

Answers to Questions

National Bank of Moldova Software Solution RFP

1. Regarding para. 2.8 (Section 2), are you referring that the Solution should be able to monitor all transactions between Moldovan banking institution? Are transactions between banking and non-banking financial institutions included as well?

The solution should be able to monitor all transactions that are performed by the banks, including those with its customers, other banks, and other financial and non-financial institutions. At this moment, the input data can be analyzed and extracted only from reports and other payments recorded at NBM for the banking sector (cash, SWIFT payments, and local currency payments).

2. Regarding para. 2.12.2 (Section 3), is the Bank Risk Rating (BRR) of each commercial bank assessed on a periodical basis? If yes, with what frequency?

All commercial banks are normally subject to an annual assessment in terms of the BRR per the requirements of shareholders transparency and AML/CFT. The implementation of the software solution will enable the NBM to conduct continuous risk assessments of the banks. These assessments will be conducted automatically based on predetermined risk factors, criteria, scenarios, assessment algorithms, etc.

Please also review the Bidder Conference Transcript for additional information.

3. Regarding para. 2.12.3 (Section 3), the risk indicators assessed for calculating the BRR will be dedicated only to the AML/CFT area? If not, what other areas should be considered?

The BRR is determined based on the calculations related to the AML/CFT risk criteria and risk indicators listed in Section 2.12.3 (page 17) in collaboration with the shareholders transparency area.

4. Regarding FR 2.19 - BRR - Could you please provide more information on the way BRR is calculated?

See question 2.

5. Regarding para. 2.6.b (Section 3) is the information regarding ownership structure available online? If yes, can this information be pulled out without the need of running a targeted report?

At the moment, the information regarding the ownership structure for qualifying holdings is reported monthly to the NBM by the banks in a spreadsheet format. Comprehensive information on the ownership structure, including holdings below 1%, is also held by the Central Securities Depository (CSD) and reported to NBM in a structured format. In addition, NBM receives the full list of shareholders in paper based and electronic formats from each bank prior to any Shareholders Meeting (at least annually).

6. Regarding para 2.8 (Section 3): which is the frequency you are planning to request the transactions? Is there any indication in relation to the average volume of transaction / request?

Usually an investigation is started based on some triggers that may involve a request for additional information including transactions performed. At this moment, at least 50 cases are opened per year. Upon the implementation of the software solution, we expect the case number to increase significantly.

The average number of transactions in the banking sector is 50 million records per year as stated in Section NF 5.01 (page 43).

7. Regarding para 2.8 (Section 3): will the NBM determine independently the risk level for commercial banks' clients or the risk level will be the one determined by the commercial banks?

The banks have the obligation to determine the level of risk associated with each of their customers. The risk determined by the banks for their customers will not be the basis for determining the risk rating. The NBM will; however, consider the information provided by the banks when determining the overall risk rating for each bank.

Please also review the Bidder Conference Transcript for additional information.

8. Regarding para 2.4 (Section 3): the reports submitted by the banks, shareholders and other state institutions will be in a structured or unstructured form? If unstructured, what type of files are used in general?

The data processed by the Shareholders' Unit is for the most part structured. The reports submitted by banks on a recurring basis are in a spreadsheet format. As per the other information received occasionally from banks, other state institutions or shareholders upon request, the data may have an electronic form (i.e. structured format) but other portions of the requested information are in the form of various documents (i.e. official confirmations, letters) which must be attached as Word/scanned documents (i.e. unstructured format). Table 3 (page 44) in the RFP refers to various data applications and files that will be accessed by the NBM Solution. In the case of unstructured data, the files are usually created in Word by the user or are OCR scanned PDFs.

9. Regarding para 2.6.2 (Section 3): do you want to upload the old information (residing on hard copies) into the system? If yes, how many documents are subject to this exercise and which will be the way of scanning them?

