EXPRESSION OF INTEREST (EOI)  
CONSULTANCY/LEGAL FIRM REQUIRED

Pakistan Post (P) Intends to hire the services of a qualified, competent and experienced consultancy/legal firm to review, initiate, conclude and finalize the process of establishment wholly owned subsidiary as Pakistan Post Payment Services (PPS) and authorization from State Bank of Pakistan (SBP) for Pakistan Post’s payment services and holding of public funds under Payment Systems Electronic Funds Transfer Act (PSEFTA) Act, 2004. The scope of consultancy is limited to the work of assessment/maintenance of a centrally nodal subsidiary of PP and completion of aforementioned assignment and detailed Term of Reference (ToR) mutually agreed between the government/Pakistan Post and the Consultant will be issued in 2. The time limit for submission of EOI will be required to look after the following aspects:

Phase-I: Pre-Proposal Assessment

- Review the SBP’s legal and regulatory regime for formulation of a payments service entity.
- Conduct legal assessment and advice for transformation of information of proposed PPS from PP including the validity, constitutionality and the assessment of the same.
- Assessment of all the possibilities for holding of customer funds in case a subsidiary is established.
- Review of the legal and regulatory requirements for safeguarding of the funds generated from the general public by proposed PPS.
- Review of the various instruments of PP i.e. PSEFTA Act, 2004 (PPSEFT Act 2007, 1998 and rules and regulations issued by SBP) from time to time.
- Suggest and elaborate solutions/options in case of occurrence of any legal/regulatory hindrance for transformation of information of proposed PPS bank by SBP.
- Determine, construct and finalizes the authorization process of proposed business as per PPS.
- Review of the rules associated with formation of separate entity.
- Review of costs associated with technological infrastructure including the software separately for each item that is considered essential for running a separate entity.
- Include cost of labour system, Transaction Monitoring System andName and Addressing solution.
- Assumption of cost to be borne by proposed PPS along with recommendations for on premises and hosting cloud models.
- Review of costs associated with required IR, formulating policies, building processes and other required administration to comply with FII-fSP regulations on AML/CFT.

Phase-II: No Objection Certificate (NOC) with PPS for proposed PPS under the legal and regulatory regime of SBP.

- Conduct legal assessment in the context of formation/transition of financial position (accrued insurance business) of Pakistan Post into a provider of payment services.
- Drawing of detailed feasibility study (short & long term) business plans, Memorandum & Articles of Association, etc. and sharing of MUA and AUA with SBP.
- Preparation of application package. (Complete in all respects), in accordance with provisions of PSEFTA Act & rules, regulations, instructions and guidelines issued by SBP for the purpose.
- Hiking the application with SBP under PSEFTA Act for obtaining NIC from SBP for transformation into financial entity PPS.
- Coordinate with SECP for Incorporation of the proposed PPS (as a public limited company) consequent upon receipt of NOC from SBP.

The mutually agreed fee will be paid on completion of this phase.

Phase-III: Obtaining license application for Pakistan Post Payment Services (Trusted Bank/DMT).

- License application
- Application review and fulfillment of all additional requirements.
- Pilot license
- Audit review by the State Bank of Pakistan (SBP) of the pilot level
- Full license
- Ensuring compliance with all the terms and conditions, general as well as special, as imposed by SBP, prior to submission of application for issuance of authorization to operate as proposed PPS and holding of customer funds.
- Preparation and submission of application along with all the documents as per SBP for authorization.
- Assist and coordinate with SBP/Pakistan Post to address any observations/concerns, if any, raised by SBP during the process of issuance of authorization.

Phase-IV: Operationalization of Pakistan Post Payment Services (Trusted Bank/DMT).

- Development of IT system for proposed PPS. Inclusion of all financial services.
- Development of mechanism for transferring the existing trustworthiness business (domestically in the form of money order and international in the form of home remittance) portfolio of Pakistan Post to the newly formed PPS keeping in view the regulatory requirements of SBP.
- Development of mechanism for transferring the existing saving accounts / cheques and pension portfolios of Pakistan Post to the newly formed PPS keeping in view the regulatory requirements of SBP.
- Development and implementation of systems and controls in accordance with regulatory requirements of SBP.
- Assistance to human resource recruitment, training and deployment in the process.
- Capacity building/Training of existing staff dealing with this portfolio.
- Formulation of SOPs operational manuals, risk management guidelines, etc.
- Conducting the pilot of the Pakistan Post Payment Services.

Phase-V: Obtaining Certificate of Completion of Business from SBP for Pakistan Post Payment Service (Trusted Bank/DMT).

- Ensuring compliance with all the terms and conditions, as imposed by SBP prior to approving SBP for issuance of Certificate of Completion of Maturity for proposed PPS.
- Assist SBP in conducting pre-commissioning inspection of proposed PPS and business to validate their preparedness in the critical areas such as meeting with MCR, assessment of management team, implementation of core banking software technology platform, formulation of policies for credit, market, and operational risk management, procedures/process manuals regarding all products, operations, treasury and internal controls including audit function, IT systems, etc.
- The duration of Pakistan Post’s wholly owned subsidiary will be up to the completion of the above activities.
- The mutually agreed fee will be paid on completion of both phases, which will be full and final settlement in respect of the contract.

The required legal consultancy team must have relevant educational qualifications and in-depth understanding of payment systems, PSEFTA Act 2004 and the laws made thereunder. The consultancy/legal firm will have to document experienced understanding of underwriting assignment of similar nature in areas of Banking, Payments Services, Law, IT etc.

5. Expressions of interest documents containing detailed terms and conditions, etc may be obtained from the office of the undersigned on any working day during office hours (9am to 5pm) till 20th January 2023.

6. Pakistan Post reserves the right to accept or reject any or all applications in accordance with PPS-2024.