



RFI23/07/18

**REQUEST FOR INFORMATION FOR THE
SUPPLY OF A FINANCIAL CRIME
MITIGATION SOLUTION/SYSTEM FOR
THE IDC**

**RFI CLOSING DATE: THURSDAY, 16
AUGUST 2018 AT 12:00 NOON**

SECTION: 1

**CONDITIONS AND UNDERTAKINGS BY RESPONDENT IN RESPECT
OF THIS RFI**

CONDITIONS AND UNDERTAKINGS BY RESPONDET IN RESPECT OF THIS RFI

1. **Proprietary Information:**

Industrial Development Corporation of SA Ltd (IDC) considers this Request for Information and all related information, either written or verbal, which is provided to the respondent, to be proprietary to IDC. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information to any third party without the prior written consent of IDC.

2. **Enquiries**

All communication and attempts to solicit information of any kind relative to this request should be channeled to:

2.1 Contact person (all technical questions should be in writing)

Name: Ms Mmanthudi Mosupyoe

Telephone Number: Office: +27 11 269 3709

Email address: mmanthudim@idc.co.za

3. Enquiries in relation to this RFI will not be entertained after **16h00 on 10 August 2018**.

4. All the documentation submitted in response to this Request for Information must be in English.

5. Respondents should check the numbers of the pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by IDC in regard to anything arising from the fact that pages are missing or duplicated.

5. **Submission of Information**

5.1 Information should be submitted in duplicate all bound in a sealed envelope endorsed, **RFI23/07/18: REQUEST FOR INFORMATION FOR THE SUPPLY OF A FINANCIAL CRIME MITIGATION SOLUTION/SYSTEM FOR THE IDC**. The sealed envelope must be placed in the tender box at the Main Reception area of the IDC Building, 19 Fredman Drive Sandton by no later than 12:00 noon on **Thursday 16 August 2018**.

5.2 The closing date, company / respondent name and the return address must also be endorsed on the envelope.

5.3 If a courier service company is being used for delivery of the information, the RFI description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered into the tender box.

6. **RESPONSE FORMAT**

Respondents shall submit their responses in accordance with the response format specified below (each schedule must be clearly marked):

Respondents may accompany their information/document with a soft copy (CD) as well as a short demo (<10 min) of their system.

6.1 **Cover Page:** (the cover page must clearly indicate the RFI reference number, RFI description and the company's name)

6.2 **Schedule 1:** System Overview

6.3 **Schedule 2:** Response to Section 2 of this document.

7. IDC's RIGHTS

- 7.1 **The IDC reserves the right, at its sole discretion, to restrict any subsequent Request for Proposal (RFP) or Request for Bid (RFB) to respondents of this RFI only.** Any subsequent RFP or RFB process will be conducted on IDC's standard terms and conditions and may include the acceptance and signing of a Non-Disclosure Agreement (NDA) by all invited respondents to protect sensitive and confidential information which the IDC may share with such respondents.
- 7.2 The IDC reserves the right to clarify any aspect of information provided / submitted with respondents to this RFI.

SECTION: 2

REQUEST FOR INFORMATION FUNCTIONAL DETAILS

SECTION 2: RFI FUNCTIONAL DETAILS

1. Background Information

The Compliance and Regulatory Affairs Department (CRAD) of the IDC has a requirement to fully automate its client on-boarding (Know Your Client (KYC)/ Verify Your Client (VYC))/ Customer Due Diligence and on-going client/ customer monitoring process including batch screening. As a consequence, the IDC seeks information from the open supply market on a financial crime mitigation solution/system to aid with client screening both for on-boarding of clients (KYC/ VYC)/ Customer Due Diligence and post-on-boarding for on-going transaction monitoring including regular batch screening of its existing client database. The solution should amongst others evaluate potential and existing clients against various Sanctions Lists (including Tax haven lists), mitigate against money laundering, terror financing and all financial related crimes, including but not limited to screening for company founding documents, verification of ID numbers, verification of Tax status and documentation, screen various media platforms for any adverse reports, and provide comprehensive customer and transaction risk profiling. It should inter alia, provide independent assurance with regards to all regulatory risk relating to the transaction over and above the Anti-Money Laundering (AML)/ Anti-Terror Financing (ATF)/ Sanctions requirements in line with both international Financial Action Task Force (FATF) recommendations and local regulatory requirements (i.e. the Prevention of Organised Crime Act, 1998 (POCA); the Prevention and Combating of Corrupt Activities Act, 2004 (PRECCA); the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (POCDTARA), the Financial Intelligence Centre Act, 2001(FICA as amended) which should be transaction/ Project based.

