

# **Tender for CDD Pre-Screen Check and Customer Risk Type Classification Services**

Contract Duration: 3 + 2 years

## **AML Project**

### ***Subject Matter and Scope of Tender***

#### **List of services**

KYC/CDD Services: System Development, consultant and solution approach

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## 1 Project background and project objectives

### 1.1 Description of project background.

According to the laws & regulations on Anti-Money Laundering and the law on Counter-Terrorism Financing and Proliferation of Weapons of Mass Destruction financing (AML/WMD) which is promulgated since 2016 regulates that the leasing business as the professional under the Law needs to conduct KYC/CDD as well as the pre-screen check to prevent money laundering, terrorism financing and proliferation of weapons of mass destruction financing as well as to stop or freeze any transaction with the indicated persons who hits with UN Sanction List, Thailand List (AMLO List) as well as to identify customer risk type classification i.e. low, medium and high. Thus, once BMW Leasing (Thailand) Co., Ltd. ("BMW") obtains the name list from Anti-Money Laundering Office then BMW needs to ensure that the new customer or existing customer is not the indicated persons or the classification of customer risk type should be updated. In case of matching with the list of indicated persons of AMLO, the system should notify then SF3-TH needs to report the transaction to AMLO within period of time as described by AMLO's regulation.

Currently, there is the existing application named "Notify AMLO" which is quite manually working, then BMW would like to replace "Notify AMLO" application with the "Legal Application" which will be more automatic, sufficient and effective.

Besides, BMW still needs to comply with the Bankruptcy Act B.E. 2483 so the Legal Application should compose of the bankrupted name list which will obtain from the other vendor named "Kateraengpetch Law Office" conduct checking

### 1.2 System Overview

The system should be built as a platform that can be used to manage the ongoing AML/WMD and KYC/CDD requirements and ensure that BMM Leasing (Thailand) Co., Ltd. complies with local laws and regulations as well as BMW Group Anti-Money Laundering Policy. The solutions should provide these following functionalities:

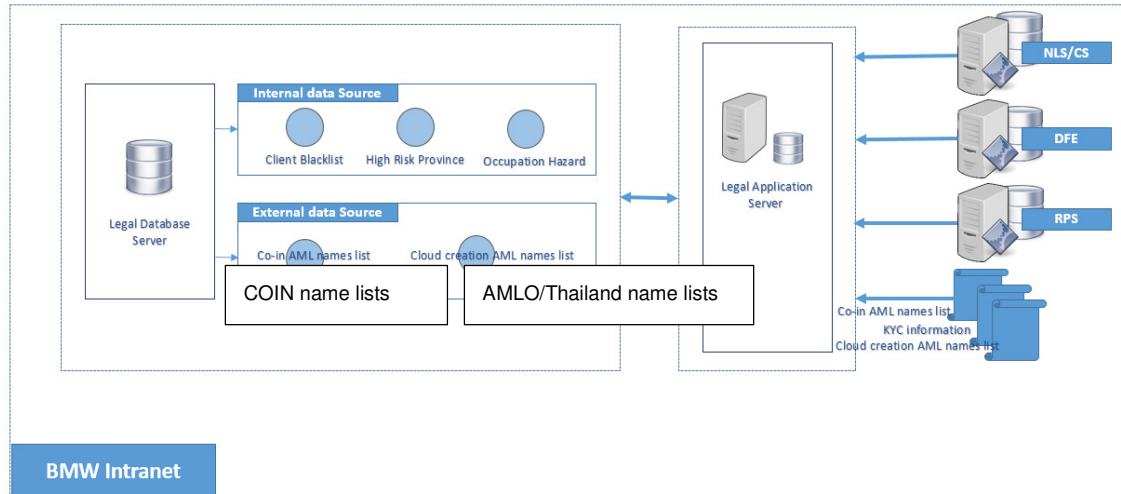
- ☐ Conduct CDD checks on individuals and corporate directors/shareholders and all third parties by transaction/ batch.
- ☐ Improve efficiency compliance checks providing a profile risk score Freeze, High, Medium, Low.
- ☐ Check for any sanctions against relevant parties in its business as well as the beneficiary owner.

