

**THE INSTITUTE
OF
CHARTERED ACCOUNTANTS OF PAKISTAN**



December 2022

**REQUEST FOR PROPOSAL
INSTRUCTIONS TO PROSPECTIVE SERVICE PROVIDERS
UNDER
SINGLE STAGE TWO ENVELOP PROCEDURE
QUALITY AND COST BASED SELECTION METHOD**

1. Introduction

The Certificate Course on Shariah Audit and Governance has been designed for the existing external auditors and future aspirants for helping them develop skills to perform External Shariah Audit in consonance with the existing regulatory framework of the country.

2. Scope of Work / Services to be provided

The prospective Service Provider is required to submit its Technical and Financial Proposals under both of the following scenarios:

Scenario 1: If the Course is conducted in person

Scenario 2: If the Course is conducted online

The Service Provider is required to render, at a minimum, the following services:

The Course:

- I. Develop learning materials and slide deck (Interactive presentations of the concepts) with appropriate case studies reflecting current requirements and practices for the following sections (see details in Annexure 1), which will complement the lectures:
 1. Shariah Governance Frameworks
 2. AAOIFI Shariah Standards
 3. Deposits and Profit and Loss distribution in Islamic Financial Institutions
 4. Specialized Financial Institutions and Instruments
 5. Corporate Shariah Compliance
 6. Shariah Audit Reports
- II. Each section should include examples, exercises and quizzes throughout the course for conceptual clarity.
- III. Develop reliable and valid assessments, milestones and certification requirements.
- IV. Prepare Question Data Bank (Minimum 300 Multiple Choice Questions (MCQs)).

Implementation:

- V. Conduct training program offered by the ICAP.
- VI. Suggest appropriate changes based on experience of implementing the course.
- VII. In case of Scenario – 2, recorded lectures of the faculty covering the entire syllabus for a given time length of 42 teaching hours.
- VIII. Conduct assessments.

Timelines:

- IX. Suggest timelines of each component of the project.

3. Payment Schedule

The payment will be made *on the successful completion of deliverables given as follows:*

S.No.	Deliverables	Amount
1.	<p>Develop learning materials and slide deck (Interactive presentations of the concepts) with appropriate case studies reflecting current requirements and practices which will complement the lectures.</p> <p>Sections are:</p> <ol style="list-style-type: none">1. Shariah Governance Frameworks2. AAOIFI Shariah Standards3. Deposits and Profit and Loss distribution in Islamic Financial Institutions4. Specialized Financial Institutions and Instruments5. Corporate Shariah Compliance6. Shariah Audit Reports <p>Each section should include examples, exercises and quizzes. For the details on sections please refer to Annexure - 1.</p> <p><i><u>Note: The above must be submitted with ICAP (in hard and soft copies)</u></i></p>	15%
2.	<p>Preparation of Question Data Bank (Minimum 300 Multiple Choice Questions (MCQs))</p> <p><i><u>Note: The questions data bank must be submitted with ICAP (in hard and soft copies)</u></i></p>	5%
3.	Conduct training program – Sections 1 & 2	25%
4.	Conduct training program – Sections 3 & 4	25%
5.	Conduct training program – Sections 5 & 6	25%
6.	Conduct of Assessment and submission of Assignment Completion Report	5%

4. Currency

The Bid shall be quoted in Pakistan Rupees (PKR).

5. Withholding Tax and Other Taxes

The Bidder is hereby informed that taxes will be deducted in accordance with the rate and in the manner prescribed under the tax laws of Pakistan, from all payments against the services rendered.

6. Estimated Time Table

The estimated timetable for the procurement process is as follows:

Activity	Target Date
Issuance of Bidding Documents	December 4, 2022
Bids Submission Deadline	December 19, 2022 2:00 PM
Technical Bids Opening	December 19, 2022 3:00 PM
Technical Clarifications	December 19, 2022 – December 29, 2022
Financial Bids Opening	December 30, 2022
Notification of Award	To be communicated later
Execution of the Contract with Successful Bidder	To be communicated later

The ICAP, in its sole discretion and without any prior notice to Bidders, may revise the Estimated Timetable. The ICAP shall not be liable for any damages arising out of amendments in the Estimated Timetable.

