

REQUEST FOR PROPOSAL (RFP)

For

Selection of Legal or Consultancy firm for assisting State Bank of India (SBI), UK Operations in all Legal Activities related to setting up a banking subsidiary in UK

State Bank of India
15 King Street
London EC2V 8EA
United Kingdom

[A] Important Dates:

- 1. Issuance of RFP Document by Bank from : 10.02.2016**
- 2. Last Date of Submission of Response by the Bidder : 26.02.2016**

[B] Important Clarifications:

Following terms are used in the document interchangeably to mean:

- 1. SBI and Bank means "State Bank of India".**
- 2. Recipient, Respondent Bidder and Legal firm means "Respondent to the RFP Document".**
- 3. RFP means the "Current RFP Document"**

Confidentiality

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Section I

1. Introduction and Disclaimer

This Request for Proposal document (“**RFP**”) has been prepared solely to enable State Bank of India (“**Bank**”) for selection of a suitable consultant for assisting the State Bank of India, UK Operations (UK BRANCH) in all the Legal Activities (“**Legal Work**”) for setting up a banking subsidiary in UK. The RFP document is not a recommendation, offer or invitation to enter into a contract, agreement or other arrangement in respect of the services. The provision of the services is subject to observance of selection process and appropriate documentation being agreed between State Bank of India and any successful bidder as identified after completion of the selection process.

2. Information Provided

The RFP document contains statements derived from information that is believed to be reliable at the date obtained but does not purport to provide all of the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with State Bank of India in relation to the provision of services.

Neither State Bank of India nor any of its employees, agents, contractors, or advisers gives any representation or warranty, express or implied as to the accuracy or completeness of any information or statement given or made in this RFP document. Neither State Bank of India nor any of its employees, agents, contractors, or advisers has carried out or will carry out an independent audit or verification or due diligence exercise in relation to the contents of any part of the RFP document.

3. For Respondent Only

The RFP document is intended solely for the information of the party to whom it is issued (“the **Recipient**” or “the **Respondent**”) and no other person or organisation.

4. Confidentiality

The RFP document together with all other information, materials, specifications or other documents provided by State Bank of India shall be treated at all times as confidential by the Recipient and is not to be reproduced, transmitted, or made available by the Recipient to any other party. The Recipient shall not disclose any such information, materials, specifications or other documents to any third parties or to any other part of the Recipients' group or use them for any purpose other than for the preparation and submission of a response to this RFP nor shall the Recipient publicise State Bank of India's name or the project without the prior written consent of State Bank of India.

Recipients shall ensure that all third parties to whom disclosure is made shall keep any such information, materials, specifications or other documents confidential and not disclose them to any other third party except as set out above.

Recipients must seek the approval of State Bank of India before providing to third parties any information provided in confidence by State Bank of India or its professional advisers and must maintain a register of all employees and third parties who have access to such information. If so requested by State Bank of India, Recipients must make such a register available for immediate inspection by State Bank of India or its duly authorised representatives.

State Bank of India may update or revise the RFP document or any part of it. The Recipient acknowledges that any such revised or amended document is received subject to the same terms and conditions as this original and subject to the same confidentiality undertaking. The Recipient will not disclose or discuss the contents of the RFP document with any officer, employee, consultant, director, agent, or other person associated or affiliated in any way with State Bank of India or any of its customers, suppliers, or agents without the prior written consent of State Bank of India.

5. Disclaimer

Subject to any law to the contrary, and to the maximum extent permitted by law, State Bank of India and its officers, employees, contractors, agents, and advisers disclaim all liability from any loss or damage (whether foreseeable or not) suffered by any person acting on or refraining from acting because of any information, including forecasts, statements, estimates, or projections contained in this RFP document or conduct ancillary to it whether or not the loss or damage arises in connection with any negligence, omission, default, lack of care or misrepresentation on the part of State Bank of India or any of its officers, employees, contractors, agents, or advisers.

6. Costs Borne by Respondents

All costs, liabilities and expenses incurred by Recipients / Respondents in any way associated with the development, preparation, and submission of responses, including but not limited to attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by State Bank of India, will be borne entirely and exclusively by the Recipient / Respondent.

