

Section 4 Appendix A

CALLDOWN CONTRACT

Framework Agreement with: AECOM Ltd

Framework Agreement for: Procurement of Goods and Equipment for DFID

Framework Agreement Purchase Order Number: PO 7387

Call-down Contract For: Procurement of Goods and Equipment for the Pakistan Board of Revenue - Pakistan

Contract Purchase Order Number: PO 8246

I refer to the following:

1. The above mentioned Framework Agreement dated; 29 March 2016
2. Your proposal of 22 December 2017

and I confirm that DFID requires you to provide the Services (Annex A), under the Terms and Conditions of the Framework Agreement which shall apply to this Call-down Contract as if expressly incorporated herein.

1. Commencement and Duration of the Services

- 1.1 The Supplier shall start the Services no later than 8 March 2018 ("the Start Date") and the Services shall be completed by 31 July 2018 ("the End Date") unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement.

2. Recipient

- 2.1 DFID requires the Supplier to provide the Services to the Government of Pakistan ("the Recipient").

3. Financial Limit

- 3.1 Payments under this Call-down Contract shall not, exceed £ 1,465,000 ("the Financial Limit") and is exclusive of any government tax, if applicable as detailed in Annex B.

4. DFID Officials

- 4.1 The Project Officer is:

Redacted

4.2 The Contract Officer is:

Redacted

5. Key Personnel

The following of the Supplier's Personnel cannot be substituted by the Supplier without DFID's prior written consent: N/A

6. Reports

6.1 The Supplier shall submit project reports in accordance with the Terms of Reference/Scope of Work at Annex A.

7. Duty of Care

All Supplier Personnel (as defined in Section 2 of the Agreement) engaged under this Call-down Contract will come under the duty of care of the Supplier:

- I. The Supplier will be responsible for all security arrangements and Her Majesty's Government accepts no responsibility for the health, safety and security of individuals or property whilst travelling.
- II. The Supplier will be responsible for taking out insurance in respect of death or personal injury, damage to or loss of property, and will indemnify and keep indemnified DFID in respect of:
 - II.1. Any loss, damage or claim, howsoever arising out of, or relating to negligence by the Supplier, the Supplier's Personnel, or by any person employed or otherwise engaged by the Supplier, in connection with the performance of the Call-down Contract;
 - II.2. Any claim, howsoever arising, by the Supplier's Personnel or any person employed or otherwise engaged by the Supplier, in connection with their performance under this Call-down Contract.
- III. The Supplier will ensure that such insurance arrangements as are made in respect of the Supplier's Personnel, or any person employed or otherwise engaged by the Supplier are reasonable and prudent in all circumstances, including in respect of death, injury or disablement, and emergency medical expenses.
- IV. The costs of any insurance specifically taken out by the Supplier to support the performance of this Call-down Contract in relation to Duty of Care may be included as part of the management costs of the project, and must be separately identified in all financial reporting relating to the project.
- V. Where DFID is providing any specific security arrangements for Suppliers in relation to the Call-down Contract, these will be detailed in the Terms of Reference.

8. Call-down Contract Signature

8.1 If the original Form of Call-down Contract is not returned to the Contract Officer (as identified at

clause 4 above) duly completed, signed and dated on behalf of the Supplier within 15 working days of the date of signature on behalf of DFID, DFID will be entitled, at its sole discretion, to declare this Call-down Contract void.

For and on behalf of
The Secretary of State for
International Development

Name:

Position:

Signature:

Date:

For and on behalf of

AECOM

Name:

Position:

Signature:

Date:

Terms of Reference

Supply, Installation & Configuration of Common Reporting Standard(CRS) Compliant Automatic Exchange of Information Solution for the Federal Board of Revenue - Pakistan

1. Introduction

The Federal Board of Revenue (FBR) is Pakistan's federal agency responsible for enforcing fiscal laws and collecting revenue for the Government of Pakistan. FBR has the responsibility for formulating and administering the fiscal policies, levy and collection of federal duties, taxes and other levies, and quasi-judicial functions of deciding taxation cases and appeals. FBR has two major wings: the Inland Revenue and Pakistan Customs. The Inland Revenue Service (IRS) administers domestic taxation of Income Tax, Sales Tax and Federal Excise Duties. Almost 90 per cent of the FBR collection of taxes relates to Inland Revenue. For the purpose of collection of revenue and pursuing tax evaders, FBR's powers and functions also include, but not limited to, carrying out inquiries and audits/investigations into the tax affairs.

