



The First MicroFinanceBank
اولین بانک قرضه های کوچک

THE FIRST MICROFINANCE BANK - AFGHANISTAN

RFP for The Islamic Banking Consultant

THE ISLAMIC BANKING CONSULTANT

8-30-2021



Milestone	Relevant Date
RFP Reference No.	RFP/Islamic/banking/2021
RFP Subject	RFP for The Islamic Banking Consultant
Deadline for Queries	10 September 2021
RFP Closing Date	14 Sept 2021

FMFB-A BACKGROUND:

The First Microfinance Bank, Afghanistan (FMFB-A) started operations in 2004 and is part of the Aga Khan Agency for Microfinance (AKAM), which has financial institutions operating in over 15 countries throughout the developing world. It is affiliated with the Aga Khan Development Network (AKDN), a group of nine development agencies working in health, education, culture and rural economic development primarily in Asia and Africa. We provide credit and deposit products to a wide range of clients including micro, small and medium enterprises along with commercial banking, international and domestic remittance services. Our credit activities focus on micro enterprises, small businesses and the creation of productive sources of income and employment.

Our primary objective in Afghanistan is to contribute to poverty alleviation and economic development through the provision of sustainable financial services to the poor and underserved. Since 2016, we are a member of the Global Alliance for Banking on Values (GABV) – an independent network of banks using finance to deliver sustainable economic, social and environmental development. Our values- based banking agenda focuses on providing affordable financial services that promote entrepreneurship, agriculture, incremental housing and clean energy in Afghanistan.

GOVERNMENT INCOME TAX OR WITHHOLDING TAX:

Pursuant to Article 72 in the Afghanistan Tax Law effective March 21, 2009, FMFB-A is required to withhold "contractor" taxes from the gross amounts payable to all Afghan for-profit subcontractors/vendors. In accordance with this requirement, FMFB-A shall withhold two percent (2%) tax from all gross invoices to contractors under this Agreement with active AISA or Ministry of Commerce license whereas non-registered partners'/vendors bidding for this RFP shall include 7% tax and the mentioned percentage will be deductible upon invoice payment.

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LICENSES & BANK ACCOUNTS:

Before placing the order or signing Agreement, the local companies shall provide a copy of the organization's Ministry of Commerce license along with the TIN (Tax Identification Number) issued from Ministry of Finance.

Foreign companies shall also submit their country issued registration documents, Licenses, Taxation documents, brief introduction of the company and detailed proposal.

Bidding Companies are required to have the Bank account, only the winning company shall be asked to provide the bank details on the Proforma Invoice on the letter head of the company duly stamped and signed by the authorized signatory/signatories.

PROPOSAL CURRENCY:

The proposal currency should be USD (United States Dollars) whereas the transfer will be to local companies in AFN (Afghani) currencies considering the central Bank and market prevailing exchange rates and for foreign companies' fund will be transferred in EUR at bank mid-rate.

ACCEPTANCE, REJECTION OR POSTPONE:

The First Microfinance Bank of Afghanistan reserves the right to accept or reject any or all bids and to postpone the bidding process at any time/stage, without thereby incurring any liability to the affected bidder(s) or any obligations to inform the affected bidder(s) of the grounds for FMFB-A action.



IBW Consultant Terms of Reference:

The purpose of the Terms of Reference is to outline the principle duties and responsibilities of IBW Consultant.

1: Objectives:

The primary objective of the IBW consultant hiring is to work with the management board for the worked needed to obtain IBW license including: working on the proposal to be submitted to the Da Afghanistan Bank, assist in the hiring process, review the proposed basic products that will be started at the initial stage of establishing the Window, develop the required policies and procedures, and identify the IT systems requirements and parameters from a Shariah perspective (further details are mentioned in the role and responsibilities section of this document). The requirements of the Islamic Window should be in light with the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards as they are adopted by the Da Afghanistan Bank (DAB). The consultant will be expected to present and explain to the Board of Management and the Board of Supervisors all the required documents for the establishment of IBW and guide management on DAB approval process and overall implementation of IBW and his performance on the outlined activities will be assessed by both boards.

2: Qualification for the Consultant:

The qualification for the consultant is as follows:

1. Five to ten years in Islamic banking or Islamic Banking window in the Afghanistan, a Gulf or any other Middle Eastern country.
2. Sound knowledge, understanding & clear ideas on Islamic Banking products, concepts, laws, regulations, standards and country regulatory framework.
3. Holding high academic degree in the Islamic Banking such as masters or PHD, preferably in Shariah Fiqhul Muamalat.
4. Certified in the Islamic banking field from one of the international acceptable organizations preferably from the AAOIFI.
5. Experience in writing proposals, drafting policies and procedures, and reviewing Shariah related issues in products and procedures.



6. Strong knowledge in issues related to implementing Islamic business from Shariah perspective and other perspective such as IT parametrization, requirements, and elements and revenues allocation etc.
7. Excellent inter-personal, communication & presentation skills with leadership quality.

3: Role and Responsibilities:

Role and Responsibilities of the Consultant:

1. Developing a Business plan in coordination with the different stakeholders in the Bank, including human resource plan, marketing plan, operational plan, overall business model and, internal controls mechanism, financial projection and governance structure, etc.
2. Developing a Financial model/feasibility study for the Islamic Banking Window of the Bank.
3. Drafting a required policies and procedures that is coherent with Shariah compliance, Shariah Risk policy, Islamic Banking Operation Policy, Liquidity Policy, Investment Policy, Profit Distribution Policy, Internal Sharia Review policy.
4. Drafting the Islamic Products plan.
5. Drafting Shariah compliance mechanism.
6. Developing the IBW products and services procedural manual based on Ijara, Murabaha, Tawarruq, Diminishing Musharaka, Mudaraba, Salaam, Istisna'a, Wadiha and Qard Hasan.
7. Working with Management for identification of the required Core banking systems/software for IBW
8. Working with the Management in hiring the right humane resources for IBW
9. IBW accounting report



6. Application process:

1. Management will develop the RFP which will be announced through local and international recruitment portals and websites.
2. Interested individual, organization or company should submit:
 - A technical offer with detailed methodology
 - At least 3 references of similar work and if possible, documentation/report/sample of previous work carried out in Islamic banking field
 - Indication of availability
3. The CEO and IBW committee will organize an online interview with the pre-selected candidates.

7. Period of Provision of Advisory Services

This consultant will be hired for the period of one year, starting September 2021 and ending on 01 September 2022.

INQUIRY AND RESPONSES:

The mode of delivering written questions to the aforementioned contact would be through email only with subject line as “IBW Consultant”.

The Bidders shall send their queries at the following email address. The last date for receiving the clarification requests is 10 September 2021. Any query received beyond the specified timeline would not be entertained under any circumstances.

Email: ziauddin.haidari@fmfb.com.af,
Phone: +93 799-401548

Email: Saduddin.haziq@fmfb.com.af
Phone: +93 799143064

VALIDITY OF PROPOSAL:

The pre-qualification, technical and financial bids shall be valid for a period of 10 days from the date of submission of the proposals.

PROPOSAL SUBMISSION GUIDELINES:

Proposals must be submitted to info@fmfb.com.af not later than 14 Sept 2021 – 03:00 PM. Bids/Proposals received after the due date will not be considered at all.



Prepared By: _____

Date: / /

Authorized Sign: _____