7. No Legal Relationship

No binding legal relationship will exist between any of the Recipients / Respondents and State Bank of India until execution of a contractual agreement.

8. Recipient Obligation to Inform Itself

The Recipient must conduct its own investigation and analysis regarding any information contained in the RFP document and the meaning and impact of that information.

9. Evaluation of Offers

Each Recipient acknowledges and accepts that State Bank of India may, in its absolute discretion, apply whatever criteria it deems appropriate in the selection of organisations, not limited to those selection criteria set out in this RFP document. The RFP document will not be construed as any contract or arrangement, which may result from, the issue of this RFP document or any investigation or review carried out by a Recipient. The Recipient acknowledges by submitting its response to this RFP document that it has not relied on any information, representation, or warranty given in this RFP document.

10. Errors and Omissions

Each Recipient should notify State Bank of India of any error, omission, or discrepancy found in this RFP document but not later than two business days prior to the due date for lodgement of RFPs.

11. Acceptance of Terms

A Recipient will, by responding to State Bank of India RFP, be deemed to have accepted the terms as stated above from Para 1 through Para 10.

12. Lodgement of RFP Response

12.1 RFP Submission & Closing Date : 26.02.2016

RFP Response may be received by the officials indicated below **not later than 5:00 pm (GMT) on 26.02.2016**

Two (2) paper copies and one (1) printable electronic copy (Microsoft Word/PDF/Excel/Powerpoint in Removable Drive (e.g. Pen Drive)) each of both Technical and Commercial Proposals must be submitted to the office of:

Head, Retail Banking
State Bank of India
5th floor, Hasilwood House 60, Bishopsgate
London EC2N 4AW
United Kingdom
Headretail.sbiuk@statebank.com

12.2 Submission will be valid if:

- i. Copies of the RFP are submitted, subject to clause 12.3, before the aforementioned closing date specified in clause 12.1.
- ii. Submission is not by Fax transmission.
- iii. Response is submitted in two separate sealed envelopes with separate marking “Technical Proposal” & “Commercial Proposal”

All separate copies of RFP and attachments must be provided in a sealed envelope or sachet. RFP Response shall be sent / signed by a duly authorised director or senior officer of the Respondent.

State Bank of India will not consider any late responses to this RFP nor will it consider requests for extension of the time or date fixed for the submission of responses. It may, however, in its own absolute discretion extend the time or date fixed for submission and in such an event State Bank of India will notify all Respondents accordingly.

After evaluation is completed, State Bank of India will retain copies of all responses to satisfy its audit obligations and for other purposes.

The response to this RFP must be completed in English.

12.3 Only One Submission Permitted

Only one submission of response to RFP by each Legal firm / Service Provider will be permitted. In case of partnerships / consortium, only one submission is permitted through the lead Legal firm / service provider. The RFP shall be accepted by the Bank only in the original, and the same shall not be accepted if the required details are filled in photocopy of RFP document or sent through facsimile.

12.4 Registration of RFP

Registration will be effected upon State Bank of India receiving the RFP response in the above manner (Para 12.1). The submission must contain all documents, information, and details required by this RFP. If the submission to this RFP does not include all the information required or is incomplete or submission is through Fax mode, the RFP may in the sole and absolute discretion of State Bank of India be summarily rejected.

All submissions, including any accompanying documents, will become the property of State Bank of India. Recipients shall be deemed to license, and grant all rights to, State Bank of India to reproduce the whole or any portion of their submission for the purpose of evaluation, to disclose the contents of the submission to other Recipients who have registered a submission and to disclose and/or use the contents of the submission as the basis for any resulting RFP process, notwithstanding any copyright or other intellectual property right that may subsist in the submission or accompanying documents.

12.5 Late RFP Policy

RFPs lodged after the deadline for lodgement of RFPs may be registered by State Bank of India and may be considered and evaluated by the evaluation team at the absolute discretion of State Bank of India. Respondents are to provide evidence to substantiate the reasons for a late RFP submission. It should be clearly noted that State Bank of India has no obligation to accept or act on any reason for a late submitted response to RFP.

State Bank of India shall not bear any liability to any person who lodges a late RFP for any reason whatsoever, including RFPs taken to be late only because of another condition of responding.