In order to strengthen FBR's capacity to curb the menace of international tax evasion and avoidance, Pakistan has signed and ratified the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The Instrument of Ratification has been deposited in the OECD Secretariat on 14th December, 2016. The Multilateral Convention is a joint initiative of Council of Europe and OECD to facilitate international cooperation in the areas of taxation which ranges from assessment to the collection of taxes. The Convention covers all the three strands of exchange of information i.e. exchange of information on request, spontaneous, and on automatic basis each year on the banking and other details amongst the Parties. Article 6 of the Multilateral Convention further provides that with respect to categories of cases and in accordance with mutually agreed procedures, two or more Parties to the Convention shall automatically exchange information foreseeably relevant for the administration or enforcement of their domestic tax laws.

Against this backdrop, Pakistan has successfully undergone both Phase-I and Phase-II Peer Reviews of the Global Forum on Transparency and Exchange of Information for Tax Purposes. The HMRC has provided Pakistan technical assistance in this regard. The 2nd Peer Review Report on Pakistan has recently been approved and published by the Global Forum which summarizes legal and regulatory framework in Pakistan for transparency and exchange of information and the current status of its practical implementation. In the Report, Pakistan has been assigned a rating of a “Largely Compliant” jurisdiction on the basis of the evaluation of 10 different tax transparency standards for the purpose. This rating determines how Pakistan’s current and future treaty partners regard its ability to correctly apply international standards. An acceptable rating was a crucial strategic foundation for the FBR’s ability to secure access to confidential tax information from other jurisdictions. Now, while Pakistan has been able to secure the recognition of the Global Forum, it is imperative that it takes adequate steps towards the automatic exchange of information which is vital to combat international tax evasion.

There are 101 countries and jurisdictions which have committed to 2017 or 2018 for the automatic exchanges of information. The committed jurisdictions are required to have in place by the time the first exchange takes place;

- (i) appropriate safeguards to ensure that the information received remains confidential and is used solely for the purposes set out in the Multilateral Convention, and,
- (ii) infrastructure for an effective exchange relationship (including established processes for ensuring timely, accurate, and confidential information exchanges, effective and reliable communications, and capabilities to promptly resolve questions and concerns about the exchanges).

The Common Reporting Standard established by OECD for the purpose sets out the financial account information to be exchanged, the financial institutions required to

report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by the financial institutions. For any country to effectively engage in automatic exchange of information, it must have in place, inter alia, the required IT infrastructure to collect and exchange information under the Standard.

It is also worth mentioning that in order to put in place the required systems, FBR has undertaken a pilot project with the assistance of United Kingdom and the Global Forum on Transparency and Exchange of information for Tax Purposes. The United Kingdom, besides its assistance, is also the Partner Country in the project. As such, the Pilot project is a collaborative effort of Pakistan, United Kingdom, and the Global Forum Secretariat and will employ a step-by-step approach to implementation of the Common Reporting Standard for Automatic Exchange of Information.

FBR has made considerable progress on legal and administrative aspects of the Pilot Project and is, in fact, ahead of all other pilot projects which have been initiated before Pakistan. The primary and secondary legislation for automatic exchange of information has been put in place. The banks and financial institutions are now required to gather information for automatic exchanges from 1st July, 2017 onwards. However, the most important requirement for AEOI is availability of an up-to-date IT system and CRS-Compliant Software required for the transmission of data of reportable financial accounts from banks and other financial institution to the tax authority i.e. FBR.

2. Objective

Keeping in view the urgency and significance of the IT software and hardware, Pakistan is looking for the most suitable software available in market to be provided by a supplier of a proven CRS IT system deployment with successful implementation in other jurisdictions. FBR needs to acquire recognized CRS compliant software, which would be effective, cost friendly and also has the features which are compatible with other member jurisdictions. Procurement of the software is a basic requirement if Pakistan has to fulfill

its international obligations of tax transparency and sharing of information with other countries. .

The major objectives of this proposal are;

- i. To provide FBR with a framework to report information on financial accounts to the respective participating jurisdictions under CRS (and preferably Foreign Account Tax Compliance Act (FATCA)) as well), as obtained from the reporting financial institutions in Pakistan under the Common Reporting Standard.
- ii. To provide the interface (the “Portal”), between FBR and industry which enables the secure and efficient reporting of the required tax information under CRS (and preferably FATCA as well). FBR envisages that this information-technology solution will be developed from a pre-existing platform provided by a supplier of a proven and previously deployed CRS IT system with successful implementation in other jurisdictions which will be adapted to meet the requirements of the Project.
- iii. To provide support for FBR in the form of helpdesk that shall be run by the Portal (Supplier) during Pakistan business hours (i.e. 9am - 5pm) for a period of six months to one year from the time the portal has become operational.

3. Recipient

The recipient of the activity is the Federal Board of Revenue, Government of Pakistan.

4. Scope of Work

The scope of the project is the Implementation of Common Reporting Standard (CRS) - Compliant software and putting in place the required hardware. The procurement will be carried out by the Procurement Supplier. The Supplier will also be responsible for the complete deployment along with the training to the users. In addition to this the scope includes the setting up of the helpdesk for ongoing support for a period of one year after the deployment of the solution.