Much of the information on shareholders is currently contained in paper-based documentation. The uploading and archiving will be determined by the NBM and will be performed by the NBM team. The data usually relates to individual personal information, completed questionnaires, bank account statements, agreements, etc. The documents will be OCR scanned PDFs. For unstructured data, the NBM needs to be able to search through the content and make linkages with other information through the network analysis functionality.

Please also review the Bidder Conference Transcript for additional information.

10. Regarding para 2.6.3 (Section 3): will NBM provide us with this information or we will have Point of Contact from CSD and Licensing Authorizing and Notification system? Also, what is the format of such data: structured or unstructured?

NBM will provide all information necessary as input to the software solution. The data from CSD and the Licensing, Authorizing and Notification system are in a structured format.

11. Regarding para 2.8.6 (Section 3): The record of physical movements through borders will be provided by NBM?

NBM does not generally have access to this information. Occasionally the record of physical movements through borders is obtained during the investigation process, through information requests from the

corresponding authorities in cases where the actual physical movement through the border has valuable weight on the investigation being conducted.

12. Regarding para 2.9.1 (Section 3): is there any requirement in relation to data integrity preservation throughout the entire investigation process flow? Are you planning to implement to the extent possible hash value calculators?

All data related to the investigation process is classified as professional secret and stored on a secure internal server. From a business point of view, the NBM needs to preserve the integrity of data throughout the entire investigation process in order to be able to have the necessary evidence for presentation to the court. The NBM needs to come to agreement with the Vendor on the best way to do this.

13. Regarding para. 3.3 (Section 3): each bank has specific requirements for client's identification and verification, with respect to the mandatory documentation obtained from their clients. Does the NBM plan to generalize the identification requirements in the banking sector? (e.g. one bank may accept an invoice as proof of domicile for a client, while another bank may accept only documents issued by authorities).

The AML requirements for banks are similar and must be applied based on specific NBM regulations. The identification data is obtained through questionnaires and is verified using the National ID card or in the case of nonresidents their international passport.

14. Regarding the adverse media screening, in which language should the results be provided? What are the linguistic capabilities of the NBM team?

The NBM staff can generally communicate in the following languages: Romanian, Russian, and English. Thus, the results can be provided in any of these languages.

15. Regarding para. 3.12 (Section 3), should the Solution contain only the checkbox of the steps performed, or also the conclusions of the mission and the findings identified for each item included in the checkbox?

From the business perspective, it is important to validate each step performed and to document thoroughly the relevant findings and conclusions. In the end, the marked findings and conclusions will go into the Inspection Report.

16. After the investigations are finished, should the Solution also contain an Action Plan for the recommendations imposed by the NBM, with a traceability of their fulfillment in the established deadlines?

The NBM needs an IT tool that will support the staff in performing the offsite monitoring, investigation and analysis of the banks and bank customer's transactions/payments in order to identify high risk flows, patterns, typologies, noncompliance with AML requirements, links between individuals/institutions, etc. The traceability of recommendations within an Action Plan, is a preferred requirement.

17. Will the template reports be provided to us by NBM or will we be requested to develop such reports?

The NBM will provide the applicable structure and requests to the Vendor to develop the template.

18. Regarding the implementation requirements – Trainings (Section 4): Could you provide us an estimated number of training sessions and persons/training session? Should these trainings cover only the functionality

of the Solution or also guidelines for the persons analyzing the alerts generated by the Solution, in order to better understand ML/TF indicators?

The Training Plan must ensure an adequate level of knowledge transfer and cover all the user groups including Shareholder Transparency, AML, IT and both IT and Business administration and maintenance. The anticipated number of persons to be trained is in the range of 15-20 persons. The final agenda for training will be agreed in cooperation with the Vendor.

19. Period of performance – please confirm us if the period you are referring to is July 2020 – July 2021.

The period of performance is July 2020 – July 2021

20. Place of performance – will there be a number of expected mandatory weekly/monthly visits to Moldova?

The NBM does not have a predetermined expectation of the number or duration of trips. The Bidder should explain what is assumed in their proposal and should budget accordingly.

