



**EXPRESSION OF INTEREST:**

**POTENTIAL BIDDERS ARE REQUIRED TO NOTIFY THE LAND BANK SUPPLY CHAIN DEPARTMENT OF THEIR INTENTION TO TENDER FOR THE ABOVE MENTIONED TENDER**

**NOTIFICATION OF INTENT TO BID FOR THIS TENDER WILL ALLOW THE SUPPLY CHAIN DEPARTMENT TO SHARE CRITICAL INFORMATION DURING THE DURATION OF THE TENDER**

**POTENTIAL BIDDERS ARE TO SUBMIT THE FOLLOWING DETAILS VIA E-MAIL TO**

**NAME OF COMPANY:**

**CONTACT PERSON(S):** [Prince Kotu](#)

**PHONE:** [012 686 0500](#)

**E-MAIL ADDRESS:** [Pkotu@landbank.co.za](mailto:Pkotu@landbank.co.za)



## **REQUEST FOR PROPOSAL**

# **APPOINTMENT OF A PANEL OF ASSET MANAGERS TO MANAGE LBIC AND LBLIC INVESTMENTS FOR A PERIOD OF FIVE (5) YEARS**

**T03/03/24**

The Land and Agricultural  
Development Bank of South Africa  
P O Box 375 Pretoria 0001  
272 Lenchen Avenue, Lakefield Office Park,  
Building A, First Floor,  
Die Hoewes, Centurion  
Telephone (012) 686 0500 Toll-free  
0800 00 52 59  
E-mail address: [info@landbank.co.za](mailto:info@landbank.co.za) Web  
address: [www.landbank.co.za](http://www.landbank.co.za)  
**Registered credit provider: Reg  
number NCRCP18**

E-mail address: [lbic@landbank.co.za](mailto:lbic@landbank.co.za)

Ms E Pillay (Chairperson), Mr T Siphugu (Managing Director), Mr SDC Masuku, Ms M Bosman, Ms D Subbiah, Mr KG Sukdev, Prof J  
Kirsten, Adv D Van Der Westhuizen

Adv B Raseroka (Company Secretary)



**TABLE OF CONTENTS**

**1. INVITATION TO TENDER..... 4**

**2. DEFINITION OF TERMS..... Error! Bookmark not defined.2**

**3. OVERVIEW OF LAND BANK ..... 4**

**4. BACKGROUND AND SCOPE OF WORK ..... 5**

**5. PREFERENCE AND FINANCIAL EVALUATION ..... 15**

**6. COSTING ..... Error! Bookmark not defined.16**

**7. OBJECTIVE CRITERIA & RISK ANALYSIS..... 16**

**8. TERMS OF CONTRACT ..... 18**

**9. GENERAL MANDATORY CONDITIONS..... 18**

**10. SUBMISSION REQUIREMENTS..... 19**

**12. TERMS OF CONTRACT ..... 19**

**13. PROTECTION OF PERSONAL INFORMATION ..... 19**

**ANNEXURE A: VENDOR INFORMATION SHEET**

**ANNEXURE B: DECLARATION OF INTEREST**

**ANNEXURE C: COVENANT OF INTERGRITY**

**ANNEXURE D: FICA REQUIREMENTS**

**ANNEXURE E: TERMS AND CONDITIONS**

**ANNEXURE F: DRAFT SERVICE LEVEL AGREEMENT**

**ANNEXURE G: BRIBERY AND CORRUPTION DECLARATION**

**ANNEXURE H: SBD 1 TAX COMPLIANCE**

**ANNEXURE I: SBD 6.1 PREFERENCE POINTS CLAIM FORM IN TERMS OF THE  
PREFERENTIAL PROCUREMENT REGULATIONS 2022**



## 1. **INVITATION TO TENDER**

Tender Number	T03/03/24
Title of this RFP	APPOINTMENT OF A PANEL OF ASSET MANAGERS TO MANAGE LBIC AND LBLIC INVESTMENTS FOR A PERIOD OF FIVE (5) YEARS
Issue Date	<b>Monday, 11 March 2024</b>
RFP Closing Date & Time	<b>Tuesday, 02 April 2024 @ 11:00</b>
Delivery Address	Land Bank Head Office, Tender Box
	Lakefield Office Park
	Building A, First Floor
	272 Lenchen Avenue (Cnr of Lenchen Avenue and West Avenue)
	Die Hoewes, Centurion
Originals to be submitted	1 Original proposal
Copies to be submitted	<b>1 soft copy (USB)</b>
Tender Validity Period	120 business days from the closing date *Land Bank may at its' discretion extend the tender validity period to shortlisted bidders

