PNB GILTS LTD

Addendum No. 7 Dated: 27/11/2020

Tender No.: PNBGILTS/ITMS/2020-21/6 Dated 23rd Sept 2020

REQUEST FOR PROPOSAL (RFP)

FOR

Supply, Integration, Implementation, Maintenance and Management of Integrated Treasury Management Solution

PNB GILTS LTD.
5, Sansad Marg
New Delhi, 11001

Contents

Introduction

PNB GILTS LTD. has published the RFP vide tender No. PNBGILTS/ITMS/2020-21/6 dated 23rd Sept 2020 for Supply, Integration, Implementation, Maintenance and Management of Integrated Treasury Management Solution.

Following amendments have been made in the above stated RFP. All other terms and conditions of the RFP shall remain unchanged. Please treat this Addendum as an integral part of the RFP documents issued.

Addendum-7 for Supply, Integration, Implementation, Maintenance and Management of Integrated Treasury Management Solution

In reference to the aforesaid RFP, all are advised to note following:

Section1: Modification in RFP Date

S.No.	RFP Pg.	RFP Section	Original Clause	Revised Clause
1.	**10**	Section 2 Key Information, Bid submission last date and time	1st Dec 2020 17:00 HOURS	11th Dec 2020 11:00 HOURS
2.	**10**	Section 2 Key Information, Eligibility cum Technical bid opening date and time	2nd Dec 2020 11:00 HOURS (Invite for attending the Bid Opening will be shared later)	11th Dec 2020 15:00 HOURS (Invite for attending the Bid Opening will be shared later)

Section 2: Modification in RFP Clause

S.No.	RFP Pg.	RFP Section	Original Clause	Revised Clause
1.	**--**	Appendix 1A: Functional Specification, Front Office, Pt. 1.1.13	Interest rate derivatives	Interest rate derivatives (IRS, IRF and Bond Options).
2	**--**	Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.13	Interest rate derivatives	Interest rate derivatives (IRS, IRF and Bond Options).
3		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.15	Interest rate swaps	Interest rate swaps (Single Currency IR Swap, Cross Currency Swap and OIS)

S.No.	RFP Pg.	RFP Section	Original Clause	Revised Clause
4		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.15	Interest rate swaps	Interest rate swaps (Single Currency IR Swap, Cross Currency Swap and OIS)
5		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.16	Interest rate swaptions	The Clause Stands Deleted
6		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.16	Interest rate swaptions	The Clause Stands Deleted
7		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.20	Equity & Equity Derivatives	Equity & Equity Derivatives (Listed equity Futures & Options)
8		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.20	Equity & Equity Derivatives	Equity & Equity Derivatives (Listed equity Futures & Options)
9		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.22	Index options, futures and swaps	Index Options and Futures (Listed)
10		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.22	Index options, futures and swaps	Index Options and Futures (Listed)
11		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.26	Bond Options	Bond Options (Listed bond options)
12		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.26	Bond Options	Bond Options (Listed bond options)
13		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.27	Interest Rate Options	The Clause Stands Deleted
14		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.27	Interest Rate Options	The Clause Stands Deleted
15		Appendix 1A: Functional	Credit default swaps	The Clause Stands Deleted

S.No.	RFP Pg.	RFP Section	Original Clause	Revised Clause
		Specification, Front Office, Pt. 1.1.28		
16		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.28	Credit default swaps	The Clause Stands Deleted
17		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.33	Commodity Futures	Exchange traded Commodity Futures
18		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.33	Commodity Futures	Exchange traded Commodity Futures
19		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.34	Commodity Forwards	The Clause Stands Deleted
20		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.34	Commodity Forwards	The Clause Stands Deleted
21		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.35	Commodity Options	The Clause Stands Deleted
22		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.35	Commodity Options	The Clause Stands Deleted
23		Appendix 1A: Functional Specification, Front Office, Pt. 1.1.36	Currency Options	Currency Options (Vanilla currency exchange traded options)
24		Appendix 1A: Functional Specification, Middle Office, Pt. 1.4.36	Currency Options	Currency Options (Vanilla currency exchange traded options)
25		Appendix 1A: Functional Specification, Middle Office, Pt. 3.1	System should have the capability to compute market risk capital as per the standardized model and VaR based internal model as prescribed by RBI for PDs on a daily basis.	System should have the capability to compute market risk capital as per the standardized model and VaR based internal model as prescribed by RBI for PDs on a daily basis (as per RBI's PD guidelines)

