



**TO WHOM IT MAY CONCERN**

**REQUEST FOR PROPOSAL**

**ACQUISITION AND IMPLEMENTATION OF A FRAUD MANAGEMENT SYSTEM (FMS) AND  
DISPUTE MANAGEMENT SYSTEM (DMS) INTO AN INSTANT PAYMENT SOLUTION**

**CLOSING DATE: FRIDAY, 11 October 2024 at 12:00**  
~~FRIDAY, 04 OCTOBER 2024 AT 12:00~~  
**RFP NUMBER: BON 25/2024**

YOU ARE INVITED TO SUBMIT PROPOSALS FOR THE PROVISION OF PROFESSIONAL CONSULTANCY SERVICES FOR THE ACQUISITION AND IMPLEMENTATION OF A FRAUD MANAGEMENT SYSTEM (FMS) AND / OR DISPUTE MANAGEMENT SYSTEM (DMS) INTO AN INSTANT PAYMENT SOLUTION. THE TERMS AND CONDITIONS ATTACHED ARE APPLICABLE.

**ANY INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN EXPRESSED OR IMPLIED CONTRACT OR OFFER. THE BANK MAY CANCEL THIS PROCESS AT ITS SOLE DISCRETION.**

THE REQUEST FOR PROPOSAL MUST BE SEALED IN AN ENVELOPE CLEARLY MARKED **"ACQUISITION AND IMPLEMENTATION OF A FRAUD MANAGEMENT SYSTEM (FMS) AND / OR DISPUTE MANAGEMENT SYSTEM (DMS) INTO AN INSTANT PAYMENT SOLUTION"** AND MUST BE HAND-DELIVERED TO:

**BANK OF NAMBIA  
71 ROBERT MUGABE AVENUE  
WINDHOEK**

**YOURS FAITHFULLY**

A handwritten signature in black ink, appearing to read "David Kambinda".

**David Kambinda  
DEPUTY DIRECTOR: PROCUREMENT & FACILITIES MANAGEMENT**

## **BANK OF NAMIBIA**

REQUEST FOR PROPOSAL (RFP): ACQUISITION AND IMPLEMENTATION OF A FRAUD MANAGEMENT SYSTEM (FMS) AND / OR DISPUTE MANAGEMENT SYSTEM (DMS) INTO AN INSTANT PAYMENT SOLUTION.

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**A. REQUEST FOR PROPOSAL (RFP) FORM**

BANK OF NAMIBIA  
Deputy Director: Procurement and Facilities Management  
P. O. Box 2882  
71 Robert Mugabe Avenue  
Windhoek  
NAMIBIA

Dear Sir,

**RE: REQUEST FOR PROPOSAL: ACQUISITION AND IMPLEMENTATION OF A FRAUD MANAGEMENT SYSTEM (FMS) AND / OR DISPUTE MANAGEMENT SYSTEM (DMS) INTO AN INSTANT PAYMENT SOLUTION.**

Having examined the Request For Proposal (RFP) Registration Form, RFP Conditions, General Conditions of Contract and Scope, Specifications and Operations Requirements, herewith I/we offer to provide and implement a Fraud Management System (FMS) and/or Dispute Management System (DMS) into an Instant Payment Solution.

N\$ \_\_\_\_\_  
(AMOUNT IN NUMBERS / PERSON / DAY, VAT INCLUSIVE)

\_\_\_\_\_  
(AMOUNT IN WORDS / PERSON / DAY, VAT INCLUSIVE)

or such other amount as may be determined in accordance with a contract with the Bank of Namibia.

I/we have ensured that I/we have initialled each page of this RFP.

I/we acknowledge the RFP Registration Form, RFP Conditions, General Conditions of Contract and Scope, Specifications and Operations Requirements and that I/we am/are fully acquainted and in agreement with the contents thereof as evidenced by the signature hereunder.

Signed on behalf of the Tenderer at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
Full Name of Signatory

\_\_\_\_\_  
Signature

Capacity of Signatory \_\_\_\_\_

**B. REQUEST FOR PROPOSAL (RFP) REGISTRATION FORM**

**Registered Name of the Proposing Entity:**

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**Trading name of the Proposing Entity:**

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**Company/Close Corporation Registration Number:**

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**Date of Registration:**

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**VAT Registration Number:**

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**Social Security Number:**

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**Namibian Income Tax Number:**

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**Telephone Number:**

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**Fax Number:**

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**E-mail Address:**

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**Name of Contact Person:**

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**Physical Address of the Proposing Entity:**

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**Postal Address:**

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**Proposer's Stamp:**

**Preferential form of receiving communications**  
(Please ✓ the relevant box)

Telephone	
Postal	
Fax	
Email	

**Type of Entity** (Please ✓ the relevant box)

Public Company Ltd	
Private Company (Pty) Ltd	
Close Corporation (CC)	
Sole Proprietorship	
Partnership	

Other	
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**Small Medium Enterprise Status** (Please ✓ the relevant box)