12.6 RFP Validity Period

RFPs will remain valid and open for evaluation according to their terms for a period of at least six (6) months from the RFP closing date.

12.7 Requests for Information

Legal firms interested in submitting the bid, can meet SBI official and make a presentation and / or ask for the clarification during the meeting. A copy of the draft Regulatory Business Plan (RBP) is available for the reference of interested Legal firms. SBI UK strongly encourages the interested firms to view this document to understand the background of the business. Any further questions or queries relating to the RFP, technical or otherwise, must be in writing only and should be addressed by email to:

Contact: Head, Retail Banking

Address: State Bank of India, 5th floor, Hasilwood House, 60, Bishopsgate, London EC2N 4AW

Email: Headretail.sbiuk@statebank.com

State Bank of India may in its absolute discretion seek, but shall be under no obligation to seek, additional information or material from any Respondents after the RFP closes and all such information and material provided must be taken to form part of that Respondent's response.

Respondents should invariably provide details of their email address(es) as responses to queries will normally be provided to the Respondents via email.

If State Bank of India in its absolute discretion deems that the originator of the question (by email or during the presentation) will gain an advantage by a response to a question, then State Bank of India reserves the right to communicate such response to all Respondents.

State Bank of India may in its absolute discretion engage in discussion or negotiation with any Respondent (or simultaneously with more than one Respondent) after the RFP closes to improve or clarify any response.

13. Evaluation method and selection criteria

The Technical bids of the respondents shall be evaluated based on the criteria mentioned in point no.4 under section II. The commercial bids of the respondents qualifying the technical bid criteria shall be evaluated as per the criteria mentioned in point no. 5 under Section-II.

Respondents may be invited to provide a presentation of their proposals as part of their response.

Respondents may be contacted nearer the time with a specific date for their presentation to take place.

14. Notification

State Bank of India will notify the Respondents in writing as soon as practicable, whether the Respondent's RFP response has been accepted or rejected. State Bank of India is not obliged to provide any reasons for any such acceptance or rejection.

15. Disqualification

Any form of canvassing/lobbying/influence/query regarding short listing, status etc. will be a disqualification.

16. Timeframe

The following is an indicative timeframe for the overall selection process.

Issuance of RFP Document by Bank from : 10.02.2016

Last Date of Submission of Response by the Bidder :26.02.2016

Acceptance of Work Order: within One Week of receipt of Work Order

SLA and NDA Agreement: to be signed after acceptance of the work and before commencement of work. Contract to be signed in London, United Kingdom.

State Bank of India reserves the right to vary this timeframe at its absolute and sole discretion should the need arise. Changes to the timeframe will be relayed to the affected Respondents during the process.

17. Dispute Resolution

The Recipient and State Bank of India shall endeavour their best to amicably settle all disputes arising out of or in connection with the RFP in the following manner:

- a. The Party raising a dispute shall address to the other Party a notice requesting an amicable settlement of the dispute within seven (7) days of receipt of the notice.
- b. The matter will be referred for negotiation between authorized representative of State Bank of India and of the Recipient. The matter shall then be resolved between them and the agreed course of action documented within a further period of 15 days.
- c. In case any dispute between the Parties, does not settle by negotiation in the manner as mentioned above, the same shall be resolved exclusively by arbitration and such dispute may be submitted by either party for arbitration within 20 days of the failure of negotiations. Arbitration shall be held in London and conducted in accordance with the provisions of laws applicable for arbitration in England and Wales. The Arbitration proceedings shall be presided by the sole arbitrator appointed by State Bank of India.

18. Applicable Law and Jurisdiction of Court

Any disputes between State Bank of India and the Recipient arising out of the RFP shall be governed in accordance with the Laws of England for the time being in force.

19. Professionalism

The selected bidder should provide professional, objective and impartial advice at all times and hold the State Bank of India's interests paramount and should observe the highest standard of ethics while executing the assignment.

20. Execution of SLA

The selected bidder shall execute a Service Level Agreement, which would include all the services and terms and conditions of the services to be extended as detailed herein and any other conditions as may be prescribed by the Bank. The contract shall be executed by the authorized signatory of the selected bidder.