## 2. **OVERVIEW OF LAND BANK**

Established in 1912 to promote agricultural and rural development, the Land Bank provides production, instalment sale finance, and medium-term or mortgage loans to emerging and commercial farmers. From time to time, the Bank also administers other government programmes, such as drought relief schemes and flood assistance. The Land Bank as established by statute and regulated by the Land Bank Act 15 of 2002 ("Land Bank Act") is wholly-owned by the South African government, and is in turn the sole shareholder of Land Bank Insurance Company SOC Ltd ("LBIC") and Land Bank Life Insurance Company SOC Ltd ("LBLIC"), which provide insurance products in the agricultural sector. The Bank's objectives flow from the Land Bank Act, and are aligned with government policies and the country's socio-economic needs.

The Bank's objectives flow from the Land Bank Act, No. 15 of 2002, and are aligned with government policies and the country's socio-economic needs. The Bank is expected to play a pivotal role in advancing agriculture and rural development. Its broad mandate, as expressed in the Land Bank Act, covers 11 objectives:

- Equitable ownership of agricultural land, in particular increasing the ownership of agricultural land by historically disadvantaged persons



- Agrarian reform, land redistribution or development programmes aimed at historically disadvantaged persons
- Land access for agricultural purposes
- Agricultural entrepreneurship
- Removal of the legacy of racial and gender discrimination in agriculture
- Enhancing productivity, profitability, investment and innovation
- Growth of the agricultural sector and better use of land
- Environmental sustainability of land and related natural resources
- Rural development and job creation
- Commercial agriculture
- Food security

Land Bank is committed to contributing to socio-economic transformation in South Africa and will therefore be contributing to the Preference System of all suppliers who are compliant to the Broad-Based Black Economic Empowerment Act no.53 of 2003 and the Preferential Procurement Policy Framework Act no.5 of 2011.

### **3. BACKGROUND**

Established in 1912 to promote agricultural and rural development, the Land and Agricultural Development Bank of South Africa ("the Land Bank") provides production, instalment sale finance, and medium-term or mortgage loans to emerging and commercial farmers. From time to time, the Land Bank also administers other government programmes, such as drought relief schemes and flood assistance. The Land Bank is wholly-owned by the South African government, and is in turn the sole shareholder of Land Bank Insurance SOC Limited ("LBIC") and Land Bank Life Insurance SOC Limited ("LBLIC"), which provide insurance products in the agricultural sector.

The Bank's objectives flow from the Land Bank Act, No. 15 of 2002, and are aligned with government policies and the country's socio-economic needs. The Bank is expected to play a pivotal role in advancing agriculture and rural development. To ensure attainability of this primary focus, the Bank and its subsidiaries have identified enhancing financial sustainability as one of the key strategic priorities for developing an enabling agricultural and economic environment.

LBIC and LBLIC ("LBI") are wholly-owned subsidiaries of the Land Bank and conduct long-term insurance and short-term insurance respectively in the South African agricultural sector. LBIC offers crop insurance and agri-asset insurance to the agricultural sector, while LBLIC offers credit life products to the agricultural sector. LBIC operates in a volatile environment and therefore its investments are



crucial in the financial sustainability, liquidity and solvency of the company. LBLIC has built up a significant investment portfolio overtime and the main source of income is now derived from the investment income. The management of the investments consists of the Investment and Actuarial Committee ("IAC"), a sub-committee of the LBI Board of Directors ("the Board"), who is responsible for the Investment Policy and investment managements which are approved by the Board.

As a means to cement commitment to the recently approved budget and new investment strategy, LBI seeks innovative investment solutions to facilitate working capital operations and management of overall liquidity and yield enhancement. Throughout LBI's operations, the acceleration of the company's service delivery mandate as well as ensuring financial sustainability are prioritised. Cash surpluses are invested optimally on both a short and long-term basis with approved investment counterparties in line with approved Investment Policy Statement ("IPS") and regulations. LBI must ensure healthy and timely liquidity provision for the company to attain financial resilience.

Following the approval of the asset-liability management ("ALM") studies for LBIC and LBLIC collectively referred to as Land Bank Insurance ("LBI") in December 2023, a new investment strategy (optimal asset allocation and new investment targets) was approved by the LBI Board to be implemented in 2024. This revised ALM proposed investment structure will preserve investment capital while enhancing yield return and maintaining healthy/accessible liquidity. The next phase of the project entails finding new asset managers to implement the new investment strategy and manage LBI's investment portfolio in line with the IPS.

The current asset managers are on a month-to-month contract until the appointment of new asset managers following the termination issued in December 2021 for all asset managers. Transition-asset arrangements are in the process of being finalized in time of the new asset manager appointments.