The proposed solution should be fully automated web solution that allows users to

upload the information with regard to the reporting regimes outlined above and FBR to directly forward that information to the respective foreign tax authorities.

The supplier will be responsible to provide the solution as per the technical specifications and the compliance sheet at **Annex-A & Annex-B**.

FBR will provide the secure environment for the implementation of the solution. The supplier will be required to liaise directly with DFID and FBR including for arrangements for delivery & implementation at designated site.

5. Outputs / Deliverables

The Supplier will:

- Review the Terms of Reference and technical specification and suggest changes that may be required before approaching the market.
- Undertake all sourcing as per the terms and conditions of the agreement with the successful bidder.
- Ensure that procurement of the equipment and software is undertaken in line with the aims of the project by liaising with FBR.
- Be responsible for negotiating after sales/installation in-country support by the equipment manufacturers and software providers with a view to ensuring continuing full operation of proposed solution and building of local capacity to manage the system.
- Agree with the manufacturer to install, provide training to FBR staff, maintain and/or troubleshoot and also have a service representative/helpdesk available.
- Ensure that the operating manuals/audio/visual CDs and the requisite software of the products are available.
- Ensure that the equipment and software is of required specifications and conforms to the quality standards outlined in the Technical Specification.
- Manage the supply base in relation to quality, cost and delivery time. The Supplier will ensure supply of equipment and software and delivery to locations specified by FBR . Installation of the equipment and software, and training of FBR staff on operation,

maintenance and troubleshooting will be covered in the service agreement by selected bidder. .

- Provide a procurement plan with key milestones and provide regular progress reports on ongoing achievement of these milestones. These reports shall be submitted to FBR copied to DFID .
- Maintain close coordination with FBR on technical requirements and ongoing training requirements. .

6. Method

- The supplier will be responsible to design and deploy the solution as per the requirement of Federal Board of Revenue (FBR) Timing and procurement planning are critical to the successful implementation of the Project. The Supplier will be expected to demonstrate efficiency, effectiveness, accountability and transparency, and measure and record its associated value added.
- The Supplier is expected to work closely with DFID officials and FBR in this case. A key approach to the assignment is building sustainability around successful initiatives, ensuring government ownership and participation at relevant levels.
- The will need to demonstrate clear value for money at each stage of the implementation process. This will include demonstrating that administrative costs can be minimized; that management processes are designed to maximize cost-effectiveness; and to ensure the greatest possible impact is achieved.
- .

7. Coordination

Clear communication channels and/or approval processes will be established between DFID and FBR. Point of Contact details for FBR and DFID are at **Annex- C**.

8. Reporting

The Supplier will report to Chief International Taxes at FBR and copied to DFID.

The selected supplier will be required to deliver the following mandatory outputs:

- i. A progress report every two weeks on summaries of progress against work plan deliverables and outputs.
- ii. Within 3 months of completion of the project, or at a time agreed with DFID, a project completion report in DFID standard format.

9. Timeframe

The Supplier will be contracted from 8 March 2018 until all goods and services have been delivered. Timing and planning are critical to the successful implementation of the Project.

10. Duty of Care

Suppliers are responsible for the safety and well-being of their personnel (as defined in the Framework Agreement) including third parties affected by their activities under this Contract, and appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

Supplier is responsible for ensuring appropriate safety and security briefings for all their personnel working under the Contract and ensuring that their personnel register and receive appropriate briefing. Travel advice is also available on the FCO website (Foreign & Commonwealth Office UK) as well as other local country official websites and the supplier must ensure they (and their personnel) are up to date with the latest position.

Supplier is fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix developed by DFID. Supplier confirms that:

- They fully accept responsibility for Security and Duty of Care.
- They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
- They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

11. Payment

REDACTED.

12. Procurement and Contractual Requirements

The selected supplier must ensure full compliance with DFID policy and procedures.

Technical Specifications:**CRS Compliant Software:**

The proposed solution must be provided by a supplier of a proven and previously successfully deployed CRS IT system and must provide the following:

- i. All necessary software, training, secure implementation, warranty and support components are required to deliver a turn-key solution.
- ii. The capability for financial institutions to self-register and create and manage an account in accordance with the requirements of the CRS (and preferably FATCA as well). This capability should preferably include validation against the FATCA Global Intermediaries Identification Number (“GIIN”) where applicable.
- iii. Monitoring and approval workflow to provide oversight and management to FBR of the registration process undertaken by financial institutions.
- iv. Support for the electronic reporting of data by financial institutions to FBR as prescribed by the CRS (and preferably FATCA), and domestic legislation, in accordance with the published applicable Extensible Markup Language (“XML”) schema to include all applicable data validation.
- v. Support for the option to complete manual data entry of returns directly into the Portal interface using a Web Form, or similar, by those financial institutions not wishing to submit an XML file and conversion of the manual entry into the required schema(s) for onward submission of that information by FBR to the respective tax authorities.
- vi. Support for requests for information made under Tax Information Exchange Agreements (“TIEAs”) by partner jurisdictions where automatic exchange of information is not yet in place or is not in use, to include full case management, history, associated document management and management reporting.
- vii. Secure, automatic (as appropriate) electronic transmission of reported data cross-border to CRS (and preferably FATCA) partner jurisdictions, in accordance with relevant business rules and technical schemas, and the IRS international data exchange service (“IDES”).