Very Small	
Small	
Medium	
Large	

**Area of Business** (Please ✓ the relevant box)

Manufacturing	
Supplier of Services	
Other (please specify)	
Supplier of products	
Import & Export	

**SHAREHOLDING/OWNERSHIP INFORMATION**

List of all persons who are shareholders/owners of the Proposing Entity.  
The shareholding information below must add up to 100%

Name & Surname	ID Number	Citizenship	% of Ownership	Race	Female or Male

**People with disability** (Please ✓ the relevant box)

Yes	
No	

**Do the aforementioned people also fulfil an Executive Management function in the Proposing Entity? If yes, please complete the table below:**

<b>Name &amp; Surname</b>	<b>ID Number</b>	<b>Citizenship</b>	<b>% of Ownership</b>	<b>Race</b>	<b>Female or Male</b>

**NATIONAL PRESENCE**

Please provide details of places in Namibia where the Proposing Entity is operating.

<b>Town</b>	<b>Region</b>	<b>Contact Person</b>	<b>Telephone</b>

**REFERENCES OF PREVIOUS CLIENTS**

<b>Company/Entity Name</b>	<b>Contact Person</b>	<b>Value of Contract</b>	<b>Description of Work</b>



**BANKING DETAILS**

Bank Account Name: \_\_\_\_\_

Name of Bank: \_\_\_\_\_

Branch Code & Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Type of Account: \_\_\_\_\_

*(Certified as correct by Banking Institution)*

Name and Surname: \_\_\_\_\_

Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Tel No: \_\_\_\_\_

Fax No: \_\_\_\_\_

**DATE STAMP OF BANKING INSTITUTION**

## DECLARATION OF INTERESTS

All Proposers are required to declare any interest that they or their employees may have in Bank of Namibia, or that any Bank of Namibia employee may have in the Proposer. To that effect the following must be duly stated by the authorised signatory:

1. Are you or any person associated with your Request for Proposal employees of Bank of Namibia?  
 Yes  
  
 No

If yes, provide particulars:

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2. Does the Proposer, or any person associated with this Request for Proposal, have any relationship (family, friend, otherwise) with any person employed in Bank of Namibia who may be involved with the evaluation and adjudication of this Request for Proposal:

- Yes  
  
 No

If yes, provide particulars:

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**CERTIFICATION OF CORRECTNESS OF INFORMATION SUPPLIED IN THIS REQUEST FOR PROPOSAL**

I/We warrant that the information contained in this Request for Proposal is correct and complete, and I/We are fully authorized to furnish the information contained in this Request for Proposal on behalf of the Proposer.

Signed on behalf of the Proposer at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
Full Name of Signatory

\_\_\_\_\_  
Signature

Capacity of Signatory \_\_\_\_\_

*If any changes to the information supplied on this Form occurs, the Proposer is required to inform the Request for Proposal Secretariat within fourteen (14) business days. As outdated or inaccurate information may lead to the disqualification of a Request for Proposal.*

**OFFICIAL USE:**

**Recommendation by Department concerned after the vetting of the Proposer:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature: Senior Administrative Assistant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature: Director

\_\_\_\_\_  
Date

**Procurement and Facilities Management Division:**

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Signature: Procurement Representative

\_\_\_\_\_  
Date

## **C. REQUEST FOR PROPOSAL CONDITIONS**

### **1. GENERAL**

- 1.1 The information contained in this Request for Proposal document, as well as the information provided to Proposers whether verbally or in documentary form by or on behalf of the Bank of Namibia ("Bank"), is provided to the Proposers on the terms and conditions set out in this Request for Proposal document and all such other terms and conditions as the Bank may provide.
- 1.2 This Request for Proposal document is not a recommendation, contract, an offer or the like and is therefore, only an invitation by the Bank to the interested Proposers for the submission of their Request for Proposals. Consequently, no contractual obligations will arise from this Request for Proposal process until a formal contract is executed by the duly authorized signatory of the Bank and the Proposer.

### **2. UNCERTAINTIES**

- 2.1 Should any doubt or uncertainty exist as to the meaning and interpretation of anything contained in this Request for Proposal document, same must be submitted in writing to the Request for Proposal Secretariat to have it explained, rectified or cleared before the Request for Proposal is submitted.
- 2.2 The Proposer is required to check the number of pages to ensure that they are numbered consecutively, and should any be found to be missing, blank or indecipherable, the Request for Proposal Secretariat must be notified immediately in order to have the page replaced.
- 2.3 All enquiries related to this Request for Proposal must be directed to the Request for Proposal Secretariat.

### **3. ACCEPTANCE OF REQUEST FOR PROPOSAL**

- 3.1 Any Request for Proposal submitted that does not comply in all respects with the requirements stated in this Request for Proposal document or is incomplete or inaccurate may be considered invalid and as such, disqualified, at the Bank's sole discretion.
- 3.2 The lowest Request for Proposal will not necessarily be accepted.
- 3.3 The Bank may at its discretion, accept a Request for Proposal in whole or in part.
- 3.4 The Bank reserves the right to make a selection solely on the information received in the Request for Proposals or to negotiate further with one or more Proposers.