S.No.	RFP Pg.	RFP Section	Original Clause	Revised Clause
26		Appendix 1A: Functional Specification, Middle Office, Pt. 5.2.1	The systems should support calculation of NSFR	The Clause Stands Deleted
27		Appendix 1A: Functional Specification, Middle Office, Pt. 5.2.2	The systems should support calculation of LCR	The Clause Stands Deleted
28		Appendix 1A: Functional Specification, Middle Office, Pt. 5.2.3	The system should support other liquidity ratios as and when required by the PD should	The Clause Stands Deleted
29		Appendix 1A: Functional Specification, Middle Office, Pt. 6.2	Credit Valuation Adjustment (CVA)	The Clause Stands Deleted
30		Appendix 1A: Functional Specification, Middle Office, Pt. 6.2.2	The system should be capable of calculating credit valuation adjustment (CVA)	The Clause Stands Deleted
31		Appendix 1A: Functional Specification, Middle Office, Pt. 6.2.3	Other valuation adjustment should also be present in the system (DVA, XVA)	The Clause Stands Deleted
32		Appendix 1A: Functional Specification, Middle Office, Pt. 6.1	The system should be capable of calculating expected credit loss (ECL) as per IndAS 109	The Clause Stands Deleted
33		Appendix 1A: Functional Specification, Middle Office, Pt. 7	Hedge Portfolio Maintenance	System should be able to generate a report for internal tagging of offsetting exposures for analytical purposes
34		Appendix 1A: Functional Specification, Back Office, Pt. 7.5.1	KYC for Counterparty The system should have a dynamic workflow between the front office and back office teams for tagging KYC documents and maintaining counterparties (i.e. issuers, brokers, constituents).	The system should have a dynamic workflow between the front office and back office teams for tagging KYC documents and maintaining counterparties (i.e. issuers, brokers, constituents) - document storage is not required
35		Appendix 1A: Functional Specification, Middle Office, Pt. 2.1.1.2	System should have the capability to compute scaled VaR (square root of time rule) as well as actual risk factor changes based on holding period	System should have the capability to compute scaled VaR (square root of time rule) as well as actual risk factor changes based on holding period

S.No.	RFP Pg.	RFP Section	Original Clause	Revised Clause
				Be able to compute Historical VaR using Simple Average and exponential moving average Should be able to compute Expected Shortfall
36		Appendix 1A: Functional Specification, Middle Office, Pt. 2.1.2	Parametric/ Variance – Covariance Method	The Clause Stands Deleted
37		Appendix 1A: Functional Specification, Middle Office, Pt. 2.1.3	Monte Carlo Simulation Method	The Clause Stands Deleted
38		Appendix 1A: Functional Specification, Middle Office, Pt. 1.3.5	Options Models: Marked to Market, Binomial, Trinomial, Monte Carlo, Black – Scholes (BS), Cox - Ingersoll – Ross, Hull – White, Garman – Kohlhagen.	Options Models: Marked to Market, Black – Scholes (BS)
39		Appendix 1A: Functional Specification, Middle Office, Pt. 4.1.1.5	Choice of industry standard interpolation methodologies: Linear, Exponential, logarithmic, cubic spline, etc.	Choice of industry standard interpolation methodologies: Linear, Exponential, logarithmic, cubic spline, etc. (as per FIMMDA guidelines and requirements)
40		Appendix 1A: Functional Specification, Back Office, Pt. 4.11	The system should have the ability to generate GST and CGSL bills for constituents as per defined schedule and as and when required	The system should have the ability to generate GST and CGSL bills for constituents as per defined schedule and as and when required (no requirement of GST form)
41		Appendix 1A: Functional Specification, Middle Office, Pt. 8.4.11	System should produce quality charts on displayed/selected information and print them	System should be able to generate charts/graphs/analytics on selected information
42		Appendix 1A: Functional Specification, Front Office, Pt. 13.4.10	System should produce quality charts on displayed/selected information and print them	System should be able to generate charts/graphs/analytics on selected information
43		Appendix 1A: Functional Specification, Front Office, Pt. 6.6	The system should have the ability to provide charting (technical analysis) tools wherever historical price data on securities is available	The Clause Stands Deleted
44		Appendix 1A: Functional	Digital signatures	The Clause Stands Deleted