Investment activities and decisions are governed by LBI's IPS, set and approved by the LBI's Board as recommended by the IAC. The IAC meets quarterly in January, April, July, and October every year and is responsible for recommending changes to the investment strategy, portfolio construction, asset manager appointments and their investment guidelines to the LBI Board. The LBI's internal investment unit sits in the actuarial team, supported by operations and accounting division as well as the externally appointed investment consultant. The unit is responsible for setting and executing the investment strategy and day-to-day management and monitoring of the investment portfolio and external fund managers. Fund reporting is currently conducted in-house by the company's actuarial and accounting units using instrument level data provided by its custodian, the appointed fund managers and corroborated with the investment consultant.



Both the LBLIC and LBIC are seeking to appoint a panel of new asset managers with suitable and proven track record for the purpose of liquidity management and yield enhancement, by establishing a panel of new asset managers, registered as financial service providers ("FSP") with the Financial Services Conduct Authority ("FSCA"), to manage the Board approved specialist asset classes in line with the Investment Policy and Portfolio Management Policies.

The investment strategy is implemented by appointing external fund managers. All contracts shall be managed on a segregated basis with bespoke investment guidelines. The following types and number of new asset managers are expected:

Description	Excess Capital in R'000 – LBLIC	Excess Capital in R'000 - LBIC
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• Domestic Cash and Money Market [22.5%]</li> <li>• Domestic Fixed Income [42.5%]</li> <li>• Domestic Equity (with listed property) [10%]</li> <li>• Domestic Hedge Funds (fixed income) [15%]</li> <li>• Foreign Equity (DM &amp; EM exposure) [10%]</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic Cash and Money Market [22.5%]</li> <li>• Domestic Fixed Income [77.5%]</li> <li>• Domestic Equity (with listed property) [0%]</li> <li>• Domestic Hedge Funds (fixed income) [0%]</li> <li>• Foreign Equity (DM &amp; EM exposure) [0%]</li> </ul>
<b>AUM (R'000)</b>	<b>R 1 351 082</b>	<b>R356 847</b>
<b>Return</b>	<b>CPI + 3.25%</b>	<b>CPI + 2.75%</b>

LBI is seeking to appoint 2-6 asset managers for specialist investment mandates as per the table below. The potential service providers should provide investment management services for specialist investment mandates to LBLIC and/or LBIC for a period of five ("5") years. The 5-year contractual period will be reviewed annually.

Asset Class	Estimate Assets in R'000 (LBIC + LBLIC) as at 31 Dec 2023	Number of Asset Managers for LBI
Domestic Cash & Money Market	R384 284	Asset Manager 1
Domestic Fixed Income (FI)	R850 766	Asset Manager 2 & Asset Manager 3
Domestic Equity (with listed property)	R135 108	Asset Manager 4
Domestic Hedge Funds (Fixed Income)	R202 662	Asset Manager 5
Foreign Equity (developing market (DM) & emerging market (EM))	R135 108	Asset Manager 6
Multi-Asset	R0	No Asset Manager
<b>Total AUM</b>	<b>R1 707 929</b>	<b>6</b>

The asset allocation to the panel of new asset managers will be conducted in line with the LBLIC and LBIC internal asset allocation. Kindly note that the same asset manager may be used for both domestic equity (with listed property) and foreign equity (developing market and emerging markets).

The top two asset manager/s per asset class shall be considered per entity prior to allocation to either of LBI, where we shall have two (2) asset managers on LBIC (1 cash, 2 fixed income) and then five (5) on LBLIC. However, the asset managers used on LBIC will be the same ones used on LBLIC, so that in total we only have 5 asset managers for LBI. The AUM that each asset manager will get will be the combined amount from LBIC and LBLIC, however, the SLA and investment mandate for each LBI entity will be different.



Asset Allocation in R'000	LBIC	LBIC Asset Managers	LBLIC	LBLIC Asset Managers	Total AUM - LBIC + LBLIC
Domestic Cash & Money Market (MM)	R80 291	Asset Manager 1	R303 993	Asset Manager 1	<b>R384 284</b>
Domestic Fixed Income (FI)	R138 278 R138 278	Asset Manager 2 Asset Manager 3	R287 105 R287 105	Asset Manager 2 Asset Manager 3	<b>R425 383</b> <b>R425 383</b>
Domestic Equity (with listed property)	R0		R135 108	Asset Manager 4	<b>R135 108</b>
Foreign Equity (DM & EM)	R0		R135 108	Asset Manager 4	<b>R135 108</b>
Domestic Hedge Funds (FI)	R0		R202 662	Asset Manager 5	<b>R202 662</b>
<b>Total</b>	<b>R356 847</b>		<b>R1 351 082</b>		<b>R1 707 929</b>

It should be noted that both a segregated mandate and combination of certain asset managers shall be utilised in allocating funds depending on the suitability. A bidder is expected to indicate which specialist asset class they are bidding for and whether it is for all specialist asset classes or certain asset classes. Where more than specialist class is bid for, the bidder shall provide relevant details and specifics, cascaded for that asset class in their submission.