- 3.5 Any Request for Proposal that is qualified by the Proposer's own conditions may be disqualified, at the Bank's sole discretion.
- 3.6 The cost for purchasing this Request for Proposal document is non-refundable because of the Bank's production costs in compiling this Request for Proposal.
- 3.7 Any decision taken by the Bank regarding this Request for Proposal will be final. However, an aggrieved Proposer may request, in writing, for written reasons for such decision within three (3) business days from the date the Bank issued such decision.

#### **4. REQUEST FOR PROPOSAL OPENINGS**

Proposers who submitted a Request for Proposal but could not attend the opening may be provided with a copy of the proceedings upon written request, provided such request is made and received by the Bank within ten (10) days of the opening of the Request for Proposals.

#### **5. CONFIDENTIALITY**

- 5.1 The Bank recognizes the right of Proposers to confidentiality in all Request for Proposals. As such all Request for Proposals received will, unless otherwise agreed or where disclosure has been stipulated as a condition of this Request for Proposal document, be treated with confidentiality.
- 5.2 Information obtained in the process of examination and relating to the clarification and evaluation of Request for Proposals, as well as recommendations concerning awards will not be communicated to the public and will remain confidential at all times with the exception to instances where the governing laws prescribe otherwise.
- 5.3 No part of this Request for Proposal document may be duplicated in any manner or by any processes whatsoever without the prior written consent of the Bank. The Proposer to whom this Request for Proposal document is issued to or made available to, for proposing, will be held responsible for any contravention of this clause.

#### **6. INTERFERENCE WITH REQUEST FOR PROPOSALS**

The Bank reserves the right to disqualify any Proposer in the event of the Proposer having interfered with the Request for Proposal procedure in any way.

#### **7. CONFLICT OF INTEREST**

- 7.1 If at any time the Proposer identifies an actual, potential, or perceived conflict of interest, the Proposer must immediately notify the Bank in writing.

- 7.2 The Bank reserves the right to exclude the Request for Proposal submitted by such Proposer from further consideration, or to withdraw or cancel any award made to the Proposer with immediate effect unless the Proposer is able to resolve such conflict to the Bank's satisfaction.

## **8. SUBMISSION OF DOCUMENTS**

- 8.1 The Request for Proposal must be submitted on the enclosed form and must not be qualified by the Proposer's own conditions as to do so will lead to the Request for Proposal being disqualified.
- 8.2 Additional information called for must be typewritten or electronically produced.
- 8.3 Should the Proposers provide any misleading information or misrepresentations and/or fails to meet the conditions for the supply of the services as stipulated in this Request for Proposal document, the Proposer will be liable to pay a penalty, as determined by the Bank.
- 8.4 The Bank reserves the right to disqualify any Proposer who provides misleading information or misrepresentations and/or and who fails to meet the conditions for the supply of the services as stipulated in this Request for Proposal document.

## **9. REQUEST FOR PROPOSAL PRICES**

All Request for Proposal prices quoted are to be in Namibian currency and must be VAT inclusive.

## **10. TERMS FOR ADVANCE PAYMENT**

Any advance payments requested by Proposers in their submitted Request for Proposal documents should be well motivated for the Bank's consideration.

## **11. REQUEST FOR PROPOSAL VALIDITY PERIOD**

This Request for Proposal will remain valid for a period of three (3) calendar months from the closing date of the submission of Request for Proposals and will remain binding and be capable of acceptance at any time up to the expiration of the said three (3) calendar month period and will thereafter, if not accepted by the Bank automatically expire.

## **12. CLARIFICATIONS AFTER CLOSE OF REQUEST FOR PROPOSAL**

- 12.1 Matters listed as disqualifying factors in this Request for Proposal document will not be clarified after a Request for Proposal has closed. Non-eligible Request for Proposals will therefore be disqualified on this basis. However, clarifications will be allowed as part of the responses on issues which would not impact the price or scope of the Request for Proposal.

12.2 Clarification on any other matters requiring additional information from the Proposers after the closing date will be communicated to the Proposers via the Request for Proposal Secretariat.

### **13. AWARDING OF PROPOSAL**

13.1 The Successful Proposer will be given a period of seven (7) business days to accept or reject the award in writing to the Request for Proposal Secretariat. Failure to respond will constitute an automatic rejection of the award.

13.2 The Bank will not be required to render payment to any Proposer or be liable for any financial obligations to any Proposer until a written contract has been executed between the Bank and the Successful Proposer. Payment will then be made in terms of such written contract.

### **14. COST OF REQUEST FOR PROPOSALING**

The cost of Proposing will be the sole responsibility of the Proposer and the Bank will not be held liable for any losses or expenses incurred by any Proposer in the preparation of its Request for Proposal, including but not limited to the transport of samples or any other costs incurred.

