outward Transactions</b>	<b>439</b>	<b>356</b>	<b>328</b>

Transfer Instructions	769	657	986
Fixed Deposit Maturities	44	41	5
Investment Income collection	59	57	44
Collateralization of RSA	0	0	11
<b>Total Inward Transactions</b>	<b>872</b>	<b>755</b>	<b>1046</b>

<b>Total Transactions</b>	<b>1311</b>	<b>1111</b>	<b>1374</b>
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