21. While proposals are expected to be presented in US Dollars, are contracting /payment as well expected to be in US Dollars.

All payments will be made in U.S. Dollars.

22. Are bidders allowed to participate / bid as part of a consortium to complete all RFP requirements.

Bidders may collaborate in the form of a consortium as long as the structure allows for a Prime Contractor with complete project responsibility for all Subcontractors.

23. Section 8 – 3.1 – Proposal Validity. Could we request an extension of 15 working days for proposal submission – with proposal submission date of June 27th, 2020. Request this extension in light of the ongoing COVID delays.

The submission of the proposal submission has been extended one week to June 18, 2020.

24. The RFP discusses both the Shareholder Transparency Unit (Unit) and the AML/CFT division. Should the solution provide a “single pane of glass” solution, where all alerts are managed in a central platform, or the expectation is for a separate solution per team?

The solution shall provide a “single pane of glass” solution, but the access of the users to alerts shall be granted according to their role and security authorization.

25. You mentioned that the Shareholder Transparency Unit (Unit) holds data in paper form and electronic form (only data from 2000 and on). Do you expect the solution/the project, to scan the paper documents and use OCR to digitize and extract content from these documents?

Much of the information available on shareholders is currently contained in paper-based documentation. The process of uploading and archiving will be decided by the NBM and will be performed by the NBM team. The data usually relates to individual personal information, completed questionnaires, bank account statements, agreements, etc. The documents will be OCR scanned PDFs. For unstructured data,

the NBM needs to be able to search through the content and make linkages with other information through the network analysis functionality.

26. What is a “Suspicious Transaction” within the context of shareholder transparency? Can you give an example?

A suspicious transaction is any transaction that would lead NBM to believe that a certain shareholder is not transparent or of corresponding quality, as well as, giving rise to suspicion of any undisclosed activity between shareholders. Such transactions would relate to the banks’ capital, ultimate beneficiary owners (UBO) and the transactions of the shareholders, as well as individuals and legal entities that are related to them.

An example here would be any loan granting between shareholders, or persons related to them, as well as any other unusual commercial transactions between them, especially those involving the bank. In order to detect any other suspicion transactions related to shareholders, triggers would have to be put in place, such as:

- a. Buying /registering shares in the same hour/day or near period of time in the same bank;*
- b. Buying a similar number of shares, usually under the amount, for qualifying holding;*
- c. Using the same financial source to buy shares;*
- d. Using the same broker/intermediary to buy shares;*
- e. Directing of dividends to the same person or group of persons.*

27. What is the scope of the proposed solution regarding adverse media screening? Is there an external source of triggered events, or is the adverse media screening a required feature of the solution? (Is this expected to be part of the capabilities of Functional Requirements 1.03, 1.04, 2.11)?

According to the functional requirements, FR1.04 (page 28), these features are regarded as preferable. The purpose of the adverse media screening features is to support NBM in triggering alerts that consist of linkages between individuals/banks or some risks highlighted in the context of AML.

28. Is there an expectation our requirements analysis and scope will support the definition of the RBA (Risk Based Approach)?

All commercial banks are normally subject to an annual assessment in terms of BRR as per the Shareholders Transparency and AML/CFT requirements. The implementation of the Software Solution will support the NBM in ensuring continuous risk assessments of the banks. The assessments shall be conducted automatically based on predetermined risk factors, criteria, scenarios, assessment algorithms, etc.

29. Would SARs submitted to the FIU be used to trigger an investigation? Should they be an input to the software solution?

No. The input data will be transactions performed by banks /bank’s customers and other information taken from reports submitted to the NBM.

30. Could you provide clearer details on sanctions? Should the solution perform sanction screening, or is that something that the banks and the Moldovan FIU are in charge of?