- viii. Support for changes made to the applicable CRS (and preferably FATCA) schemas as may occur from time-to-time to ensure that necessary updates are applied to the Portal in a timely manner in accordance with the instructions issued by the applicable authority without additional cost to FBR.
- ix. Support for sufficient scalable capabilities to ensure a comprehensive and integrated approach in accommodating reporting and transmission requirements for multiple partner jurisdictions is delivered to enable FBR to remain in compliance with the obligations identified in the CRS, CbC and preferably FATCA as well.
- x. Support for sufficient capacity in design to accommodate up to **20,000** reporting financial institutions, including the ability to handle multiple submissions and multiple users.
- xi. Support for the automated exchange of information with other jurisdictions as they are added to the CRS and CbC population of reporting countries in order to ensure that FBR remains in compliance with its obligations.
- xii. Compliance with the technical specifications in accordance with published CRS and CbC (and preferably FATCA) schemas and Implementation Packages, including (but not limited to) requirements for certificate / access management, encryption, exchange services, identification and authentication, audit and accountability, business rules and user delivery notification.
- xiii. Adherence to CRS / CbC / TIEA / FATCA and Pakistan Government cyber security and accessibility standards and requirements.
- xiv. Adherence to Open Web Application Security Project (“OWASP”) testing protocols which will be conducted as a test case as part of the solution acceptance criteria.
- xv. Support for downloading security patches and product updates. The Portal should have a mechanism in place to alert users about such updates/patches. The Bidder should also describe the procedures for applying software updates and upgrades;
- xvi. Support for responsive access via modern browsers including Internet Explorer, Chrome, Firefox, and Safari. This support should not be bound to a particular version or browser.
- xvii. Provision of end-user help in the form of an up-to date user guide available within the Portal to users and ongoing maintenance of associated Frequently Asked Questions.

- xviii. Provision of a comprehensive set of management reports and flexible reporting options in order to ensure that FBR had adequate review, tracking and monitoring of information throughout each phase and milestone of the reporting workflow processes related to CRS, TIEA and preferably FATCA exchange requests.
- xix. The Bidder must provide help desk support to end-users of the Portal to assist in the registration and reporting process for at least the initial 12 months following launch.
- xx. The Bidder must specify any physical, environmental or power requirements that represent dependencies for the proposed solution.
- xxi. The Bidder must describe in detail the proposed solution network management and security solution, as well as any specialized management software that is included or embedded with the hardware/software solution proposed. The management solution must support strong security features including, but not limited to, password attribute customization, authentication logging, role-based access, audit logs and multilevel authorization access. The Bidder should describe any optional managementtools it recommends to specifically enhance operations and the ability to manage the proposed Portal solution.
- xxii. The Bidder must define major and minor alarm conditions for the Portal solution, as to how the system responds to each circumstance and describe the capabilities for remote monitoring and automatically reporting fault conditions, both to FBR and supplier personnel.
- xxiii. The Bidder must describe in detail the Service Level Agreement(s) applicable to all components of the Portal solution.
- xxiv. The Portal must ensure least possible cost, resource and administrative burdens on the Competent Authority and partner jurisdictions counterparts.
- xxv. The Portal may provide support for a common format return (e.g. Excel, Access) option, with associated data validation, xml schema conversion and submission.

Additional Requirements

- i. External certification of the proposed portal solution, or portal solution components to industry standard security criteria.
- ii. Support for end-user access to the current applicable CRS and FATCA Regulations

and applicable Guidance Notes within the Portal solution and the ability for FBR to update this content.

- ii. Electronic reporting of data by financial institutions to the Tax Authority as prescribed by the CRS (and preferably FATCA) and domestic legislation.
- iii. Reporting of data by financial institutions through manual data entry or XML file uploading.
- iv. Validation of reported data to ensure data complies with schema requirements of CRS (and preferably FATCA) and domestic legislation.
- v. Automatic electronic transmission of reported data to CRS partner jurisdictions through OECD Common Transmission System (CTS) in accordance with relevant technical schemas.
- vi. Scalable capabilities to ensure a comprehensive and integrated approach in accommodating reporting and transmission requirements for multiple partner jurisdictions.
- vii. Reciprocal or non-reciprocal cross-border data transmissions.
- viii. Scheduled bulk transfer methods of data transmission.
- ix. Technical specifications accordance with CRS (and preferably FATCA as well).
- x. Designed to handle multiple submissions and multiple users
- xi. Support for mobile (smartphone and tablet) devices and browsers, including those on iPhone/iPad and Android devices.

