



INVITATIONS FOR BIDS

Hiring the Service of Consultant / Firm for Readiness Assessment and Quantitative Impact Assessment of IFRS 9

House Building Finance Company Limited (HBFC), Pakistan's leading housing finance institution, intends to hire the services of a Consultant / Firm to Prepare Readiness Assessment and Quantitative impact Assessment of IFRS 9, as required by State Bank of Pakistan (SBP) vide its circular BPRD / RPD / 2018-7837 dated April 10, 2018. Interested Consultant / Firm registered with Income Tax and Sales Tax Departments and who are on Active Taxpayers List of Federal Board of Revenue meeting the eligibility criteria for the same are invited to submit their offers in sealed envelope. **The bids will be evaluated in terms of Rule 36 (b) of Public Procurement Rules, 2004.**

The Consultant / Firm will have to deposit a bid security of Rs. 25,000/- (Rupees Twenty-Five Thousand only) in shape of pay order along with the Offer / Quotation. Bidding documents containing detailed terms and conditions, can be obtained from the undersigned during office hours or can be downloaded from HBFC website: www.hbfc.com and PPRA's www.ppra.org.pk.

The Consultant / Firm having at least ten years' experience of Financial Analysis, Risk Consultancy and Audit may submit the bidding documents which must reach at HBFC Head Office, 3rd Floor, Finance & Trade Centre, Shakra-e-Faisal, Karachi on or before **25th June, 2018** at 11:00 a.m. The bids will be opened on the same day at 11:30 a.m. in presence of the representatives of the Consultant / Firm who desire to be present.

Incomplete / conditional bid and those received after due date will not be considered. HBFC reserves the right to accept or reject any or all bids in compliance with the relevant clause of PPRA Rules.

Hafeez ur Rehman
Head GSD



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Scope of work

Preparation of the following documents and reports in light of the SBP circular BPRD/RPD/2018-7837 dated April 10, 2018:

- Qualitative impact analysis of adoption of IFRS 09 on the annual financial statements of December 31, 2017.
- Preparation of Performa
 - Statement of Financial Position,
 - Profit and Loss account,
 - Statement of Comprehensive Income and Statement of Changes in Equity based on the requirements of IFRS 9 ;
 - along with the detailed notes of
 - Advances,
 - Investments,
 - Provisions and Write offs and
 - Any other note which has been impacted materially.
 - A separate note should also be given to show the impact of IFRS 9 implementation on-regulatory capital requirement as a result of additional provisioning.
- The Performa statements shall be reconciled to the statutory Statements of Financial statements, giving details of IFRS 9 adjustments made (including details of change in classification, changes in specific and general provisions and other adjustments).
- The quantitative impact analysis shall also state key assumptions used, details of business model assessments and cash flow characteristics test carried out to determine classification of financial assets under IFRS 9, details of models used for determination of Expected Credit Loss including sourcing of inputs to models and the potential impact on the Minimum Capital Requirements and the Capital Adequacy ratio of the bank.
- Preparation of a qualitative gap assessment to identify gaps in data, systems, processes, governance, people and other resources to implement IFRS 9.
 - List details of major impediments/challenges they will face in IFRS 9 adoption along with the expected timeline for their resolution to SBP.

Selection Criteria for appointment of Consultant / Firm for IFRS 09: Readiness Assessment and Quantitative Impact Assessment

S. No.	Criteria	Marks	Comments	Marking of Firm
1	Bidder Consultant / Firm has been in existence since (Years)	20	2 marks for each year of service upto maximum of 20 marks	
2	Core Business of the Consultant / Firm (Provide supporting documents)	10	10 marks if core business of the firm is Financial and Risk Consultancy / Audit	
3	Bidder Firms relevant experience in Financial and Risk Consultancy / Audit	25	25 marks for 20 years or more ; if less than 20 years then 1 mark for each year	
4	No. of major clients in Financial Sector including banks where the bidder has Implemented / Updated Internal Controls over Financial Statements	20	2 marks for each major client in financial sector including Banks / DFIs	
5	No. Chartered Accountants employed with the Consultant / Firm	25	25 marks for 25 or more; 15 marks for 15 to 24; 10 marks for 10 to 14 & 5 marks for less than 10.	

Total Technical Marks 100

Minimum Qualification Marks 75

Minimum marks to qualify for selection are 75; however, the Consultant / Firm obtaining the highest marks will be selected.

If two or more Consultant / Firms obtain equal marks then the selection would be based on lowest financial bid among the Consultant / Firms obtaining equal marks.