The solution shall be capable, according to FR 2.15 (page 31) to screen the transactions through different lists with designated persons in order to trigger an alert if a payment was performed that violates AML requirements. The banks also have the responsibility to perform such screening.

31. On the Adverse media and sanctions lists – are vendors expected to provide lists or can we use existing list providers at the Bank of Moldova?

See question 30. The vendors are not expected to provide additional access to such lists.

32. Does the Bidder include in their proposal subscriptions from any sanctions lists provider?

See question 30. The bidders should not include subscriptions to such lists as part of their proposal.

33. Are you expecting a perpetual license for the software, or open to other licensing models?

We are expecting to obtain a perpetual model of license. This will be discussed and agreed with the Vendor.

34. What kind of sanctions lists need NBM (for example OFAC, EU, UN etc.)?

See questions 30 and 32.

35. Do you need any sanctions lists and which one? Do you need sanctions lists from information providers (Dow Jones, World Check etc.)?

See questions 30 and 32.

36. Are you looking for sanctions data as well, or do you currently have a provider for that?

See questions 30, 31 and 32.

37. Regarding Adverse Media Screening Requirements. Are there definitions that define what is considered a negative or adverse social media alert (post) which could be rated by severity for flagging?

At the moment, NBM does not have a definition of the Adverse Media Information. From the business perspective, we would like to link information/data related to certain individuals (amount involved, type of transactions, etc.) that appear in various news sources to the information/data imported into the IT solution from the official data, reported/obtained from the banks or from other sources.

This question was also discussed during the Bidder Conference. Please refer to the Transcript.

38. For social media analytic tools will NBM provide any accounts for working with Facebook, Twitter and other networks as for those networks have very strict policies against of data gathering by third party?

At the first stage, the NBM will use its account to follow publicly available news and press releases, as well as, articles from specialized journals available on the internet and social media. Furthermore, NBM will decide whether additional special accounts is needed in order to gather any other information for sentiment analysis.

39. Regarding FR 1.02 - ETL - Is there a goal to build a Data Mart that includes wide ETL capabilities for future usage, or should the ETL capabilities only cover what is needed for the proposed solution?

The flexibility of the software solution is one of the key concerns to be addressed in this project. Therefore, the solution should offer full support for any data integrations needed in the future by offering end-to-end data management capabilities.

40. Regarding FR 1.03 & 1.04 - What is going to be the usage for data acquired through a web crawler or from social media? Is there a need for entity and content extraction? Sentiment analysis? Usage as source data for analysis?

According to functional requirements, FR 1.03 and 1.04 (page 28), these features are preferred. The purpose of the adverse media screening feature is to support NBM in triggering alerts that consist of linkages between individuals/banks or some risks highlighted in the context of AML. The information will be considered as input data and information for the solution.

41. Regarding FR 2.02 - Monitoring changes - The RFP defines daily update of source data and night time batch processing. When you ask for continuous monitoring, do you mean that change evaluation will happen once, in the daily processing period, or on-going, real-time monitoring of relevant data sources?

The NBM is not going to monitor payments in real time. The analysis is conducted on an ongoing basis each day, week and month depending on the supervision requirements and circumstances. The updating of source data will be conducted according to the best approach identified in discussion with the vendor (real time, daily, weekly, monthly, etc.).

42. Regarding FR 2.08 - Search - It is not clear what you mean by noting that "The searching functionality will be also used for the detection rules".

This functionality should allow the possibility to search the rules' library for certain rules according to specified criteria, which will enable better management of detection rules.

43. How many users of the systems will be at all and by every role (Case management, Reporting, Analysts etc.)?

The information related to number of users is provided in licensing requirements NF 6.05 (page 44). At the same time, please understand the NBM is not implementing a classic transaction monitoring tool, but rather wishes to aggregate and analyze different sources of data, including transactions in order to identify risk patterns. As we are not monitoring actual transactions but rather aggregated data, we would like you to consider an alternative licensing model.