Security

- i. The proposed solution must include, at a minimum, password requirements with configurable parameters, access authorization levels, authentication, secure access, logging activities, backup/restore and patching/update capabilities. The Bidder should confirm compliance and describe the security features of the proposed Portal solution as requested below.
- ii. Support for strong (two-factor) authentication, authentication logging, auditing accounting etc.
- iii. Administrative user access levels to restrict administration access and flexible password configuration parameters (e.g., password length, aging, complexity).

- iv. How protection from unauthorized access is achieved

Integration with existing Systems

The bidder will be responsible for the integration of proposed solution with the existing IT Systems at FBR. The Supplier must perform following integration services (including but not limited to):

- i. Enterprise level application integration through integration framework composed of a collection of technologies and services through middleware framework in order to enable integration of systems and applications across multiple enterprise
- ii. The integration includes point-to-point connections as well as cross-enterprise connectivity among organizations.
- iii. The proposed solution must support integration of disparate business software application systems for information exchange, processing, storage, archiving and retrieval through shared services provided through centralized platform.
- iv. The proposed solution must enable cross-platform communication between systems in order to share data and / or business rules
- v. The proposed solution must follow the common integration standards such as 'Service Oriented Architecture (SOA) Compliant and Open Database Connectivity (ODBC)
- vi. The proposed solution must support the standard inter-application communication standards of advanced queuing and locking to complement information exchange among heterogeneous operations since unavailability/ inability to do so may result in lack of communication that shall lead to inefficiencies
- vii. The proposed solution must support automation of information exchange between multiple stakeholder through a user-defined rule based information sharing mechanism for automation of straightforward as well as complex scenarios

Training

The Supplier will be required to provide online or training vendor's certified training facilities and train-the-trainer sessions to users and system management communities.

Training should include, at a minimum, the administration, management and troubleshooting of the proposed portal solution. The Supplier should describe the training that is recommended in order to use the proposed solution and services. Trainers should have English as a first language. A detailed training schedule should be provided. The schedule should denote class sizes and length of a typical training session. The Supplier shall also provide pricing for alternative modes of training delivery, if available. It is anticipated that training will be required for 10 to 15 staff. Training at certified facility is preferred, but pricing for both virtual and certified training center should be included if available.

Hardware

Servers

16 Core Servers 2.xx GHZ, with 512GB RAM and 1TB x 4 Hard drives With Raid 5

Storage Area Network& Tape Library

Mid-Range storage with 20 TB Usable capacity with RAID 5, Proposed Storage System must be 100 % redundant with no single point of failure.

LTO-7 FC based with redundant power supplies. 2, drives scalable to 4 drives or more.100 cartridges at each site and minimum 5 cleaning tapes.

NextGen firewall

Next generation firewall with VPN.

Layer 3 Switch

24 Port fully populated FCOE enabled layer 3 switch, the switch should have uplink ports of 10G and redundant power supplies.

Rack

Secure caged 42U Rack with Cables, Fan kit, Rails & Fittings as Required, 32 Amp PDU with Six Power Bars 1 U Console Purpose built for Servers with Touchpad Mouse & Keyboard

Blanking Panels for blank spaces

Application & System Software

System Software

Microsoft Windows 2016

Antivirus

Kaspersky Antivirus for Servers

Database

Oracle/SQL Server as per the requirement in the proposed solution.

SIEM

For Security Auditing and Analysis

| |
|--|
| Compliance Sheet (Must be filled by the Bidder) |
|--|

| Sr. # | Description | Compliance |
|----------|---|------------|
| A | Overview | |
| A-1 | Financial institutions must be able to register and file CRS(and preferably FATCA as well) data with the Tax Authority through a highly secure web based portal that can be accessed via industry standard web browsers prior to data transmission manually / automatically. | |
| A-2 | Tax Authority must have access to a highly secure web based portal through which it can have oversight of all FIs within its jurisdiction that have registered for CRS and / or FATCA. | |
| A-3 | The solution must enable transmission (outwards and inwards) of CRS and FATCA data according to the standards set out by the IRS and OECD respectively. Jurisdictions that have decided to exchange non-reciprocally may not need to capability to receive information, but may nonetheless choose to create the capability in case it is needed in future. | |
| A-4 | The object is to exchange data, not just to send it, and to use the data received from other jurisdictions. It is therefore important that information received from other tax jurisdictions as maintained in an easily usable state. | |
| B | On boarding of Financial Institutions (FIs) | |
| B-1 | Financial Institutions must be able to register with the Tax Authority for CRS(and preferably FATCA as well) reporting using an appropriate medium, for example through a portal or via a publicly available online form (the appropriate medium is something that needs to be discussed with prospective solution providers, because operating processes will vary from jurisdiction to jurisdiction). The 'form' should collect and validate information about the FI, including for example the format of the GIIN that has been issued by the IRS. | |
| B-2 | As part of the registration process the FI must be able to input details of the Appointed Representative who will be responsible for filing CRS/FATCA data on their behalf to the Tax Authority. There must also be the facility to change the details. Where changes are made, for audit purposes a record should be maintained of former Appointed Representatives and dates between which they were authorized to act on the FI's behalf. Where multiple FIs are involved, there will also be a requirement to state for which FIs that particular individual is appointed to represent. The Tax Authority will also need the capability to access this function, at least in exceptional circumstances. | |