The solution should consist of these following modules

1. **The Legal Application front end** that can allow
  - 1.1 The BMW users to check name(s) against AML list both by name, ID number, passport number (by transaction) and list of names (batch) and provide the hit list.
  - 1.2 The BMW users to update AML names list and KYC/CDD information.
2. The Legal database (**data source**) to integrate and manage diverse data sources.
3. Freeze transaction should be presented when the checked name is hit with the FREEZE list i.e. UN Sanction list or Thailand list (embargo list).
4. KYC-- a **risk score evaluation** based on BMW business rules which provide customers classification based of risk types—Freeze, High, Medium, Low.
5. Reporting – Provide information according to request, AML regulatory report, or delta report (i.e. the report that provide the change of legal information of AML names list or AML hit names list
6. Partial matching – the legal application should contain intelligence function of matching name in different spelling, but sound similar. Or other intelligence to capture all relatives of one suspect.
7. Manual intervene of matching selection – the legal application should provide the gateway to popup a screen therefore user (i.e. credit acceptance) can select/deselect

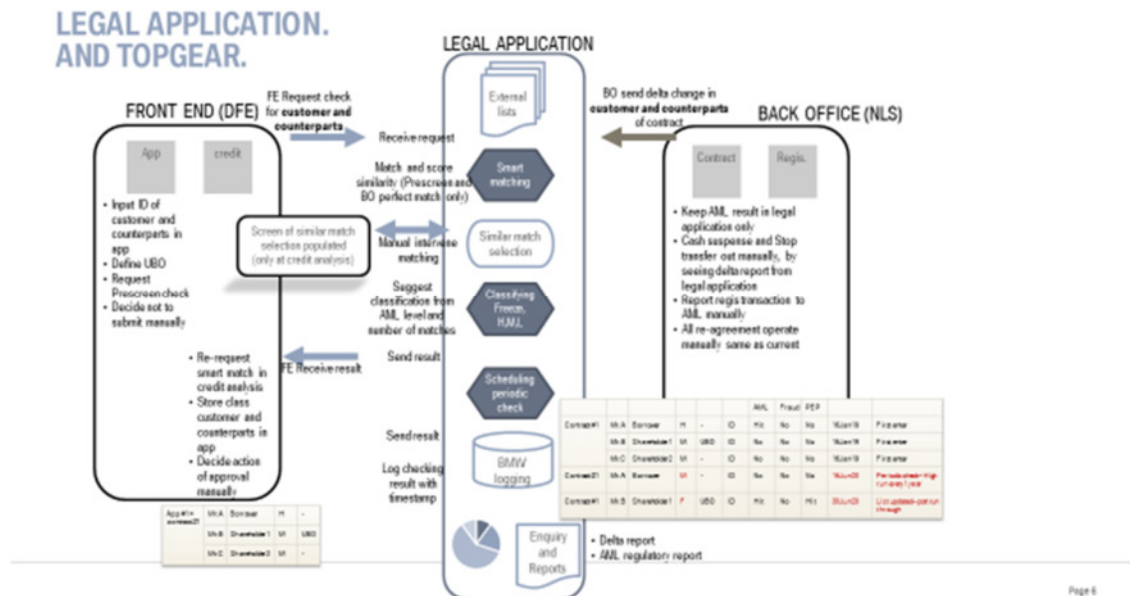
irrelevant matching. For example, the screen show 10 results from smart matching, then the system allow user who at time of use is on another system (i.e. new DFE) to select or deselect the match.