7. Eligibility Criteria

- 7.1 A Prospective Bidder for the Assignment may be an individual / sole proprietor, or an organization duly registered under the applicable, permitted and relevant laws & procedures.
- 7.2 The criteria for Prospective Bidders to be eligible to undertake the Assignment has been provided underneath.
- The Bidder must have demonstrated experience of at least 3 years in the area of developing and /or delivering courses related to Islamic Finance.
 - The Bidder must possess valid registration from income tax Authority (i.e. the NTN certificate) and relevant sales tax Authority, if applicable.

8. Technical Bid Documents

Each Bidder shall submit a technical proposal (the "Technical Bid") by completing the following documents (collectively, the "Technical Documents"):

Part	Description	Relevant Annexure
Part I	Application Form	Annexure – 3
Part II	Basic Information Form	Annexure – 4
Part III	Bidder's Experience Form	Annexure – 5
Part IV	Team Composition and Task Assignments	Annexure – 6
Part V	CVs for proposed Professional Staff	Annexure – 7

Bidders may annex any other supporting information or document (s) that may assist the Procurement Committee in the evaluation process.

9. Financial Bid

Each Bidder shall submit a financial proposal (the "Financial Bid") by completing the following document (collectively, the "Financial Documents"):

Part	Description	Relevant Annexure
Part I	Bid Price	Annexure – 8

The Financial Proposal shall be prepared using the attached Standard Form. It shall list all costs associated with the Assignment.

10. Bid Submission Deadline

Bids shall be received by the ICAP at the address specified in the Bid Data Sheet no later than the time and date stated therein as the "Bids Submission Deadline ".

ANNEXURES

ANNEXURE 1: SYLLABUS OUTLINE

COURSE OBJECTIVES

The Certificate in External Shariah Audit and Governance has been designed for existing external auditors and future aspirants, for equipping them with requisite knowledge and skills to perform External Shariah Audit in accordance with the prevailing regulatory framework of the country, while keeping them abreast with the best practices around the globe. The course also aims to upskill ICAP members, affiliates and other finance and business professionals who are willing to excel in the domain of Islamic finance and external Shariah audit, by providing them conceptual understanding and practical insights.

An MCQs based assessment will be conducted at the end of the course to be eligible for the certificate.

COURSE OUTLINE

1. SHARIAH GOVERNANCE FRAMEWORKS

a. Applicable Governance Frameworks and International Best Practices

- State Bank of Pakistan
- Securities and Exchange Commission of Pakistan
- Accounting and Auditing Organization of Islamic Finance Institutions (Bahrain)
- Islamic Financial Services Board (Malaysia)

b. Components of External Shariah Audit

Components covered in this section include:

- Jurisdictions
- Objectivity
- Shariah Audit Manual
- Shariah Supervisory Board Review Requirements
- Peer Reviews
- Audit Planning
- Risk Assessments & Control Testing
- Evaluation of Observation
- Shariah audit reports

c. Shariah Risk Management

- Identification of Shariah related risks in an institution
- Shariah non-compliance risk management framework
- Risk analysis and management in Islamic banking in the light of IFSB guidelines
- Risk management in conventional banks vs Islamic banks
- Risk management and mitigation tools

2. AAOIFI SHARIAH STANDARDS

Detailed discussion on the Shariah standards of Accounting and Audit Organization of Islamic Financial Institutions (AAOIFI) as adopted by SBP and SECP. It includes Shariah Standards No. 2, 3, 5, 8, 9, 10, 11, 12, 13, 14, 17, 18, 19, 23, 24, 25, 28, 38, 49, 50. It would include:

- Discussion on the text of standards
- Shariah basis of the standards

- Relevant financial products and services and its risk management and mitigation tools
- Practical usage in the financial and non-financial industries
- Modern issues related to the standards
- Documentation used in the implementation of these standards
- Role of Shariah advisors in the implementation of standards

3. DEPOSITS AND PROFIT AND LOSS DISTRIBUTION IN ISLAMIC FINANCIAL INSTITUTIONS

This part would focus on the dynamics, types and Shariah rulings of the deposit products and how profit and loss sharing mechanism works in Islamic financial institutions.