The purpose of this requirement is to improve efficiency and turnaround times by automating the client on-boarding and the on-going monitoring process of all our clients and in the process ensure that upon client take-on, all pertinent compliance and regulatory matters applicable to a particular transaction/ project are adequately identified, assessed and opined upon upfront, prior to the IDC entering or continuing any business relationship with such applicant(s) or existing client(s).

Thus the IDC requests information regarding your company and your products/services that could potentially address this need. This information will form the basis for a Request for Proposal (RFP) or Request for Bid (RFB) which may be published at a later stage.

2. System Requirement

The required financial crime mitigation (KYC/ VYC)/ Customer Due Diligence solution/ System must have, but not be limited to the following functional capabilities:

- The system must be customizable and be able to do background screening on both potential/ new and existing clients with regard to all authorised Sanctions Lists, Tax haven List and Political Exposed Persons (PEPs/PIPs), existing PEP register, including capturing and reporting on any possible undue influence (declaration) and conflict of interest (declaration).
- The system must have the ability to lookup information in line with the enhanced due diligence requirements (in line with FATF and FIC Act), and where necessary, allow Compliance persons to capture and upload relevant information such as but not limited to the following:
 - Lists ineligible persons,
 - Declarations made by the client on the use of funds (e.g. that funds will not be used for any illegal activities or terrorist related activities),
 - Declaration by client on accuracy of information given,
 - (Adverse) media screening,

- Conflict of interest screening via Employee/Board database, as well as declaration of interest and delinquent register screening.
- Based on criteria the system should have the ability to flag clients as compliant, non-compliant, partially compliant'
- Show list of outstanding information or documentation or action.
- The system must further be able to do Watchlist filtering via the Worldcheck / Dow Jones screening platforms, as well as screening against all authorised Sanctions lists such as the UN, European Union, OFAC and French lists.
- The system must be able to do Media and other platforms screening against both private and public platforms such as NewsMonitor; Market IQ; CIPC/SA Company; Saflii.org.za; Legalbrief.co.za; Greengazette; General internet (Google); Facebook; Whoswho; LinkedIn.
- Where possible the system must also screen against the SARS, National Treasury (Central Supplier Database and Register of Defaulters) and Home Affairs platforms.
- The system should be able to do image verification e.g. compare an identity photo of a client to any official government (e.g. Home Affairs) database.
- The system must, based on the results of a client's attributes listed above, classify a client according to his/her risk profile (i.e. High, Medium and Low). Should a client's profile change, it must be able to reassign a new categorisation/ profile.
- The system must be able to continuously screen a client post on-boarding in terms of transactional conduct in terms of the IDC specific criteria.
- The system should be able to send alerts to the Compliance team and escalate exceptions to notify senior management for intervention.
- The system should be able to send SMSes including email to clients on any outstanding requirements and or FICA status.
- The system should be able to report on all aspects of clients' attributes in the system

3. Required Information

In view of the above requirements the IDC hereby requests information from the market on available systems or solutions that could address the above functional requirements. Respondents should therefore propose what system functionality is available from their offered solution and how this would meet or address the IDC's listed requirements. Respondents may also provide any other additional functionality that their system can provide in-line with the objectives of this RFI.

Respondents are also required to indicate the following:

1. Is the system commercially available or will a bespoke solution have to be developed to meet the listed functional requirements?
2. Respondents should therefore propose what system functionality is available and how this would meet or address the IDC's listed requirements.
3. Respondents must also provide any other additional functionality that their system / solution can provide in-line with the objective of this RFI
4. Indicate the System's abilities to interface with public and / or private third party databases and / or platforms and to list all such databases , sources and platforms as part of its response to this RFI.
5. Indicate whether the proposed system / solution can be customized to meet client specific requirements.
6. Any other relevant information may be submitted.