44. How many transactions will be checked daily?

The average number of transactions is 50 million records per year NF 5.01 (page 43 of the RFP).

45. How many accounts will be checked daily?

The average number of accounts in the banking system are 2.2 million records.

46. Does customer use any internal lists (black lists, good guys etc.) and what formats of that?

The solution shall be capable, according to functional requirement FR 2.15 (page 31), of screening transactions through different lists with designated persons or self-developed lists. At this moment, NBM has a file with a PEP list, that is self-developed using simple structured data.

47. How often are customer going to check existing accounts against sanction lists?

Daily or on demand.

48. If the bidder cannot provide a Transaction Monitoring solution, is this is a dealbreaker?

In order to effectively fulfill the NBM needs, we expect that the software solution will meet all the mandatory requirements from the RFP. At the same time, keep in mind that NBM doesn't seek to monitor on a transaction-by transaction basis like in a classical AML transaction monitoring tool. Rather, the NBM seeks to process and aggregate all available data, including different transactions, being able by the mean of rules, scenarios ML algorithms and so on, to properly identify risk patterns and raise different alerts for the supervisors.

49. Are you open to multiple solutions for transaction monitoring, transaction screening and account screening?

NBM expects to deploy a software solution that will support in a nimble way the business processes activities in the AML/CFT and shareholder's transparency areas, addressing all the requirements stipulated into the RFP in a very efficient way. Thus, we consider that the offered software solution should be also easily maintainable, by being deployed in a unified technology platform (a single database management system, a single hardware/software infrastructure), and a minimum number of software vendors for software modules that are part of the offered solution. These features will assure the right balance for optimum operating and maintenance costs. These factors will be assessed as part of the Total Costs of Ownership (TCO) evaluation.

50. Are you happy with either an enterprise or cloud-based solution?

NBM expects to deploy the software solution only on its premises.

51. What is the current IT infrastructure and is there an incumbent data or software provider?

All the existing business applications runs in a virtualized environment. All application components (e.g. middleware, databases) must be able to run on x86 platform with operating systems of Linux or Windows Server family. It is also expected that the Vendor shall propose the technology platform related to the application (from the supported alternatives), and NBM will approve the acceptable proposal.

52. Is there any further guidance available on the current technological capabilities within the National Bank of Moldova?

This question is too broad to be addressed in a quick answer. Please, bring more clarity or specificity to what kind of the technological capabilities you are referring (e.g. development platforms, data management tools, infrastructure management etc.).

53. We would like to understand specific details around the procurement strategy. We are aware the scoring and evaluation methodology detailed in the solicitation, but should no one individual vendor meet all mandatory program requirements, will IDG contract with multiple parties?

IDG will not contract with multiple parties, but bidders can partner with other organizations as long as Prime Contractor and Subcontractor responsibilities are detailed. The Prime Contractor will have total project responsibility.

54. Is the IDG interested in receiving submissions from Vendors who are able to fulfill only parts of the project?

See question 53.

55. Is it IDG/USAID's preference that a single provider (in coordination with teaming partners) respond in support of the FULL extent of the requirements, or will the IDG engage in assembling discrete vendors to fulfill NBM's objectives?

See question 53.

56. The staffing 'Letters of Commitment' are extremely unusual and legally onerous. Can these requirements be struck, or softened?

Letters of commitment are very common for USAID related procurements. We are asking for these from subcontractors and key personnel only. Please provide them as part of the proposal.

57. Risk Management Plan – Risk Register – (Probability): Please expand on how IDG /USAID expects these probabilities to be considered / calculated / assigned given non-mathematical and qualitative inputs / risks (see page 77)

The aim of the risk management plan is to set up a disciplined approach to risk identification and management of the project. It should be compiled by the vendor and be continuously revised and completed by the implementation team, during the project. The risk analysis and mitigation is expected to be based on qualitative estimations. The vendor should describe its detailed approach with this in mind.

