



## TERMS OF REFERENCE

<b>Reference:</b>	DMU/NXCWG0927
<b>Post Title:</b>	Consultant - Dematerialisation and setting up of securities settlement infrastructure in Government securities
<b>Project Location:</b>	Nassau, The Bahamas
<b>Duration:</b>	19 consultant days
<b>Start Date:</b>	15 April 2016
<b>Closing Date:</b>	Tuesday 9 February 2016
<b>Fee:</b>	£499 per day

### **Background**

The Debt Management Unit (DMU) of the Commonwealth Secretariat implements debt management assistance programme of the Secretariat. The programme aims at strengthening the debt management framework in the member states through policy advisory support, capacity building and provision of in-house developed and maintained specialized debt management applications. Policy advisory support is provided to the member States on a number of areas including formulation and implementation of debt management strategies, the development of local currency debt markets, legal framework and institutional arrangements, debt restructuring and liability management operations. A large number of the member states have been benefited from the programme.

In 2014, as a part of debt management assistance programme the DMU provided advisory assistance to the Government of The Bahamas on development of the government bond market. Under the assistance, the DMU carried out a detailed study of government securities market in The Bahamas and recommended a plan of action with the timeline, for implementation. The Secretariat has now been approached by the Central Bank of The Bahamas for a follow-up advisory assistance on dematerialisation of Government securities and setting up of securities settlement infrastructure for electronic settlement of trades in Government securities. The Secretariat is, accordingly, seeking to engage services of a consultant to support DMU in delivery of the requested technical assistance.

### **Scope of Work**

The consultant will work closely with the Commonwealth Secretariat officials with the following responsibilities:

- (a) Review of existing draft legal amendments relating to dematerialisation of Government securities in The Bahamas;
- (b) Development of a comprehensive strategy for dematerialisation/immobilisation of Government securities in The Bahamas;
- (c) Development of a suitable securities settlement infrastructure facilitating electronic settlement of trades in Government securities;
- (d) Development of necessary framework for operationalizing of the Central Bank Repo in Government securities.

### **Deliverable output**

The main output of the consultants will be an advisory report on Dematerialisation of Government securities and setting up of Securities Settlement Infrastructure in The Bahamas. The Report will *inter alia* cover a study of current arrangement including legal framework pertaining to dematerialisation of Government securities and securities settlement infrastructure and provide a detailed recommendations for setting up of an efficient market infrastructure in The Bahamas facilitating electronic settlement of trades in Government securities. The report will also provide a summary of recommendations and roadmap for reforms with timelines for implementation of the recommendations by the Central Bank. The report will *inter-alia* cover the following areas:

- Review of existing draft legal amendments relating to dematerialisation of Government securities in The Bahamas;
- Development of a comprehensive strategy for dematerialisation/immobilisation of Government securities in The Bahamas;
- Development of a suitable securities settlement infrastructure facilitating electronic settlement of trades in Government securities;
- Development of necessary framework for operationalizing of the Central Bank Repo in Government securities.

### **Expected Outcomes**

- Enable dematerialisation/ immobilisation of Government securities in The Bahamas in line with best international standards;
- Enable setting up of securities settlement system by the Central Bank of The Bahamas to enable electronic settlement of trade and to facilitate pre and post trade transparency in Government securities;
- Enable Central Bank of The Bahamas to commence repo operations in Government securities with other significant market participants.

### **Key performance indicators**

- All project deliverables produced within budget and schedules;
- Interim outputs and final report accepted by the Central Bank of The Bahamas.

### **Responsible to**

The consultants will report directly to the Project Manager/Advisor (Debt Management) from the Debt Management Unit of the Commonwealth Secretariat and will work closely with staff of relevant stakeholders.

The consultant will be required to submit reports to the Adviser and Head, Debt Management Unit through the Project Manager/Advisor (Debt Management).

### **Expertise Sought**

The consultant will have the following mix of expertise and experience to achieve objectives of the assignment:

- Proven expertise and experience in government securities market gained through working in a Central Bank/Government/ international institutions;
- Demonstrable international experience and good understanding of dematerialisation/ immobilisation of Government securities, securities settlement infrastructure and Central Bank Repo;
- Consulting experience in the field of public debt management and setting up of market infrastructure for electronic settlement of trades in Government securities;

- Excellent communication skills are essential, as is the ability to interface effectively at all levels;
- A post graduate degree in any field.

### **Location and Level of Effort**

The assignment will be conducted through a field visit to Nassau, The Bahamas for 14 nights. The level of effort anticipated for the assignment is around 19 person days which will cover all the activities and tasks required for the successful completion of the consultancy and its deliverables. The consultancy is expected to be undertaken during the period April to July 2016.

### **Remuneration**

The Secretariat will offer the following:

- Consultancy fees for 19 person days with daily rate of £499 per day;
- Economy class return air fare to Nassau, The Bahamas, and
- Daily subsistence allowance for not more than 15 consecutive days at the applicable UN per diem rates. The daily subsistence allowance for Nassau as per the current UN per diem rate is USD395.

The following payment terms will apply:

- 25% of the fixed price consultancy fees after signature of contract;
- 35% of the fixed price consultancy fees payable upon submission of first report. The report should be received by no later than one month after completion of field visit;
- Remainder of the fees upon completion of consultancy to the full satisfaction of the Secretariat.

### **Assessment Criteria**

Assessment of proposals will be based on the following criteria:

- Demonstrated consultancy experience of similar assignments;

- Experience in government securities and money markets gained through working in a Central Bank/Government/ international institutions;
- Qualification and overall experience.

### **Submission of Proposals**

Interested consultants are invited to submit their proposal with their availability for assignment during the months of April-May 2016. Proposals must include the following:

- The profile of the consultant with detailed CVs indicating educational qualifications, experience of professional engagements as indicated above, and a list of relevant analytical work undertaken and publications and details of similar projects undertaken;
- Skill and Experience related to assignment.