| | | |
|----------|--|--|
| B-3 | The solution must allow Tax Authority users to review successfully submitted FI registration forms | |
| B-4 | The solution may need the capability to allow Tax Authority users to approve or reject successfully submitted FI registration forms (those jurisdictions consulted in drafting this document doubted the need for this, but it is retained as some jurisdictions may need it) | |
| B-5 | The next requirements concern workflow. In addressing these requirements account should be taken of the size of the tax jurisdiction and the complexity of their needs. For example, a complex and costly workflow system might be inappropriate for a small jurisdiction with few FIs | |
| B-6 | A workflow system must route, automatically or manually as required, newly submitted FI registration forms to an Analyst within the Tax Authority. The assignment should be based on the "least busy" principal (i.e. automatically assign the FI registration form to the person with the appropriate role that has the fewest number of unapproved FI registration forms assigned to them) | |
| B-7 | The workflow must flag (for further investigation) where a duplicate GIIN is being used to register an FI. Jurisdictions may wish to consider if there are other fields that, if duplicated, need to be investigated. (Equally, there could be multiple users of the system reporting for different parts of that FI and so the GIIN would be used multiple times (common in some large jurisdictions)). | |
| B-8 | Once FI registration is approved the solution must automatically create the corresponding Financial Institution | |
| B-9 | Once FI registration is approved the solution must automatically create the Appointed Representative detailed on the registration form as the FI's "Primary User" and assign them access to the associated financial institution | |
| C | Uploading of data by on boarded FIs | |
| C-1 | The solution must allow FIs to upload data conforming to predefined schemas, such as CRS data via an xml file that is valid against the OECD published CRS xsd and also preferably FATCA data that is valid against the IRS published FATCA xsd . The system must be easily configurable for new schemas as they become available (new versions and new schemas like Country by Country reporting). | |

| | | |
|----------|---|--|
| C-2 | The solution must also allow FIs (in particular smaller FIs) to manually enter CRS data (and preferably FATCA data as well) via online web forms. This is something that may need to be discussed between FIs, the Tax Authority and the solution provider. It is suggested that the objective should be to offer FIs different options for transmitting data in order to provide solutions that match the FIs' resources. | |
| C-3 | The fields available on the manual entry CRS web forms and FATCA web forms must correspond to the fields determined by the OECD published CRS xsd and IRS published FATCA xsd. Respectively. | |
| C-4 | All CRS data and FATCA data collected via XML upload AND manual data entry must be checked for compliance with the corresponding XSD, and with any additional business rules outlined in the OECD published CRS xml and IRS published FATCA xml user guides respectively, prior to submission to the Tax Authority. It is suggested that there ought to be a facility to reject files that do not comply with the published schema. | |
| C-5 | The solution may need to allow FIs to create individual CRS filings for each recipient Jurisdiction that they are reporting to (These would still need to be collated by the jurisdiction into one report for each recipient jurisdiction so it might be better for the FI's if they didn't have to do this and the solution allowed the tax administration to do it.) | |
| C-6 | Where CRS or FATCA data fails the compliance check the FI user should be presented with details of the error and advice on next steps needed to correct it. | |
| C-7 | Where nil reporting is a requirement per a Jurisdictions IGA the solution should allow the filing of Nil Reports for both CRS and FATCA. | |
| C-8 | If it is so desired, the portal could be screened while a session is open to enable real time checking of transactions as they are undertaken. Some jurisdictions use this capability to check and ensure that each page has been completed before allowing the user to move forward and that all mandatory fields have been completed. | |
| D | Transmission of data | |
| | Pre-Transmission | |
| D-1 | The solution must allow Tax Authority users with the appropriate role to select CRS filings or FATCA filings that have been submitted by the financial institution users for onward transmission to the recipient jurisdiction indicated within the filing via the CTS portal or to the IRS IDES portal. | |