### **15. DOCUMENTS TO BE SUBMITTED WITH REQUEST FOR PROPOSAL**

With each Request for Proposal, interested Proposers will be required to submit the following information in addition to the information related to the technical and price information - all copies must be certified:

#### **15.1.2 Mandatory documents:**

**NB: Mandatory documents as listed in (a, b, f, g, h & j) shall also apply to foreign service providers.**

- a) Entity's Legal Registration or incorporation Documents.
- b) Company Profile
- c) Audited Financial Statements – Not older than two (2) years for companies, and six (6) months bank statements for Small and Medium-sized Enterprises (SME's).
- d) Social Security Commission Good Standing Certificate – Not older than three (3) months (or relevant social contribution body in foreign jurisdictions).
- e) Good Standing Certificate from Inland Revenue (or relevant tax authority in other jurisdictions) – Not older than three (3) months.
- f) Value Added Tax Certificate (proof of registration for Value Added Tax from relevant authorities if not Namibian entity).

- g) Public and/or Professional Liability Insurance, where applicable.
- h) 'SME' Certificate, Compulsory for all entities that are SMEs (any similar document which suggests the size of the entity from relevant foreign authorities).
- i) Resolution on Entity's letterhead authorizing signatory to sign on behalf of the Entity.
- j) Namibia Preferential Procurement Corporation Certificate (Previously Disadvantaged Namibian Status) – The percentage and status of equity participation/ownership by previously disadvantaged people in the Entity.
- k) Resolution on Entity's letterhead authorizing signatory to sign on behalf of the Entity/Power of Attorney.
- l) Ownership and Management structure – Copy of Certified Identification Documents of all shareholders.

## 16. SUBMISSION OF PROPOSAL

16.1 Unless indicated otherwise by the Bank, no Request for Proposals may be transmitted by electronic means, as to do so will disqualify the Request for Proposal.

16.2 Request for Proposals must be hand delivered in a sealed envelope which will be clearly marked:

**BANK OF NAMIBIA: "ACQUISITION AND IMPLEMENTATION OF A FRAUD MANAGEMENT SYSTEM (FMS) AND / OR DISPUTE MANAGEMENT SYSTEM (DMS) INTO AN INSTANT PAYMENT SOLUTION"**

Request for Proposals will be lodged with the Bank at the following address:

***Bank of Namibia  
71 Robert Mugabe Avenue  
Windhoek***



## **D. GENERAL CONDITIONS OF CONTRACT**

Clauses in the proposed contract between the Bank and the Proposer may include, but are not limited to, the below and can change as directed by the Bank.

### **1. NATURE OF CONTRACT**

**ACQUISITION AND IMPLEMENTATION OF A FRAUD MANAGEMENT SYSTEM (FMS) AND DISPUTE MANAGEMENT SYSTEM (DMS) INTO AN INSTANT PAYMENT SOLUTION.**

### **2. VARIATION IN SCOPE**

The scope of the contract and services to be rendered may be altered, subject to obtaining the prior written consent of both the Bank and the Proposer (collectively the "Parties").

### **3. INSURANCE**

3.1 Where applicable, the Proposer will obtain adequate and sufficient insurance coverage/group insurance for all its employees deployed at the Bank's premises, against any accidents or for any unanticipated event such as, death/injury/disablement at work and the like and will furnish a copy of the same to the Bank.

3.2 The insurance policy must be valid for the full duration of the contract period between the Parties.

### **4. PRICING**

4.1 Prices of the services rendered under the contract are to be inclusive of VAT, travelling expenses and any other disbursements.

4.2 Prices are to be fixed for a three (3) months period effective from the date of the close of the Tender.

### **5. SERVICE DELIVERY DATE**

Commencement of the services may be on date of signature of the contract.

### **6. PENALTY FOR LATE DELIVERY**

6.1 Should the Proposer default in rendering the services required within the time stated in clauses 5 and 7, the Proposer will be liable to pay a penalty.

6.2 The Parties will negotiate and determine the value of the penalties for which the Proposer is liable to pay.

6.3 Any penalty that may be imposed will be offset against any monies due to the Proposer provided that monies are still due. In the event of such monies being insufficient to cover the amount of the penalties, or in the event of final payment already having been made, the Proposer will within seven (7) days written notice to such effect pay the Bank the amount of such penalties due or balance of such penalties to the Bank.

## **7. EXTENSION OF DELIVERY TIME**

7.1 No extension of the services will be considered except where the Bank requires of the services to be extended and enters into negotiations for same with the Proposer. In such cases new dates for commencement or duration of contract will be established, subject to obtaining the prior written consent of both Parties.

7.2 The Bank may however, at its entire discretion extend the period referred to in clause 5.

## **8. LIABILITY FOR DAMAGE**

The Proposer will be held liable for any damage caused to the Bank's premises or property by the fault or negligence of person employed or engaged by the Proposer to render the services or any other person for which the Proposer is responsible.

## **9. PAYMENT**

9.1 No deposits will be paid by the Bank.

9.2 All payments will be made within thirty (30) business days of receipt of a detailed invoice, subject to the services being rendered in accordance with the agreed upon specifications and requirements.