### 1.3 System Architecture

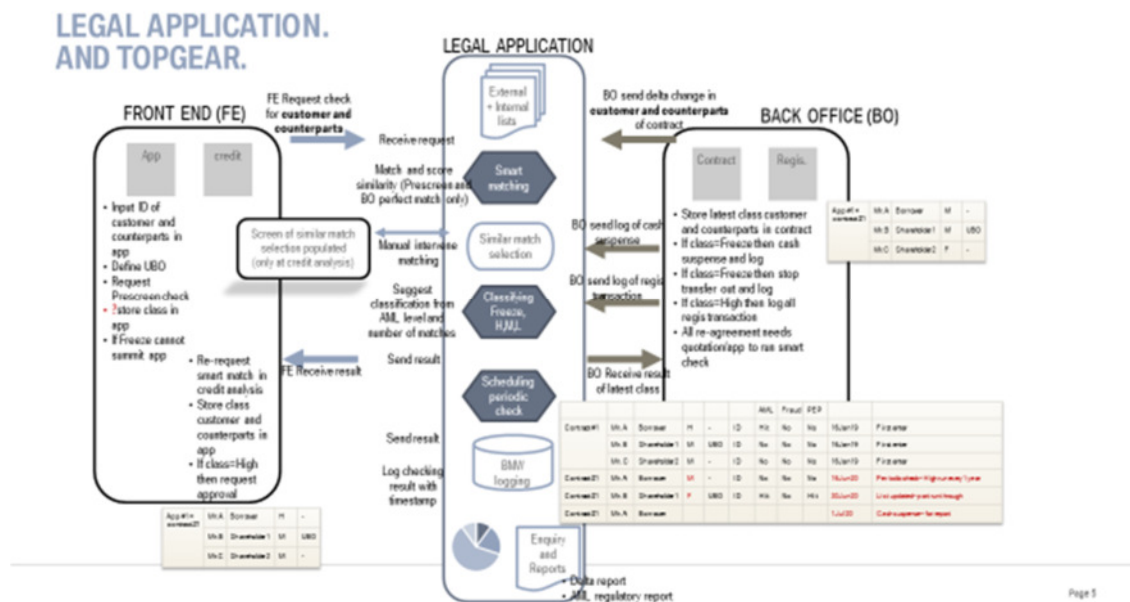


### 1.4 Objectives of the project

- 1.4.1 To conduct CDD Screen Check against the UN Sanction List and Thailand List (AMLO List) and stop/freeze the transaction in case of matching with those name lists.
- 1.4.2 To identify the Ultimate Beneficial Owner of each transaction.
- 1.4.3 To conduct customer risk type classification i.e. low, medium, high, Freeze, for both new customers and existing customers as well as counterparts.
- 1.4.4 To conduct CDD Pre-Screen check before making a payment or transferring the vehicle to the customers.
- 1.4.5 To run checking the list of customers against the name list which is obtained from Cloud Creation Co., Ltd., the solely supplier for AMLO, and provide the result of customer risk type classification and keep logging the changes in the Legal Application.
- 1.4.6 To interface the name list which receiving from COIN (BMW Group Compliance tool), Cloud Creation Co., Ltd. as well as Kateraengpetch Law Office.
- 1.4.7 To provide the result of CDD check to the existing systems i.e. NLS, RPS, etc. Present briefly below.



Here it presents briefly the expected features from legal application, and relates to new system.



### 1.5 Working package 1: CDD Screen Check

The potential candidate supplier has to full develop, mentor and train the clients in data quality. The supplier has to design and implement all AML requirements/matters regarding CDD check in the legal application for BMWL. The team should be able to coordinate the Legal Application with the current systems i.e. DFE, NLS, RPS, CFS as well as TopGear

(which will be implemented soonest. Also, provide the result to the current systems accordingly.

Provide a suitable solution for our business needs and document the elaborated solutions within project work plans. Constantly align those plans with the changing business needs and requirements. For all services an agile project methodology has to be applied. Focus on tracking the deliverables, milestones and effectively managing the tasks of project at the same time.

#### 1.5.1 Need of consultancy services within the working package.

The potential candidate supplier needs to provide the consultation regarding the implementation of KYC/CDD Pre-screen check via the automate screen. The supplier needs to develop the legal application which can conduct the primary automate screening check the customer and its counterparts information against the name list which obtaining from the external resources e.g. UN Sanction List, Thailand List, PEPs List, Bankrupted List by providing matching score both the 100% match i.e. identity card number, passport number or partially match e.g. showing only first name or last name. In case of hit with the indicated person the system should identify as the “Freeze” name list, then the legal application should provide the result to the existing systems then the existing systems could do the other processes manually.