Section II

Project Requirements

1. RFP:

State Bank of India, UK Operations (UK BRANCH) has submitted a draft Regulatory Business Plan to PRA and is in the process of submitting the Application for Authorisation to regulators in July 2016. This RFP is for Selection of Legal firms for assisting the State Bank of India, UK Operations (UK BRANCH) in the preparation and completion of the Legal Activities (“Legal Work”) related to setting up a banking subsidiary and transferring part of its liabilities and assets (including deposits, mortgages, pension liabilities) in UK to the new subsidiary.

2. Current RFP Objectives:

a. Project Objective

State Bank of India wishes to appoint a suitable Legal firm for assisting State Bank of India, UK Operations (“UK Branch”) related to Legal Work for setting up a banking subsidiary in UK.

b. Project Scope

A summary description of the envisaged scope is enumerated as under. However, State Bank of India reserves its right to change the scope of the RFP considering the size and variety of the requirements and the changing business conditions.

Based on the contents of the RFP, the selected Legal firm shall be required to assist State Bank of India in the Legal Work. The subsidiary will be set up by initially carving out the retail business of SBI UK. UK Branch of SBI UK will continue to function separately. A copy of the latest Regulatory Business Plan (RBP) is available for the reference of interested Legal firms. SBI UK strongly encourages the interested firms to view this document to understand the background of the business.

The Legal firm shall be required to undertake to perform all such tasks, render requisite services and make available such resources as may be required for the successful completion of the entire assignment at no additional cost to the Bank.

The high level services as indicated in Para 3 will be covered under the scope of this RFP.

3. Scope of Work

Broad High Level Scope of Work for the Legal Work is given below:

A) Part VII Transfers:

No	Workstream	Details
1	Due diligence and advice	<ul style="list-style-type: none"> • Due diligence report / analysis of product transfers (including Liabilities/Deposits, Loans & Mortgages, Other services & Ancillary arrangements) • Legal advice on achieving and effective and fair transfer of the relevant products and on relevant terms or features of the products • Due diligence on any operational arrangements or outsourcing arrangements which may need to be transferred or provided to the Subsidiary via an SLA (e.g. payroll, KYC, printing, IT services). • Advice on transferring the relevant products and arrangements, including on dealing with any difficult issues or customer detriment issues.
2	Part VII Transfer documents	<p>Final agreed form Part VII Transfer documents, including Court documents, including</p> <ul style="list-style-type: none"> • Scheme Transfer Agreement (between SBI and the Subsidiary. acting as a framework for the Part VII Transfer and other transfers) • Explanatory Statement • Claim Form (which contains the application to the Court) • Witness Statements and other Court documents • Skeleton Arguments • Draft Order • Formal Notice to Customers <p>Agree draft documents with the regulators (PRA/FCA)</p>
3	Customer Information Pack	<p>Customer communication strategy agreed with SBI and the regulators (FCA)</p> <p>Customer information pack</p> <p>Agreement of regulators to all relevant documentation</p>
4	Ancillary transfer arrangements	Documentation required to transfer any ancillary, operational or outsourced arrangements
5	Court process	Achieve Court approval of Part VII Transfer over two hearings
6	Real estate - dealing with use of real estate required to operate physical bank branches	<p>Due diligence on the UK real estate interests of SBI which are to be transferred, sublet or licensed to the Subsidiary, including the physical bank branches</p> <p>Advice on transferring or granting a sub-lease, licence or</p>

		<p>equivalent of the relevant real estate interest to the Subsidiary, including obtaining landlord's consent as required</p> <p>Advice on related registration requirements</p> <p>Drafting any necessary documentation</p>
7	Incorporation of subsidiary and corporate law advice	<p>Incorporation of subsidiary with appropriate articles of association</p> <p>Corporate resolutions to implement the Part VII transfer and related matters</p> <p>Advice on directors' decision-making processes, including on conflicts of interest and declaration of interests under CA 2006</p>
8	Data protection registrations and advice	<p>Registration of the Subsidiary with the Information Commissioner's Office.</p> <p>Advice on the international transfer of personal data within the group.</p>
9	Project management	<p>Project Management</p> <p>Preparation of Implementation Plan, Timelines,, Documents List(s), etc.</p> <p>Coordination with KPMG, SBI's regulatory consultants for the Application for Authorisation process for the subsidiary</p> <p>Presentation materials for initial meetings with the PRA/FCA and necessary coordination with all relevant 3rd parties</p>
10	Miscellaneous	<p>Any miscellaneous documentation/legal advisory services with regard to the subsidiarisation project and /or the Part VII Transfer</p>