9.3 Any monies due to the Bank by the Proposer in respect of any penalties imposed in terms of clause 6 or in respect of any damage caused by the Proposer in terms of clause 8 may be offset against any monies due by the Bank to the Proposer.

9.4 The Bank will not make any payment to any other party on behalf of the Proposer.

## **10. CONFLICT OF INTEREST**

**10.1** The Proposer warrants that at the time of submitting their Request for Proposal, no conflict of interest exists, or is likely to arise, which would affect the performance of its obligations under any contract entered between the Bank and the Proposer.

**10.2** The Proposer must exercise its responsibility in the best interests of the Bank and will not engage in any activities that would conflict with the contract.

- 10.3** If the Proposer becomes aware of any actual or potential conflict of interest, the Proposer must immediately notify the Bank in writing of (i) any such actual or potential conflict of interest and (ii) the procedures it intends to implement to resolve any such actual or potential conflict of interest, to the Bank's satisfaction.
- 10.4** In the event of a conflict of interest being identified, the Bank may, in its sole discretion, suspend the services, terminate the contract, or take any other actions that the Bank considers as appropriate in the circumstances.

## **11. BREACH OF CONTRACT**

- 11.1** In the event of a Party (hereinafter referred to as the Defaulting Party) committing a breach of any of the provisions of the contract, the other Party will have the right to call upon the Defaulting Party in writing to remedy such breach.
- 11.2** In the event of the Defaulting Party failing to remedy such breach within a period of 14 (fourteen) days after receipt of such notice then the other Party will have the right, without prejudice to any other rights to which such Party may be entitled to in law or under the contract at its option, either to cancel the contract and claim damages, or to claim specific performance of all the Defaulting Party's obligations, together with damages if any, whether or not such obligations have fallen due for performance.

## **12. CANCELLATION**

- 12.1** If the Proposer's estate is sequestrated as an insolvent, or if, being a company, it is placed under involuntary liquidation, the Bank may, without prejudice to any other rights, by written notice cancel the contract.
- 12.2** Notwithstanding the aforementioned, either party may cancel the contract, subject to providing 3 (three) calendar months' prior written notice of cancellation. Such cancellation will not prejudice the other party to any rights which have already accrued to such Party under the contract, subsequently a handover process should be initiated during the termination phase.

## **13. ARBITRATION**

- 13.1** Should any dispute arise between the Parties as to the meaning or interpretation of any provision of the contract or as to the carrying into effect of any provision or as to the quantification or determination of any amount or thing required to be quantified or determined in terms of or pursuant to the contract, such dispute will be referred to arbitration.

- 13.2** Each party to the contract will be entitled to require by written notice to the other Party, that such dispute be submitted to arbitration in terms of this clause 13.
- 13.3** Subject to the provisions of this clause 13, the arbitration will be held under the provisions of the *Arbitration Act, 1965* of the Republic of Namibia or any statutory modification or re-enactment thereof for the time being in force.
- 13.4** The dispute will be referred to an independent arbitrator agreed upon by both Parties hereto. In the event of the Parties being unable to agree on the appointment of an arbitrator, the President of the Law Society will be requested to select the arbitrator.
- 13.5** Where action is taken in terms of this clause 13, such action will not relieve either Party from any liability for the due and timeous performance of such Party's obligations in terms of the contract.
- 13.6** The arbitrator will be entitled to make such award, including an award for specific performance, an interdict, damages, or a penalty or otherwise as he in his sole discretion deems fit and appropriate and may deal as he may deem fit with the question of costs on an attorney client scale and his own fees.
- 13.7** The arbitration will be held as soon as possible after it is demanded with a view to its being completed within thirty (30) days after it has been so demanded.
- 13.8** Any award made by the arbitrator will be final and binding on the Parties and may be made an order of the High Court of Namibia.

#### **14. DOMICILLIUM CITANDI ET EXECUTANDI**

- 14.1** The Parties hereby choose *domicillium citandi et executandi* for all purposes under the contract as follows:

14.1.1 Bank of Namibia at: 71 Robert Mugabe Avenue, Windhoek, Namibia

14.1.2 The Proposer at: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 14.2** Any Party will be entitled, by notice to the other, to change its domicillium to elsewhere in Namibia provided that the change will become effective only 14 (fourteen) days after service of the notice in question.

## 15. NOTICES

15.1 Any notice required to be given by either Party to the other will either be delivered at the *domicillium citandi et executandi* selected in terms of clause 14, hereof or will be given by prepaid registered mail letter addressed:

15.2 To:                               The Governor  
Bank of Namibia  
P O BOX 2882  
WINDHOEK  
NAMIBIA

15.3 To the Proposer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

15.4 Any notice given by either Party to the other will be considered delivered unless the contrary is proven:

15.4.1 If hand delivered to the *domicillium citandi et executandi* of such party, be deemed to have been received upon such delivery;

15.4.2 If posted by registered mail, be deemed to have been received 4 (four) business days after delivery of such letter to the Post Office for posting.