58. What role, if any, will IDG have in design / implementation of the project?

IDG is the supervisor, has and will provide technical direction to the project and assist the NBM to implement the project.

59. What is the budget for this project?

The budget for the project will not be disclosed at this stage.

60. Given the Cost/Technical tradeoff for the decision-making process, is there any idea of the available budget for this project? Do you have a range of values that you would be willing to consider?

See question 59.

61. Is this bid oriented to the lowest cost bidder or is this an overall value based bid?

This is a best value based procurement. A "best value" procurement is defined as the offer that results in the most advantageous solution, in consideration of technical and cost factors. This procurement will follow the cost/technical tradeoff approach. The goal of the best value procurement methodology is to determine which offeror provides the best combination of performance, qualifications, price, and other values based on their relative importance to the NBM and IDG.

This question was also discussed during the Bidder Conference. Please refer to the Transcript.

62. Evidence of Responsibility asks respondent to certify to conditions in Representations and Certifications but there are none included with the RFP. Can IDG provide the Representations and Certifications document?

The Evidence of Responsibility Statement template is included as part of Attachment 12 of the RFP. We ask all Bidders to complete and submit the form in Attachment 12 as part of the Cost proposal

63. The Environmental Compliance section references an Initial Environmental Examination (IEE) as Attachment J.1. This is not included in the RFP. Can IDG provide this document?

The IEE document is now included as a separate document titled – Attachment 13_IEE_FSTA.

64. Insurance and Services – Will the price for the DBA insurance be reimbursed to us?

The DBA costs should be considered and included as part of the total cost proposed.

65. As regards to management platform - does the management of the platform execution also need to include the management of alert investigations and applying new rules and data feeds to the solution over time?

The proposed solution should offer a high degree of flexibility and manageability over time. In order to efficiently address the business needs including: advanced and flexible data management capabilities, easy to define, modify and manage of the alerts, triggering events, detection rules and scenarios, ad-hoc report generation etc. ”

66. Does Past Performance pertain to experience in undertaking a Compliance transformation program at scale or specifically working with a central bank for a similar natured compliance transformation project.

It is up to the vendor to decide what Past Performance information to include.

67. Does Past Performance pertain to experience in undertaking a Compliance transformation program at scale or specifically working with a central bank for a similar natured compliance transformation project?

See question 66.

68. Are Bid Bond (or Bank Guarantee) and Performance Bond required? And if yes, what is the amount of it

There is no requirement in the RFP for a Bid Bond or a Performance Bond.

69. Is the RFP scoring rubric going to be made available? If so, where can it be obtained?

The technical scoring is available in Section 9 of the RFP. This is a best value procurement and so there is not a detailed scoring that will be done on the financial proposal. See response to question 60.

70. You have just mentioned that you are looking for a detailed response on the various requirements. Is it OK to include these outside of the table (from the template) on an appendix, providing a link in the table to the right paragraph in the appendix?

The response should be included in the table provided.

71. Can the Bidder which is a solution vendor include in his proposal products from other vendor as a part of whole solution?

The Bidder may include products from other Vendors as long as we have a guarantee we will be able to use the product proposed and the costs are clearly included in the cost proposal.

72. Will you be sharing information on which vendors are you evaluating?

No, this information will not be disclosed.

73. As a part of the proposal response, we are looking to utilize resources outside of the US for delivering some of the work. We read the paragraph in the RFP [on the geographical code] and a bit confused on whether that indicated they were able to be included or excluded in the proposal.

*Code 937 and 101 is defined as the United States, the independent states of the former Soviet Union, or a developing country, but excluding any country that is a prohibited source and the United States, the Cooperating Country, and developing countries other than advanced developing countries, but excluding any country that is a prohibited source. A **developing country** is any country categorized by the World Bank as a low or lower middle-income country according to its gross national income per capita. Please check the World Bank website to see how each country is categorized.*