| | | |
|----------|---|--|
| D-2 | Where CRS data or FATCA data has been collected via a manual entry web form, this data must be converted to a valid CRS xml or FATCA xml format prior to transmission to the IRS/CTS. | |
| D-3 | For CTS, files are received per FI but sent per jurisdiction. So files will need to be collated and packaged into one per jurisdiction within file size limits for the receiving jurisdiction (a list of file sizes will be held on the CTS) or split into the appropriate size. Validation against the xsd must be carried out on the file before packaging for transmission. | |
| D-4 | We also need the system to maintain a list of those jurisdictions with which there are the necessary vires to exchange information? | |
| | Transmission | |
| D-5 | All CRS data or FATCA data being transmitted via the CTS portal or to the IRS via the IDES portal must be encrypted and packaged as per the guidelines issued by the OECD or by the IRS in the IDES User Guide | |
| D-6 | The solution should display the transmission status of any CRS filing or FATCA filing to the Tax Authority user | |
| D-7 | Where an amended, corrected or void CRS or FATCA filing is being transmitted the solution should ensure that the original filing has been received by the CTS/other jurisdiction or by the IRS respectively | |
| D-8 | It may be advisable that the solution provides for a contingency transmission channel, and if so it should allow the Tax Administration to enable and disable the transmission through that channel. | |
| E | Processing of responses relating to data transmitted | |
| E-1 | The solution should be capable of receiving/processing notifications received in response to data files that have been transmitted to other jurisdictions. It should also be able to update the status of the filing to reflect the type of notification received | |
| E-2 | Where the processed notification indicates further action is required by the FI user, there may be a requirement for the FI user to be notified automatically (Smaller jurisdictions with few FIs may prefer a manual solution, in particular if an automated link is expensive, complex, or relies on real time connectivity that cannot always be assumed. Another consideration here is that some of the automated messages to date have been found to be incorrectly issued. This being so, it may be advisable to defer consideration of automated processes until there is confidence that all of the notifications that are being generated are in fact correct) | |
| E-3 | Upon receipt of a notification such as an ICOMM notification, a FI or Tax Authority user should be able to log into the solution and view the actual notification file that was received. There should also be the capability for a Tax Authority user to download notifications. | |

| | | |
|----------|---|--|
| E-4 | Where the processed notification indicates further action is required by the Tax Authority user, the Tax Authority user should be notified automatically (or put on a work list?) | |
| E-5 | Where a data file is amended, either by the Tax Authority or resubmitted by the FI, the system should be able to produce a complete record of the transaction. | |
| E-6 | There needs to be a view of all sent and received files to deal with any queries | |
| E-7 | There needs to be a system to match corrections to original files | |
| E-8 | There needs to be end to end testing of the system. | |
| F | Managing data received | |
| F-1 | The solution should be capable of processing reciprocal data files received from other jurisdictions | |
| F-2 | The system should be able to check the inbound file and to determine whether the file meets the standards of the appropriate xml schema. This is similar to the process in Section C above for validating files received from FIs. | |
| F-3 | More specifically, the file needs to be unpackaged using the public and private keys, unencrypted and decompressed. It then needs to be run through the xsd validator to ensure it is a valid xml file. If there are any critical errors in the file it will need to be automatically rejected (see F4). If there are some acceptable errors these need to be captured for the competent authority to decide whether it would like to accept or reject the file and if accepted the errors will need to be advised to the sending country upon receipt of which a correction file must be sent. | |
| F-4 | The system should provide for exception reports to be issued as appropriate where (these will be exception reports provided for in guidance from the OECD Global Forum for CRS, from the IRS for FATCA, or from elsewhere) | |
| F-5 | The solution should support the usage of the data, whether that be by enabling the data to be exported to the Tax Authority's existing audit or compliance systems, or by the creation of some sort of audit function as an adjunct to the (the latter would of course be bespoke in each case, although the provision of a suitable framework for this to happen is something that might be considered) | |
| F-6 | There will be more specific requirements that will support the usage of data. The more obvious would include the ability to export data into standard desktop database and spreadsheet products such as MS Access and Excel. | |
| G | Reporting requirements | |
| G-1 | The solution should contain a report which will show Tax Authority users the status of all CRS and FATCA filings within the system | |