## 16. CESSION

The Proposer will not cede or assign any of its rights or obligations acquired or undertaken by it in terms of the contract.

## 17. VARIATION

17.1 No alterations, cancellations, variations of or additions to the contract will be of any force and effect unless reduced to writing and signed by both Parties to the contract.

17.2 No indulgence, leniency, or extension of time which the Bank may grant or show towards the Proposer, will in any way prejudice or preclude the Bank from exercising any of its rights in the future.

## 18. GOVERNING LAW

The contract will be governed by the Laws of the Republic of Namibia.

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## **TERMS OF REFERENCE FOR THE ACQUISITION OF A FRAUD MANAGEMENT SYSTEM (FMS) THE INTEGRATION OF SUCH SYSTEMS INTO AN INSTANT PAYMENT SOLUTION**

Sections 18 and 19 outline the scope, specifications, and requirements for the Fraud Management System (FMS) and the Dispute Management System (DMS), respectively. Bidders are invited to submit proposals for either one or both systems. The Bank of Namibia will evaluate each bid separately and select the most responsive bidder for each system based on the outlined criteria.

### **18. SCOPE, SPECIFICATIONS, AND REQUIREMENTS FOR THE FRAUD MANAGEMENT SYSTEM**

#### **18.1. BACKGROUND**

The Bank of Namibia is currently modernising the financial system by implementing an Instant Payment Solution to foster financial inclusion and enhance the overall efficiency of the Namibian financial system. To support this initiative, the Bank aims to acquire a comprehensive Fraud Management System (FMS) and integrate it into the Instant Payment Solution. This integration will strengthen our capabilities in detecting, preventing, and mitigating fraudulent activities, thereby protecting all participants and end users while ensuring seamless and secure payment transactions.

##### **18.1.1. Overview of Fraud Management System (FMS)**

A Fraud Management System (FMS) is a sophisticated solution designed to identify, prevent, and manage fraudulent activities within financial transactions. Key features of a robust FMS include real-time transaction monitoring, real-time fraud detection and prevention, advanced analytics, artificial intelligence (AI) and machine learning (ML) models, rule-based detection, and comprehensive case management. The system should provide user-friendly dashboards for monitoring and reporting, enabling financial institutions to respond swiftly to potential threats.

##### **18.1.2. Purpose and Scope of Integration with Payment System**

The primary purpose of integrating the FMS with the Instant Payment Solution is to ensure the security and integrity of real-time financial transactions. The integration aims to:

- 1. Enhance Fraud Detection and Prevention:** By utilising advanced analytics and machine learning, the FMS will identify suspicious activities in real-time, allowing for immediate preventive measures.
- 2. Ensure Seamless Operations:** The integrated system should maintain the speed and efficiency of the Instant Payment Solution while providing robust security measures.
- 3. Improve User Confidence:** Enhanced fraud management will bolster customer trust and satisfaction, encouraging the use of our payment system.
- 4. Maintain Regulatory Compliance:** The integrated solution must comply with all relevant regulatory requirements and industry standards for fraud prevention and data security.

##### **18.1.3. Principles of Financial Market Infrastructure (FMI)**

The integration of the FMS with the Instant Payment Solution will be guided by the Principles for Financial Market Infrastructures (PFMI) established by the Bank for International Settlements (BIS) and the International Organization of Securities Commissions (IOSCO). These principles ensure the robustness and resilience of financial market infrastructures. Key principles relevant to this project include:

- **Principle 3 – Framework for the Comprehensive Management of Risks:** The FMS must provide a comprehensive approach to managing risks associated with fraud, ensuring all potential threats are identified, assessed, and mitigated effectively.

*Key consideration number 1: An FMI should have risk-management policies, procedures, and systems that enable it to identify, measure, monitor, and manage the range of risks that arise in or are borne by the FMI. Risk-management frameworks should be subject to periodic review.*

- **Principle 17 – Operational Risk:** The integrated system must be designed to mitigate operational risks, including those related to fraud detection and prevention, ensuring the continuity and reliability of payment services.

*Key consideration number 1: An FMI should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks.*

By adhering to these principles, the Bank of Namibia aims to implement an FMS that not only enhances security but also supports the overall stability and integrity of the financial system.

## 18.2. System Requirements

### 18.2.1. Integration With the Instant Payment Solution

The Fraud Management System (FMS) will be designed specifically to integrate seamlessly with the Instant Payment Solution (IPS), ensuring that all real-time transactions are continuously monitored and protected against fraudulent activities. The integration will encompass various aspects of fraud detection, prevention, and management, thereby enhancing the security and reliability of the payment system.

- a) The FMS shall provide open APIs to allow for the integration of the different IPS channels/ applications.
- b) The FMS shall have the ability to connect to an external systems if needed via an API.
- c) The vendor shall provide detailed implementation plan, manual, technical specification document and trainings to facilitate the integration and implementation of the FMS with the IPS.