S.No.	RFP Pg.	RFP Section	Original Clause	Revised Clause
		Specification, General Requirement, Pt. 2.4		
45		Appendix 1A: Functional Specification, Front Office, Pt. 6.1	The system should be able to perform a simulation of a specific deal to understand impact of the transaction on a specified portfolio for perspectives such as: - Yield - Price Returns - Risk (Price or yield Volatility) - Risk adjusted return measures - Duration - Convexity- PV01 - Weighted average coupon (WAC) - Stop loss trigger - Profit taking trigger - Others as specified by the PD	The system should be able to perform a simulation of a specific deal to understand impact of the transaction on a specified portfolio for perspectives such as: - Yield - Price Returns - Risk (Price or yield Volatility) - Duration - Modified Duration - PV01 - Weighted average cost (WAC) - Others as specified by the PD
46		Section 6.6. Accounting/Settlements/ Reconciliation	6. System should be compatible with the Standard/Latest features for systems like SWIFT, PNB Internet Banking, NEFT, RTGS, SFMS, CCIL, CLS, etc. and all other payment platforms.	6. System should be compatible with the Standard/Latest features for systems like PNB Internet Banking, NEFT, RTGS, etc. and all other payment platforms.
47		Section 6.7. - Operations/MIS Reporting	9. Solution should support and generate all industry specific standard formats for SWIFT, RTGS, NEFT and ISO Provision to do archival activity as per PNB GILTS LTD. defined policy.	9. Solution should support and generate all industry specific standard formats for RTGS, NEFT and ISO Provision to do archival activity as per PNB GILTS LTD. defined policy.
48		Section 7.10. HELPDESK and FACILITIES MANAGEMENT	6. The Bidder to propose a helpdesk tool on service-based model with admin access to at least 5 PNB GILTS LTD. users. The Bidder is also expected to log each call made to the helpdesk and issue a ticket number for all calls entered. The helpdesk solution to have the capability to upload frequently asked questions and solution. The Users will call/email/message/ the Helpdesk user to log complain/highlight	6. The Bidder to propose a Ticketing tool on service-based/OPEX model with admin access to at least 5 PNB GILTS LTD. users. The Bidder is also expected to log each call made to the helpdesk and issue a ticket number for all calls entered. The helpdesk solution to have the capability to upload frequently asked questions and solution. The Users will call/email/message/ the

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			issues same needs to be logged in by the helpdesk resources.	Helpdesk user to log complain/highlight issues same needs to be logged in by the helpdesk resources.
49		Section 7.10. HELPDESK and FACILITIES MANAGEMENT, Pt 9	Enhancement, modifications, customization, patches, upgrades due to statutory, regulatory, industry, changes will be provided at no additional cost to the PNB GILTS LTD. till the Go-Live of the respective application of the respective solutions. During FM period, if due to any statuary and regulatory requirement, system requires any enhancement due to which there is major impact on sizing, then required procurement and delivery of hardware and software will be on mutually agreed terms and conditions. However, bidder has to provide all the services at no additional cost to the PNB GILTS LTD.	Enhancement, modifications, customization, patches, upgrades due to statutory, regulatory changes will be provided at no additional cost to the PNB GILTS LTD. till the Go-Live of the respective application of the respective solutions. During FM period, if due to any statuary and regulatory requirement, system requires any enhancement due to which there is major impact on sizing, then required procurement and delivery of hardware and software will be on mutually agreed terms and conditions. However, bidder has to provide all the services at no additional cost to the PNB GILTS LTD.
50		General		PNB GILTS does not require SWIFT Confirmations or SWIFT Settlements