B) Employment & HR related:

No	Workstream	Details
1	Transfer of Employees and other employment related advice, including employees on double-hatting roles	<ul style="list-style-type: none"> • Due diligence of employment contracts • Contractual variations for double-hatting staff • TUPE advice: strategy, practical guidance and drafting documentation • Advice on scope of TUPE transfer • Employee communications, FAQs / Q&A
2	Pensions - advice	Advice on allocation of defined benefit pensions between the

	on allocation of defined benefit pensions	<p>branch and the subsidiary. Provision of advice on the following matters in relation to the current defined benefit scheme:</p> <ul style="list-style-type: none"> • Options for scheme asset/liability allocation • Implications for scheme funding agreements, including anticipated actuarial impacts • Process for accrued asset/liability transfers, section 75 implications and mitigating moral hazard risks • Treatment of future pension accrual for staff within the Branch and the Subsidiary • Identification of third parties involved in the process and process for engaging them • Guidance on likely views of PRA/FCA on pension risk capital <p>Agree draft documents with the regulators (PRA/FCA)</p>
3	Project management	<p>Project Management Preparation of Implementation Plan, Timelines, Documents List(s), etc. Coordination with KPMG, SBI's regulatory consultants for the Application for Authorisation process for the subsidiary Liaison with regulators (PRA/FCA) as required. Any miscellaneous documentation/legal advisory services with regard to employee matters incidental to the subsidiarisation project and the Part VII Transfer</p>

The Legal firm is not expected to travel outside London. The interactions with the external parties including the regulators in UK/India, our Senior Management in India, etc. is expected to be performed by SBI itself primarily. However, the Legal firm may be expected to accompany SBI in its meetings with UK Regulators, if required. We expect the Legal firm to expand on this and complete the Legal Work within **4 months** of appointment, or as per the timelines given by the Regulators.

4. Technical Bid Evaluation Criteria

Technical criteria are classified under three (3) broad heads -

Credential of the Legal firm
Experience of the Team Members
Successful execution of Legal Works related to Part VII/TUPEE processes in the last 3 years of similar or larger sized banks in United Kingdom.

5. Commercial Bid Evaluation Criteria:

The Legal firms are required to provide the commercials (Pricing) based on assumption that the Legal firm shall prepare the documents and policies and the Bank shall review the documents and policies.

Quotes are needed for both the streams separately.

<u>#</u>	<u>Legal Workstream</u>	<u>Cost (excl VAT)</u>
1	Part VII Transfers	
2	Employment & HR related	
3	Total	

State Bank of India reserves the right to select the Legal firm(s) based on the various combination/matrix/suitability under different work streams/approach.

Section III

QUESTIONNAIRE OVERVIEW

A questionnaire is set out below. The questionnaire is divided into the following sections:

- General questions.
- Services issues and technical capabilities.

1. GENERAL QUESTIONS

1.1 Contact details

- a) Please supply details of the person(s) at your organisation who can be contacted by State Bank of India in relation to your response. Please give their name, title, address and location, telephone number, fax number and e-mail address.

1.2 Company details

- a) Please give details of your company, stating its full registered address and company registration number.
- b) Please set out details of the parent or holding company of the company specified in response to the above question, state where it is registered, ownership details and detail of its and its parent company's subsidiaries and specify the relationship between it and its parent/holding company or whether any group companies are publicly listed and, if so, on which stock exchanges.
- c) Please set out your geographical locations which are relevant to the requirements set out in this RFP and the length of time you have operated from these locations.

1.3 Your Organisation's staff

Please give details of your staff numbers, skills, duties and locations those who will be associated with the proposed work. Please set out any key skills or employee dependencies and the availability of replacement skills in those areas.