## 18.3. Fraud Detection and Prevention

Regardless of the methodologies proposed to be employed by the FMS, the following characteristics are essential and must be demonstrated:

- a) **Speed and precision (reduction of false positives):** The IPS aims to offer seamless and efficient transactions and therefore the FMS must be able to keep up with the fast-paced, high volumes of transactions in performing adequate checks and analyses, and maintaining high-precision,
- b) **Scalability and adaptability:** The IPS is expected to be characterised by increased transactions volumes carrying varying values, with seasonal and event-based payment booms and dips. The FMS must have the capacity to screen and verify the transactions accordingly. The FMS must be based on Big Data technology and be future-oriented to accommodate increasing participation in and activity within the IPS.
- c) **Pattern and anomaly detection:** The FMS is expected to effectively and efficiently identify and predict patterns of fraud and transactional anomalies through the use of advanced Artificial Intelligence and Machine Learning models, to enable swift intervention.

#### 18.3.1. Fraud Score

- a) **Generation of Fraud Scores:** The FMS will generate fraud scores for each transaction based on predefined rules and parameters. These scores will help in assessing the risk level of transactions, allowing for immediate action to be taken on high-risk activities.
- b) **Dynamic Adjustment:** The system should allow for dynamic adjustment of the scoring parameters to adapt to new fraud patterns and trends.

#### 18.3.2. Artificial Intelligence (AI) & Machine Learning (ML)

- a) **AI/ML Model Continuous Training:** The FMS will incorporate AI and ML models to detect emerging fraud trends. These models should continuously train on historical transaction data and update to improve their accuracy and effectiveness.
- b) **Patterns and Anomaly Detection:** AI/ML will enable the system to identify anomalies in transaction behaviour that may indicate potential fraud, providing an additional layer of security.

### 18.4. User Management

#### 18.4.1. Onboarding and Offboarding IPS Participants

- a) **Participant Management:** The FMS will facilitate the seamless onboarding and offboarding of participants to the IPS. This includes setting up new users, training of participant customer service centres, managing their credentials, and ensuring secure access to the system.
- b) **Product Configurations:** The FMS will be configurable to accommodate various product types, allowing for tailored fraud detection rules specific to each product's requirements.

#### 18.4.2. Role-Based Access Control with Maker-Checker Functionality



- a) **Access Control:** Implement role-based access control to restrict system access based on user roles and responsibilities. This ensures that only authorised personnel can perform specific actions within the system.
- b) **Maker-Checker Functionality:** Introduce a maker-checker process where critical actions require approval from a second user, reducing the risk of unauthorised activities.

## 18.5. Alert / Queue / Case Management

### 18.5.1. Workflow-Based Case Management

- a. **Alerting process:** The FMS will provide a ticketing tool to generate automated tickets for alerts or events/ incidents to be logged.
- b. **Alert Handling:** The FMS will use a workflow-based approach to manage alerts and cases. Each alert will be assigned a priority and routed to the appropriate queue for investigation.
- c. **Automated Escalation:** Automated escalation procedures will ensure that high-priority cases are addressed promptly and escalated to senior management if necessary.
- d. **Real-Time Allocation:** Alerts will be allocated to respective queues in real-time based on priority levels. This ensures that critical cases are handled with urgency.
- e. **Queue Management:** The system will manage multiple queues, enabling efficient distribution and resolution of fraud cases.

### 18.5.2. Real-Time Generation and Allocation of Alerts

- a. **Alert Generation:** The FMS will generate alerts in real-time as transactions are processed, allowing for immediate action on suspicious activities.
- b. **Allocation:** Alerts will be allocated to specific queues based on predefined rules, ensuring that they are addressed by the appropriate team members.

### 18.5.3. Creation and Management of Multiple Queues

- a. **Multiple Queues:** Create and manage multiple queues to handle different types of fraud cases, ensuring that each case is addressed by the right team with the necessary expertise.
- b. **Queue Prioritization:** Prioritise queues based on the severity and urgency of the cases, ensuring timely resolution of critical issues.

## 18.6. Rule Management

### 18.6.1. Rule Simulation

- a. **Testing Rules:** The FMS will allow for the simulation and testing of fraud detection rules before deployment. This helps in understanding the impact of rules and

refining them to minimise false positives.

- b. **Rule Optimisation:** Continuous optimisation of rules based on feedback and emerging fraud trends to enhance detection accuracy.

#### 18.6.2. Hotlist / Whitelisting / Blocking

- a. **Hotlist Management:** The system will manage hotlists of known fraudulent entities and repeat offenders, enabling immediate blocking of transactions.
- b. **Whitelisting:** Implement whitelisting to allow trusted entities to bypass certain checks, reducing unnecessary friction for legitimate transactions.
- c. **Blocking Mechanisms:** Develop robust blocking mechanisms to prevent transactions from blacklisted entities, providing an additional layer of protection.

