

REQUEST FOR PROPOSAL

INVITATION TO SUBMIT A PROPOSAL THAT WILL PROVIDE IPOTEKA WITH LEGAL SERVICES RELATED TO DRAFTING AND REVIEWING AN ENGLISH LAW-GOVERNED TAX COVENANT/DEED

Procurement type:	Competitive bidding
Issue date:	Friday, September 24, 2021
Submission (Closing) Date and Time:	Thursday, September 30, 2021, until 11 am (Tashkent time)
RFP Validity period:	90 days from the submission date and time
RFPs are to be delivered to the following address on the stipulated closing date and time:	Uzbekistan, Tashkent, Shahrisabz str. 30, 100000

1. DEFINITIONS

Backup Service Provider	The tenderer quoted the second-best proposal. In case Ipoteka is not able to enter into a contract with the winner of the competitive bidding for any reason the right to perform services transfers to the Backup Service Provider
DTA	Double Taxation Agreement
Ipoteka	Joint-Stock Commercial Mortgage Bank "Ipoteka-bank"
Purchaser	State-owned share potential purchaser
RFP	Request for Proposal
SPA	Share Sale and Purchase Agreement
Seller	Ministry of Finance of the Republic of Uzbekistan, the majority shareholder of Ipoteka
State	The Republic of Uzbekistan
Tenderer	Any legal entity or consortium that submits responses to this RFP as per procurement procedures
Transaction	Privatization of Ipoteka, which involves the sale by the Seller of its shares in the registered capital of Ipoteka to the Purchaser

4. ABOUT IPOTEKA

State-owned bank Ipoteka is fully involved in policy reforms and state development programs in Uzbekistan. At the same time, the bank is universal and carries out various activities such as retail business, investment activities, project financing. The Bank currently takes leading positions in the banking system of Uzbekistan. As of September 2021, the bank accounts for more than 8% of the total assets of the banking system and about 8% of the total capital.

2. OBJECTIVE

In accordance with the Strategy for reforming the banking system of the Republic of Uzbekistan in 2020-2025 years (Addendum No. 1 to President's Decree No. PF-5992, dated 12/05/2020), the Seller announced an intention to privatize to a single strategic investor the entire state-owned share in Ipoteka. In connection with the transaction, the SPA has been drafted. As part of the SPA, it is planned to include a tax covenant agreement under English law.

5. ELIGIBLE TENDERERS

Tenderers shall be registered law firms offering English law tax advice on the full spectrum of M&A and private equity transactions across a variety of industries. All legal entities regardless of ownership type and place of incorporation are eligible to participate.

5. CONFLICT OF INTEREST

A Tenderer shall not have a conflict of interest. All Tenderers found to have a conflict of interest shall be disqualified. Tenderers must submit a form, see Annexure A, stating that none of its personnel have any involvement or interest in Ipoteka and any of its subsidiaries and likewise Ipoteka personnel have any involvement or interest in the Tenderer's business with the response to this document or influence the decisions of Ipoteka during the bidding process.

A Tenderer may also be considered to have a conflict of interest with one or more parties in this RFP process, if they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the proposal of another Tenderer.

Alternatively, the Tenderer must disclose ALL such information in its response submission containing sufficient disclosure regarding any interests that may result in an actual or potential conflict of interest. Where any potential or actual conflict of interest arises after the submission of the proposal or during the term of the potential mandate, the Tenderer shall be obliged to immediately notify Ipoteka thereof in writing. Note that Ipoteka reserves the right to disqualify a Tenderer or terminate the services as a service provider if there is, in the opinion of Ipoteka, any actual or perceived conflict of interest.

6. COSTS OF TENDERING

The Tenderer shall bear all costs related to the preparation and submission of their RFP responses. Ipoteka shall in no way be responsible or liable for any of these costs regardless of the conduct or outcome of the procurement process.

7. SCOPE OF REQUIREMENT

Ipoteka is inviting law firms to tender for the following scope of work:

Scope of work

The scope of work will be customary for an English law-governed tax covenant agreement, including (but not limited to):

- Supporting Ipoteka's internal tax team in relation to, and assisting with the negotiation of:
 - tax-related provisions in the SPA; and
 - warranty coverage in respect of tax matters provided by the Seller in the SPA, and related seller limitations on liability

- Drafting an English law-governed tax covenant (which will be included as a schedule to the SPA), and assistance with negotiation (including related seller limitations on liability).
- Liaising with Ipoteka-bank and the Seller in relation to the scope of tax warranty and tax covenant protection to be offered.
- Liaising directly with the Purchaser (and to the extent needed their tax advisers) on the negotiation of tax-related provisions in the SPA.