However, the system should have smart matching function for similar alphabet e.g. กู, ย or ค,ข or พ,น as well.

The customer is meant to the customers both retail and commercial finance, employees, dealers, vendors, business partners, prospects or other third party.

#### 1.5.2 Results of the working package

Once BMWL conducts CDD Pre-screen check, the legal application should provide the result by matching score whether 100% match or partial match according to the user's selection. The types of result will be based on the type of name list which BMWL receives from the external sources or the setup by BMWL e.g. freeze, high risk (HR), fraud, bankrupted and whatsoever which will be added in the future.

#### 1.5.3 Timetable and deadline for the working package

The timetable for implementation of this AML project should be within May 2019. However, the test and acceptance for this Project shall be within June 2019.

Once the Legal Application is done. The result of test should be presented to BMWL Project Steering Committee.

### 1.6 Working package 2: Customer Classification

The potential candidate supplier needs to provide the consultation regarding the implementation of Customer Identification. In case the customer and its counterparts does not match with the indicated person as “Freeze” status then the Legal Application should identify the customer risk type i.e. low, medium, high based on each criteria i.e. occupation, position, area of business, Politician Exposed Persons (PEPs), products etc.

After the first checking, the customer risk type classification required for the periodical

update is carried out based on the risk assessments defined as part of the annual money laundering risk analysis i.e. low risk = every 3 years, medium risk = every 2 years or high risk = on a bi-annual period.

#### 1.6.1 Need of consultancy within the working package.

The potential candidate supplier needs to provide the consultation regarding the implementation of customer identification for BMWL. The Legal Application needs to be developed by setup the criteria for customer identification i.e. occupation, position, area of business, Politician Exposed Persons (PEPs), products etc. When BMWL obtains the name list from the external resources then Legal Application should classify the customer risk type and keep the status in its system.

For example, one suspect finds the match in more than one list

1. Similar last name in Fraud list. But different first name.
2. Similar last name in PEP list. But different first name.
3. Legal application will record match result from each list in its database.
4. Then the legal application classify this case as "High". Only one result to other system via interface file.

Once conducting running check via the batch file or item by item the Legal Application should classify the customer risk type and provide the response to the existing systems.

Besides, the Legal Application should have automate function to run batch checking periodically.

The customer is meant to the customers both retail and commercial finance, employees, dealers, vendors, business partners, prospects or other third party.

#### 1.6.2 Result of the working package

The result for this work package is the customer risk type which is classified by the legal criteria as setup. Once the Legal Application getting the request from the existing system to check then the Legal Application should provide the result of classified risk type to the existing system completely.

In case obtaining the new or update name list from the external resources then the Legal Application should run batch checking automatically and periodic updating of customer data as well as provide the response within T+1.

#### 1.6.3 Timetable and deadline for the working package

The timetable for implementation of this AML project should be within May 2019. However, the test and acceptance for this Project shall be within June 2019.

Once the Legal Application is done. The result of test should be presented to BMWL Project Steering Committee.

### 1.7 Working package 3: Logging and reporting

The potential candidate supplier needs to provide the consultation regarding how to log record in the Legal Application as well as consulting in order to get the smart report which fulfil the business operations regarding the AML matters.

### 1.7.1 Need of consultancy within the working package.

The potential candidate supplier needs to provide the Legal Application which can log record when:

- Obtaining the name list from the external resources.
- User access to conduct CDD Pre-screen check as well as conduct check or verify the customer risk type For example, one suspect find the match in more than one list
  - o Similar last name in Fraud list. But different first name.
  - o Similar last name in PEP list. But different first name.
  - o Legal application will record match result from each list in its database.
  - o Then the legal application classify this case as "High". Only one result to other system via interface file.
- Update or change the status based on each criteria which receiving from the external resources.
- Other criteria which will be set in the future.
- User requests for the report of the classification of customer risk type based on each status e.g low, medium, high, fraud, bankrupted, etc.
- Create the monthly report when the status changes.
- Show as the dashboard or graph for AML stat.

### 1.7.2 Result of the working package

The result for this work package is the log report as well as smart report according to the customer's request i.e. report of status change, user access report, updating status report per each criteria. The report should be kept in the system according to the legal prescription.