Please explain the organisational and management structure of your organisation (including an organogram of your executive management) and the roles and responsibilities of the management teams involved in relation to the services in the RFP.

1.4 Your history, approach, vision and values

- a) Please describe in brief terms, your organisation's history and the history of provision of outsourcing services.
- b) Over what period of time have you been providing services which are similar to those which are the subject of RFP.
- c) Please provide details of your corporate and business values and how this affects your organisation and the services it offers.

1.5 Customers

- a) Please supply a list of customers to whom similar services to those contemplated by the RFP are provided and the types of services being provided.

1.6 References

- a) Please provide references of work done in the past and the success ratio where services were provided similar to those being contemplated by the RFP.

1.7 Previous experience

- a) Please provide details of previous experience of the firm and the Directors/Partners in providing similar services to the services envisaged in this RFP, particularly your experience which relates to implementation/transition, service levels, regulatory compliance, achievement of economies of scale and value for money. Please provide details of size and scale of these services.
- b) Please specify any additional related services you could offer to State Bank of India and the benefits of such services.

1.8 Standards and procedures

- a) Please provide details of your quality assurance processes and management systems and if applicable any quality related accreditations or certifications you hold.
- b) Please set out your policies, procedures and processes in relation to the protection of all information and data in relation to the services and in relation to other security and confidentiality matters.
- c) Please provide a brief risk management overview of the risks that you foresee in the delivery of each area of the requirements you are responding to. Please categorise these risks according to whether they are risks for State Bank of India, for you, or risks that are to be shared jointly. Please specifically state how you propose to manage and/or mitigate these risks.

- d) Please confirm that all goods, services, software and intellectual property which would be provided or supplied by you in the course of the provision of the services are compliant with applicable regulatory framework.
- e) Please give details of the systems and processes that are intended to be used to ensure security of personal customer data.

1.9 Insurance

Please provide details of the levels and kinds of insurance held by your organisation and describe which services and areas such insurance would apply.

2. SERVICES ISSUES AND TECHNICAL CAPABILITIES

2.1 Services

- a) Please specify whether you are able to meet the requirements set out in Section II (Project Requirements) and your methodology for achieving this.
- b) Please specify how your organisation is structured to best provide the services (as detailed in Section II (Project Requirements)).
- c) Please specify the key members of staff that is proposed would be used to provide and manage the service throughout the transitional and operational phases of the project, along with their CVs and other relevant information.
- d) Please specify the proposed dedicated management team from State Bank of India's account, where they would be located and whether members of State Bank of India's operations team could be based at your operational site on at least a part-time basis.
- e) Please specify the standard service levels proposed in relation to the services to be provided pursuant to the project, and outline the method and frequency of reporting.
- f) Please describe how you would provide these services to State Bank of India and how you propose structuring and managing the provision of the services.
- g) What resources would you use to provide these services and give details of these resources, their experience and where they will be based?
- h) Would staff be dedicated to this service or shared with other services or other customers? If they are shared with others, please describe which staff would be shared and how this would work.

- i) Please specify if you would consider off-shoring (outside of the UK) any element of the service, along with details of potential locations, timing and expected benefits of the proposed off-shoring. Please indicate whether these off-shoring services would be provided by you or by a third party and whether new or existing relationships would be used. Please confirm that the off-shoring service levels are at least equivalent to those in the UK. Please confirm that the service can be provided during UK working hours.
- j) Please describe your problem escalation procedure and the timescales for escalating problems in relation to this service.
- k) How would you provide the services within the core hours and outside of the core hours stated? Do you have any limit on the type of cover you would offer at different times of day?
- l) Please describe your competencies and experience in providing these services.
- m) What assets would you be using, those of State Bank of India or your own in relation to these services and why? Where would they be located?
- n) What are your own disaster recovery plans for these types of services.
- o) Are there any additional services you can provide or would wish to offer in relation to these services?
- p) Would you propose any different approaches to the provision of these services from that set out in the RFP and if so, please describe.
- q) Are there any new developments in the marketplace or potential technological or any changes in relation to the services which may affect the provision of the services which are subject of the RFP?

2.2 Other capabilities

- a) Please set out any additional capabilities or other services you provide beyond the scope of those contained in the RFP which may be of interest to State Bank of India.