| | | |
|----------|--|--|
| G-2 | The solution should contain a report which will show Tax Authority users all financial institutions who have not submitted a CRS or FATCA report, as appropriate, for the current year, along with contact details of the FIs' Primary Users. | |
| G-3 | The solution should contain a report which allows Tax Authority users to view all financial institution user details | |
| G-4 | The solution should enable other reporting, with the ability to select search criteria and sort functions for batch and individual data for financial institutions. Amongst other things it should be able to sort data based on all field criteria, and to search data based on multiple fields. Where dates are specified a range must be accepted. | |
| G-5 | Management and statistical reports will be required, including reports on single and batches received/uploaded from financial institutions, reports on information received from CRS and FATCA, reports on the number of records received over time periods, and on account balances from financial institutions | |
| H | User Management | |
| | Access to system | |
| H-1 | Role based access that recognizes the different types of access that will be needed by different users, and which enables appropriate controls to be applied. For each of the [three] main categories of user, the solution should recognize both a primary role, and secondary roles. | |
| H-2 | "Primary" FI users should be allowed to create and remove "Secondary" users for their FI to assist with the filing process | |
| H-3 | Designated Tax Authority users should be allowed to create and remove additional tax authority users | |
| H-4 | Designated Tax Authority users should be allowed to create and remove additional FI users | |
| | User support | |
| H-5 | Documentation Requirements: The solution must provide for general functional description, installation guide, user guides (including screen layouts, report formats, processing rules, job aids and error handling procedures), system and database administration guides, audit trail guide, security guide and a glossary of terms. Documentation must be in English, including technical manuals on database design and schema (electronic) Country by Country reporting. The system must be able to process Country by Country Reporting | |
| I | Technical and Database requirements | |
| I-1 | Operating environment: should be compatible with existing server versions and multi-user environment, with Windows Desktop versions of Windows X and subsequent workstation versions and common web browsers, and with other open source operating systems | |

| | | |
|----------|--|--|
| I-2 | Data sharing capability a. Export capabilities into Excel, PDF, CSV, XML, Word 2007/2010/(Latest version) or other formats b. View capabilities from database via database links | |
| I-3 | The database solution should be reliable, allowing secure data storage, backup strategy and audit. | |
| I-4 | The database solution must enforce data integrity, leveraging a proper transactional system | |
| I-5 | Database location: Most tax jurisdictions will have domestic legislation requiring that data be physically located with the borders of the jurisdiction. | |
| J | Security | |
| J-1 | Overall approach should be consistent with internationally accepted good practice security standards, such as the ISO 27000 series standards. | |
| J-2 | Solution must be designed to operate in a secure environment. Portals and other external interfaces must apply appropriate good practice standards. | |
| J-3 | The solution must offer a separation of duties and principle of least privilege access. Where it is necessary to afford certain individuals, such as administrators, with higher privilege access, there should be additional controls commensurate with the access. | |
| J-4 | The solution must apply specific generally accepted security standards, such as running within secure communication protocols, such as HTTPS and/or SFTP, and must ensure that all encryption and hash algorithms are compliant with International Standards | |
| J-5 | Audit trail: The solution should provide a full audit trail of all business transactions, e.g., upload, form save, user creation, etc.: The solution must offer controlled access to the full audit trail, with appropriate separation of duties. Those with access to other functions within the system should not have access rights to the audit data (the point here is that the same person should not be able to authorize, add, delete, or otherwise change records, together with access to audit records that might enable that person to hide changes made. A person with access to audit functions may also have VIEW access to other functionality, but only VIEW access). | |

| | | |
|----------|--|--|
| J-6 | Archiving of data – The solution should provide for data to be archived in accordance with the Tax Authority’s requirements. The solution should provide for granular archiving arrangements for different data types (e.g. data sent to other tax jurisdictions (C above) could potentially be archived soon after the data has been sent and notification received that the file was accepted and in order – what purpose is there for retaining the data any longer? – Whereas data received from other jurisdictions (F above) will be needed for a longer period in order to support audit and other compliance activity. And system audit data is being held for different purposes and should therefore have an archive period consistent with said purposes. | |
| J-7 | Disaster recovery-The solution should prove to be able to reconstruct and recover operations in a catastrophic event | |
| K | Performance Requirements | |
| K-1 | Availability of solution system: the system should be accessible in a manner that meets the needs of the different users within that tax jurisdiction. In some instances, where there are many FIs, it may be the case that the system will need to be available 24/7/365 and with a very high degree of accessibility and reliability. | |
| K-2 | Timely completion of transactions – Transactions will either be attended or unattended. Where the transaction is unattended the speed of completion is unlikely to be that important, provided that there is a clearly defined session duration [consider length of session time – security perspective] | |
| K-3 | Attended transactions: There will however be attended sessions, for example a FI user manually loading data, or a tax administration user transferring files using desktop browser sub-second response times? Is this realistic? | |
| K-4 | Transaction integrity: this is usually more important than speed and availability. We expect that all transactions must be completed and that all transactions are accurate (in other words that the system checks the XML scheme | |

FBR Point of Contact

REDACTED

DFID Point of Contact

REDACTED

Other redacted annexes :

ANNEX C

Procurement Plan

ANNEX D

Schedule of Pricing

ANNEX E

Key Performance Indicators and Service Level Agreement

ANNEX F

Savings Management

ANNEX G

Communication Matrix

ANNEX H

Duty of Care country assessment