### 1.7.3 Timetable and deadline for the working package

The timetable for implementation of this AML project should be within May 2019. However, the test and acceptance for this Project shall be within June 2019.

Once the Legal Application is done. The result of test should be presented to BMWL Project Steering Committee.

## 2 Selection process

### 2.1 Deadline for the submission of bids

BMW must have received all bids by date of submission 29 March 2019 (Tentative), 17:30 o'clock.

All items that the bidder considers unfounded, that need to be changed, or that missing in the list of services have to be commented in writing immediately.



## **2.2 Briefing of bidders**

Prior to the submission of bids, all bidders shall have the opportunity to discuss with members of the project team about the list of services, to obtain the knowledge required of the consultancy to be offered. All bidders shall furthermore have the opportunity to ask questions for the purpose of better understanding, ensuring that the bids submitted to BMW are comparable in technical terms and sufficiently detailed.

Briefings shall take place on 18 March 2019 according to individual appointment.

Please contact the respective project members (see chapter 3.3) in time.

## **2.3 Presentation of bids**

After the submission of bids, bidders will be invited to present their respective bids and the planned project team/contributors to the project. It should be noted that during the presentation the potential project team shall be present as well. The bids shall be not presented by the managing director only but by the potential project team members, so that the BMW project team gets an impression of them.

The following criteria shall be decisive for choosing the best bid:

- The proposed service offering presented to BMW
- The know-how of the respective team and his specific project-related and professional experience with similar projects of a comparable kind.
- Resources made available by the bidder (timeframe/specific forms of cooperation)
- Additional experience (know-how) in the industry/sector involved
- Specific project experience (know-how)
- Technical and professional skills of the bidder
- Cost of the bid

The appointments for presentations of selected bidders will be informed later after briefing session.

## **2.4 Commercial negotiation**

In case your concept, quotation and presentation will meet BMW requirements you will be invited for negotiation by the purchasing department.

The appointments for presentations of selected bidders will be informed later after briefing session.

## **3 Administrative and commercial matters**

### **3.1 Bidding documents**

The present tender comprises the following documents which you are requested to examine. Please ensure that the documents are complete; otherwise, please request any documents still missing.

- List of services to be rendered

- General Contractual Terms and Conditions for IT Project Services, (Status 03/2012)

### **3.2 Confidentiality, return of documents, copyright**

The present tender documents (and all annexes/supporting material) shall be made available only to those departments of the company actually involved in the bidding process. Wherever a third company becomes involved in the bid, the name of such company shall be reported and a Secrecy and Confidentiality Agreement shall be signed. Should such a Secrecy and Confidentiality Agreement for conducting the project with BMW not be in place already, such Agreement must be signed from the outset in compiling the bid.

### **3.3 Questions on bidding documents**

All questions and inquiries regarding the contents of the bidding documents shall be addressed to:

#### **BMW Business Department**

Contact Person: Miss Kamolwan Kongsawat

Telephone: +66 2 305 4390

E-mail: kamolwan.kongsawat@bmw.co.th

#### **BMW Indirect Purchasing**

Contact Person: Miss Yupadee Yoosamran

Telephone: +66 2 305 8911

E-mail: Yupadee.yoosamran@bmw.co.th

### **3.4 General terms and Conditions of BMW contracts**

The successful bid shall be subject to General Contractual Terms and Conditions for IT Project Services, (Status 03/2012)

The bidder's general terms and conditions of contracts shall not be applicable. Contract documents of the bidder shall not be signed.

Bidders referring to their general terms and conditions of business and standard contracts shall be excluded from the tender.

### **3.5 Calculation of bids**

The price of the bid (quote) must include all additional cost items.

A detailed cost breakdown for every working package (incl. estimated working hours or days) must be provided. In case BMW provides a price sheet, the offer structure has to be provided. All cost needs to be detailed incl. external cost and cost assumptions. Travel cost needs to be detailed as well.

### **3.6 Terms of Payment**

Payment of goods or services delivered or rendered will be made after goods receipt, acceptance, or confirmation of service within 30 days net in full.