- Investment Accounts (Demand Deposits)
- Realization, Entitlement & Distribution of Profit
- Permissible and Impermissible Profit
- Profit Distribution in Shariah-Compliant Deferred Transactions
- Rebate for Early Payment

4. SPECIALIZED FINANCIAL INSTITUTIONS AND INSTRUMENTS

A detailed discussion on the institutional structure, products and Shariah aspects of:

- Takaful Companies
- Mutual funds
- Sukuks

5. CORPORATE SHARIAH COMPLIANCE

This part would exclusively focus on the Shariah compliance matters of non-financial services companies in the light of SECP guidelines; including:

- The concept of a Shariah compliant company
- Shariah compliance certification mechanism
- Requirements for internal and external Shariah auditors
- Shariah screening criteria and its practical applications
- Role of Shariah advisor in corporates

6. SHARIAH AUDIT REPORTS

- Role and expectations from external auditors in the context of Shariah audit
- Role of auditor's expert - Shariah advisor
- How external Shariah auditors should reach a Shariah audit opinion
- Structure of Shariah audit reports
- Different forms of Shariah compliance and Shariah audit reports, their contents and structure.

REFERENCE TEXTS

- SBP Shariah Governance Framework for Islamic Banking Institutions 2018
- SBP Risk Management Guidelines for IBIs
- SBP Instructions for Profit & Loss Distribution & Pool Management for IBIs of 2012
- SECP Shariah Governance Regulations 2018
- Shariah Advisor Regulations 2017
- Takaful Rules 2012
- Sukuk Regulations 2017
- AAOIFI Shariah Standards (as adopted by SBP and SECP)
- IFSB Guidelines on Shariah Governance

TECHNICAL BID DOCUMENTS

ANNEXURE 2: BID DATA SHEET

The following Bid-specific data shall supplement the provisions in the RFP document.

No.	Title	Details
1.	Name of the Assignment	Content development and execution of Course on External Shariah Audit and Governance
2.	Address and Contact Person of the Institute	Name: Mr. Kamran Ahmed Designation: Manager Procurement, ICAP Address: The Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton Block 8, Karachi - 75600 Telephone: (021) 111-000-422 Ext. 396 Email: kamran@icap.org.pk
3.	Method of Selection	Single Stage Two Envelop Procedure Quality and Cost based Selection Method <i>Financial Proposal is to be submitted together with Technical Proposal.</i>
4.	Address for Submission of Bids	The Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton Block 8, Karachi – 75600
5.	Number of Copies of Bids	One hard copy and corresponding soft copy. Each Bidder shall submit the following documents in two separate, sealed envelopes (together, the "Bid"): a) Technical Bid b) Financial Bid These two envelopes, in turn, shall be sealed in an outer envelope. The envelope shall also say: " DO NOT OPEN, EXCEPT IN PRESENCE OF THE PROCUREMENT COMMITTEE ". Each USB drive shall be submitted together with the ORIGINAL printed Bids in the same sealed envelopes: a) The USB drive containing the Bidders' Technical Bid should be included in the Technical Bid Envelope and should not contain any elements of the Financial Bid. b) The USB drive containing the Bidders' Financial Bid should be included in the Financial Bid Envelope.
6.	Bid Submission Deadline	December 19, 2022 2:00 PM
7.	Proposal Validity Period	90 days
8.	Language of the Bid	English

ANNEXURE 3: APPLICATION FORM

[ON THE LETTERHEAD OF THE BIDDER]

To,

The Institute of Chartered Accountants of Pakistan
The Chartered Accountants Avenue,
Clifton, Karachi - 75600

Re: Content development and execution of the Certificate Course on External Shariah Audit and Governance

[DATE]

Dear Sir,

We, the undersigned, offer to render our services for the content development and execution of the Certificate Course on External Shariah Audit and Governance in accordance with your Request for Proposal dated [Insert Date] and our Bid submitted herewith. We are hereby submitting our Bid, which includes this Technical Proposal, and a Financial Proposal sealed under separate envelopes.

We hereby declare that all the information and statements made in this Bid are true and accept that any misrepresentation contained herein may lead to our disqualification.