Key assumptions

- Legal counsel's input will be limited to matters of English law, with Uzbek tax advice being provided by Seller's / Ipoteka's internal tax team.
- Legal counsel will prepare the first draft of the tax covenant agreement. Legal counsel should adopt a reasonable middle-ground position and will be responsible for aligning the provisions of the tax covenant to the commercial terms of and definitions used in the SPA.
- The Seller's / Ipoteka's internal tax team will lead on tax advice generally including transactional tax advice and advice in connection with tax-related provisions in the SPA.
- Legal counsel's role will be to support Ipoteka's internal tax team in relation to tax risk-allocation governed by English law.
- Ipoteka's internal tax team will be primarily responsible for reviewing and commenting on specific disclosures in respect of the tax warranties, which the Seller will provide in the disclosure letter.
- The Purchaser and their tax advisers will adopt a reasonable approach to negotiating tax-related provisions (i.e. up to 5 turns and calls).
- Legal counsel's advice will not extend to tax due diligence or tax structuring aspects.
- The Seller's existing international legal counsel will keep legal counsel promptly updated in relation to the wider transaction (including any structural changes or developments), provide all required information by legal counsel, and give legal counsel reasonable time and opportunity to discuss and consider changes and other tax items with Seller's /Ipoteka's internal tax team.

The proposal should include:

- Fee proposal.
- Specify proposed fee caps and disbursements, as well as an aborted deal discount.
- Proposed team and firm credentials.
- Detailed experience of involvement in similar transactions, and in particular in connection with drafting and negotiation of English law governed tax covenants.

8. MAXIMUM (NOT-TO-EXCEED) PRICE OFFER

The competitive bid threshold is fifty thousand (50,000.00) US Dollars (net of taxes applicable in Uzbekistan only as Ipoteka will not pay any taxes in the Country of incorporation of Legal counsel even in the absence of DTAs) including overhead expenses. All prices shall be quoted in US Dollars.

9. MANDATORY PROPOSAL RESPONSES

The RFP response should cover all the criteria specified in the attached Annexure B and must be a maximum of 10 pages. The Tenderer must submit the following:

- one (1) original, and four (4) copies of the original response,
- signed integrity declaration form.

The Tenderer shall submit only one type of original proposal. Failure to submit the original response, associated copies, and integrity declaration form will disqualify the submission. Failure to submit the proposals simply and clearly will not result in disqualification but will impact the scoring.

10. OPENING, EVALUATION, AND SELECTION CRITERIA

Functionality criteria for scoring will be as stipulated in Annexure B. The winner and the Backup Service Provider will be determined based on the results of scoring.

The sealed proposals will be opened in a single stage and this process will be live-streamed and recorded via videoconferencing to which a representative of participating Tenderers can join. Please take into account that the opening event will be conducted in Russian.

11. LODGING OF PROPOSALS

Only hard copy (manual) submission by courier or hand delivery is allowed. Your proposal must be expressed either in English, Russian, or Uzbek.

To ensure the integrity of the procurement process and confidentiality proposal **MUST BE SUBMITTED** in a sealed envelope. Each envelope **SHALL** indicate the name of the Tenderer. The envelope must be sealed and bear a warning that states *“Not to be opened before the time and date for proposal opening”* and in Russian *“Конкурсная документация: Не открывать до предусмотренного дня открытия конвертов”*. If the envelopes and packages with the Proposal are not sealed and marked, Ipoteka shall assume no responsibility for the misplacement, loss, or premature opening of the Proposal.

The envelope must be delivered before the submission date and time to the following address: 30 Shahrisabz str., Tashkent, 100000, for the attention of Procurement Officer Hojiakbar Sayfutdinov.

Please take note that proposals may be submitted before the closing date. Late proposals will not be accepted and will be submitted back to the local representatives of Tenderer.

12. QUERIES/CLARIFICATION

Should there be questions/clarification or queries regarding this RFP please contact at all times the following Ipoteka representatives listed below.

- Name: Shohrukhkhon Abdurasulov
Email: shohrukhkhon.abdurasulov@ipotekabank.uz | Mobile: +998 97 002 7260
- Name: Timur Nuraliev
Email: timur.nuraliev@ipotekabank.uz | Mobile: +998 97 149 0999

- Name: Gulbahor Yahyoeva
Email: gulbahor.yahyoeva@ipotekabank.uz | Mobile: +998 97 749 9825

Questions will not be responded on the last business day before the Submission Date.

13. DISCUSSIONS

Ipoteka reserves the right to call upon a prospective Tenderer to discuss its proposal in more detail as and when deemed necessary. Full contact information of the first contact person should be provided in the Technical proposal.