### 18.7. Management Information System (MIS), Dashboards and Reporting

#### 18.7.1. Creation of Management Dashboards

- a. **Dashboards:** Create intuitive management dashboards that provide real-time insights into fraud detection activities, system performance, and key metrics.
- b. **Customisable Views:** Allow customisation of dashboard views to meet the specific needs of different users and departments.

#### 18.7.2. Generation of MIS Reports

- a. **Regular Reports:** Generate MIS reports on a daily, weekly, and monthly basis, summarising key fraud detection activities and outcomes.
- b. **Trend Analysis:** Include trend analysis in MIS reports to identify patterns and emerging threats, aiding in strategic decision-making.

### 18.8. Documentation and Training

- a. **Comprehensive Training:** Provide comprehensive training programs for users and administrators to ensure they are proficient in using the FMS.
- b. **Comprehensive Documentation:** Provide comprehensive documentation of the system architecture, integration points, and user manuals to facilitate easy understanding and use of the FMS.
- c. **Regular Updates:** Ensure documentation is regularly updated to reflect system changes and new features, maintaining its accuracy and relevance.

## 19. SCOPE, SPECIFICATIONS, AND REQUIREMENTS FOR THE DISPUTE MANAGEMENT SYSTEM (DMS)

### 19.1. Background

The Dispute Management System (DMS) is an integral part of ensuring smooth and efficient resolution processes for transactional disputes that may arise from within the Instant Payment Solution (IPS). By incorporating a DMS, the system will ensure that any disputes in transactions are promptly and efficiently addressed, fostering customer confidence and maintaining the integrity of the financial system.

#### 19.1.1. Overview of Dispute Management System (DMS)

A **Dispute Management System** is designed to manage and resolve disputes arising from payment transactions. The system should provide tools for the tracking, resolution, and reporting of disputes, ensuring transparency and accountability throughout the dispute resolution process. It is crucial for the system to be seamlessly integrated with the IPS to handle real-time disputes effectively.

#### Key features of a robust DMS include:

1. Real-time dispute tracking and updates.
2. Comprehensive case management for dispute resolution.
3. Automated workflows for dispute handling and escalation.
4. Reporting and analytics tools for tracking dispute trends and outcomes.

#### 19.1.2. Purpose and Scope of Integration with the Payment System

The integration of the DMS with the Instant Payment Solution will provide the necessary tools to address customer disputes in real-time, ensuring that the resolution process is efficient and transparent. The key objectives of the integration are to:

1. **Enhance Dispute Resolution Efficiency:** By leveraging automated workflows and real-time data, the DMS will accelerate the resolution process, reducing the time to resolve disputes and enhancing customer satisfaction.
2. **Ensure Transparency:** The system will maintain a clear audit trail of all disputes, providing a transparent process for customers and participants in the IPS.
3. **Mitigate Operational Risk:** Effective dispute management will reduce operational risks associated with unresolved transaction disputes, ensuring the stability of the IPS.
4. **Improve User Confidence:** A swift and transparent dispute resolution process will enhance trust in the payment system, encouraging broader adoption of the IPS.

### 19.2. Dispute Resolution Workflow

The DMS must follow a structured, workflow-based approach to resolve disputes, ensuring consistency and fairness. The workflow should include:

- **Dispute Identification:** Automated detection of disputed transactions based on predefined parameters or manual input from users.
- **Case Creation:** Generation of a case file for each dispute, including all relevant transaction details.
- **Investigation:** The system should facilitate a thorough investigation of disputed

transactions, pulling data from the IPS and other connected systems.

- **Resolution:** Based on investigation findings, the DMS should provide tools to resolve disputes, whether by reversing the transaction, refunding, or other appropriate actions.
- **Escalation and Approval:** For complex cases, the system should enable escalation to higher management or other relevant authorities for resolution.

### 19.3. Case Management

Effective case management is crucial to dispute resolution. The DMS should include:

- **Case Tracking:** Provide real-time status updates for all cases, allowing users to track the progress of their disputes.
- **Case Prioritisation:** The system must have the ability to prioritise cases based on factors such as transaction value, customer impact, and the nature of the dispute.
- **Automated Escalation:** Set up automated escalation procedures for cases that are not resolved within a defined timeframe, ensuring that no dispute is left unresolved for an extended period.

### 19.4. Management Information System (MIS), Dashboards, and Reporting

The DMS should provide comprehensive **dashboards and reporting** functionalities to monitor the performance of the dispute resolution process. Key features include:

- **Dashboard Views:** Customisable dashboards to monitor the volume, types, and status of disputes in real-time.
- **Trend Analysis:** Reporting tools to identify trends in disputes, including common causes, resolution times, and customer satisfaction metrics.
- **Compliance Reporting:** Ensure that the system generates reports to meet regulatory requirements for dispute handling.

### 19.5. Documentation and Training

To ensure that all stakeholders can effectively use the DMS, comprehensive training and documentation must be provided:

- **Training Programs:** Tailored training for users, focusing on dispute management workflows, case handling, and system reporting.
- **User Manuals and Guides:** Detailed documentation, including user manuals, technical specifications, and best practices for handling disputes.