It is hereby confirmed that our bid is valid for 90 days from the date of bid submission deadline.

We understand you are not bound to accept any Proposal you receive.

[Signature]

In the capacity of [Position]

Authorized to sign this Application Form of [Name of Bidder]

ANNEXURE 4: BASIC INFORMATION FORM

[ON THE LETTERHEAD OF THE BIDDER]

PROSPECTIVE BIDDER INFORMATION:

Name:

Type: (Corporation, Partnership, Sole proprietorship etc.)

Company/Entity incorporation/registration no:

Date of establishment:

Address of principal / registered office:

Telephone number:

Fax number:

E-mail address:

Primary areas of business:

ANNEXURE 5: BIDDER'S EXPERIENCE FORM

[ON THE LETTERHEAD OF THE BIDDER]

The Prospective Bidder is required to provide sufficient detail pertaining to its prior experience in the format given below.

Assignment name:	
Duration of assignment (months):	
Name of the procuring agency	
Address of the procuring agency:	
Narrative description of Project:	

Note: Please use as many copies of the above format as required to cover the details pertaining to prior work experience.

ANNEXURE 6: TEAM COMPOSITION AND TASK ASSIGNMENTS

Proposed Professional Staff for the Assignment:

S.No.	Name of Staff	Area of Expertise	Position assigned / to be assigned	Tasks to be assigned under the Assignment
1.				
2.				
3.				
n.				

ANNEXURE 7: CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

Key professional staff qualifications and competence for the Assignment:

- The Bidders are required to provide comprehensive job descriptions for the proposed professional staff on the format given underneath.
- Proposed staff having experience of local culture and environment is desirable.

Curriculum Vitae (CV), strengths and expertise of key staff members

1. Name of Bidder [Insert name of Bidder proposing the staff]:

2. Name of Staff [Insert full name]:

3. Date of Birth:

Nationality:

4. Education [Indicate complete details of college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of degree completion]:

5. Membership of Professional Associations:

6. Training Received:

7. Countries of Work Experience: [List countries where staff has worked in the last 3 years]:

8. Employment Record [Starting with present position, list in reverse order every employment held by staff member (see format here below), dates of employment, name of employing organization, positions held.]

From [Year]: _____ To [Year]: _____

Employer: _____

Positions held: _____

9. List of all tasks assigned to this proposed staff member under the Assignment for which the Bid is being submitted

Note: Please use as many copies of the above CV format as required to cover all the proposed staff members. It is reiterated that the CVs of the proposed staff must be submitted on the above format.

FINANCIAL BID DOCUMENTS

ANNEXURE 8: BID PRICE

(To be included in the Financial Envelope)

[ON THE LETTERHEAD OF THE BIDDER]

Scenario 1 (when classes are conducted in-person):

Bidder's Address M/s		Name of Assignment: Content Development and execution of the Certificate Course on External Shariah Audit and Governance Date of RFP issue: December 4, 2022 Bid Submission Deadline: December 19, 2022, 2:00 PM
No.	Activity Description	Expected Cost in PKR
1.	Development of learning materials, Slide Deck and teaching aids with appropriate examples, exercises, quizzes, case studies.	
2.	Development of reliable and valid assessments processes, milestones and completion requirements including question Data Bank (min of 300 Multiple Choice Questions (MCQs)).	
3.	Faculty remuneration for the implementation of the Course.	

Note: Bidders are required to provide the break-up of Bid Price on the format given above.

Scenario 2 (when classes are conducted online):

Bidder's Address M/s		Name of Assignment: Content Development and execution of the Certificate Course on External Shariah Audit and Governance Date of RFP issue: December 4, 2022 Bid Submission Deadline: December 19, 2022, 2:00 PM
No.	Activity Description	Expected Cost in PKR
1.	Development of learning materials, Slide Deck and teaching aids with appropriate examples, exercises, quizzes, case studies.	
2.	Development of reliable and valid assessments processes, milestones and completion requirements including question Data Bank (min of 300 Multiple Choice Questions (MCQs)).	
3.	Faculty remuneration for the implementation of the Course.	

Note: Bidders are required to provide the break-up of Bid Price on the format given above.