Shortlisted candidates should expect that on short notice, the core implementation team will be required to join a one (1) hour clarification conference call during which thirty (30) minutes will be dedicated to the presentation of the proposal followed by a thirty (30) minutes question and answer session.

14. IMPORTANT NOTICES

This RFP may be canceled by Ipoteka at any time before deciding on it, if it is not deemed necessary to continue with the procurement process due to a substantial change in circumstances, or if public interest and welfare dictate such.

Ipoteka reserves the right to accept or reject any RFP Response and to cancel the RFP and reject all replies before the announcement of the successful Tenderers.

Yours faithfully,

Jamshid Khayrullaev
Director, Treasury

Date: 23 September 2021

Annexure A

INTEGRITY DECLARATION FORM

(Form to be completed and signed by tenderer as Invitation to RFP returnable)

1. DECLARATION OF INTEREST

I/We understand that any natural/legal person, including employees of the State and/or those related to an Ipoteka employee/director (as per the definition of “related” set out hereunder), may tender to Ipoteka. However, because of possible allegations of favoritism (the practice of showing favor to, or giving preference to some person/group, to the detriment of, or at the expense of another that is entitled to equal treatment or an equal opportunity), should the resulting tender, or part thereof, be awarded to such natural/legal person, as described herein, it is required that the *tenderer/s* declare such interest/relationship where:

- the *tenderer/s* employees/directors are also employees/contractors/consultants/directors in the state or a state-owned entity.
- the *tenderer/s* employees/directors are also employees/contractors/consultants/directors of Ipoteka
- the *tenderer/s* employees/directors are also employees/contractors/consultants or directors in another entity together with Ipoteka employees/consultants/contractors/directors
- the legal entity/s (including its employees/contractors/directors/members/shareholders) on whose behalf the tender documents are signed, is in some other way “related” to an Ipoteka employee/contractor/consultant/director involved in the tender evaluation/tender adjudication/tender negotiation. “Related” meaning that:
 - an individual is related to another individual if they are married, or live together in a relationship similar to marriage;
 - or are separated by no more than two degrees of natural or adopted consanguinity or affinity;
 - an individual is related to a legal person if the individual directly or indirectly controls the legal person, and
- **a legal entity is “related” to another legal entity if:**
 1. either of them directly/indirectly controls the other or the business of the other;
 2. either is a subsidiary of the other; or
 3. a person directly/indirectly controls each of them, or the business of each of them, as determined by the definition of “control”
- the *tenderer/s* and one or more of the *tenderers* in this tendering/RFP process have a controlling partner in common, or a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the tender/proposal of another tenderer, or influence the decisions of Ipoteka regarding this bidding process;

To give effect to the provisions above, please complete the table hereunder with all required information.

Full Name & Capacity/Position within tenderer (e.g. employee/Director/member/owner/shareholder)	Confirm and provide details (including employee number) if you are a State/State-owned entity employee/contractor/director	Full Names & Capacity/Position of Ipoteka employee/director/consultant and details of the relationship or interest (marital/familial/personal/financial etc.)	To your knowledge is this person involved in the evaluation/adjudication/negotiation of tenders
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1. If any employee/director/member/shareholder/owner of Tenderer/s is also currently employed by Ipoteka, state whether this has been declared and whether there is authorization (Y/N) to undertake remunerative work outside public sector employment and attach proof to this declaration. _____
2. Do the tenderer/s and other tenderer in this tendering/RFP process share a controlling partner or have any relationship with each other, directly or through common third parties? (Y/N) If Yes, attach proof to this declaration. _____

I declare that I have read and understood the provisions of the Integrity declaration form, that all information furnished herein is correct, that it is understood that the Tenderer's proposal may be rejected and that Ipoteka will act against the Tenderer should any aspect of this declaration prove to be false

Signature:	
Designation and capacity in which signing:	
Date:	

Annexure B

EVALUATION CRITERIA	Weighting
Firm Capability and Experience	
Price offer (the lowest bid gets 30 points)	up to 30 points
An experienced tax lawyer who worked on a range of cross-border M&A deals with a focus on tax covenants and warranties throughout the CEEMEA region. Provide a list of such transactions with a brief description of the main functions.	up to 30 points
Past M&A tax practice with a focus on tax covenants and warranties in CIS countries - Provide a list of such transactions with a brief description of the main functions.	up to 10 points
Past M&A tax practice with a focus on tax covenants and warranties in Central Asian countries - Provide a list of such transactions with a brief description of main functions.	up to 10 points
Illustrated and in-depth knowledge by at least one of the team members of English law	up to 10 points
Representative office or partners in Uzbekistan	up to 5 points
Accuracy and conciseness of presented information	up to 5 points