#### **4. SCOPE OF WORK**

This tender shall apply to both LBIC and LBLIC tender, wherein LBI shall refer to both LBIC and LBLIC. Where possible, LBI may appoint the same asset manager for the same/common asset class for both entities, provided the asset manager has met the functional criteria, price and preferential points. Once assets/funds have been allocated, LBLIC and LBIC will give respective asset managers benchmarks which they are expected to outperform while adhering to investment mandates.

The objective will be for each manager to outperform their respective benchmarks while remaining within the investment guidelines and risk limits that will be set out their respective investment mandates. The asset manager will provide the LBI with the following services at a minimum:

Service	Description
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>Invest assets in line with the approved limits</li> </ul>
<b>Investment Benchmark</b>	<ul style="list-style-type: none"> <li>Outperform the respective benchmark whilst within the investment guidelines and risk limits</li> </ul>
<b>Attendance of Meetings</b>	<ul style="list-style-type: none"> <li>Attend IAC/Board meetings on a quarterly basis as-and-when required by the LBI</li> </ul>
<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>Report on credit risk of invested instruments/issuers on a monthly basis</li> </ul>
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>Report on market risk of invested instruments/issuers on a monthly basis</li> </ul>
<b>Data</b>	<ul style="list-style-type: none"> <li>Provide LBI with timeous, complete and accurate data for the purposes of investment reporting and prudential reporting on a monthly basis</li> </ul>
<b>Transition Asset Management</b>	<ul style="list-style-type: none"> <li>Assist with asset transitions as-and-when required</li> </ul>
<b>Asset management fee</b>	<ul style="list-style-type: none"> <li>Investment fee invoices on a monthly basis</li> <li>Provide investment fee calculations on a monthly basis</li> <li>Disclosure of explicit fees</li> </ul>
<b>Performance fee (if applicable)</b>	<ul style="list-style-type: none"> <li>Performance fee calculations and disclosures on an annual basis</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>Report on investment performance of the fund on a regular basis or as-and-when requested by LBI</li> <li>Produce ASISA SAM reports for the underlying holdings up to the standard required by LBI on a monthly, quarterly and annual basis to enable LBI's market risk requirements</li> </ul>





<b>Other Matters (where relevant)</b>	<ul style="list-style-type: none"> <li>• Provide investment communication regularly</li> <li>• To respond to all ad hoc requests from LBI within 24 (Twenty-Four) hours. Any deviation has to be approved by LBI</li> </ul>
---------------------------------------	---

These deliverables are not exhaustive, as such the service provider would be expected to give guidance and offer advice on any areas that may not have been listed in the list above, which the service provider reasonably believes are necessary and relevant to the company’s circumstance.

Bidders are requested to demonstrate their responses on the scope of work items listed above. **A bidder is expected to indicate whether they are bidding for all specialist asset classes, specific asset class or certain asset classes. A bidder can be appointed for one or more specialist asset classes, provided that they meet the functional requirements; price and preferential points.**

## **5. EVALUATIONS**

The functional evaluation will comprise of two (2) components

### **Phase I: Qualifying Criteria**

During this phase, bid responses will be reviewed for purposes of assessing compliance with the minimum requirements listed below:

<b>Qualifying Criteria</b>	<b>Yes</b>	<b>No</b>
<i>Proof of Registration with the Registrar of Financial Service Providers within FSCA</i>		
<i>Professional Indemnity Cover (certificate)</i>		
<i>Confirmation of registration on the National Treasury Central Supplier Database (CSD)</i>		

Failure to comply with any of the requirements listed above may lead to disqualification of bids and not considered for further evaluation on the Functional Evaluation.

A failure to comply with this requirement may, within the sole discretion of the LBI, result in disqualification / bid invalidation of the relevant entity.

### **Phase II: Technical Evaluation**

In this phase, bidders are required to submit a proposal which will be evaluated based on the functional criteria set out below. The bidder is expected to obtain the minimum technical threshold of seventy (70) points out of a possible one hundred (100) from the evaluation of proposals to thereafter qualify for presentations.

Criteria	Description	Weight (%)
<b>Assets Under Management ("AUM")</b>	<p>Assets Under Management representing the size of portfolio/s managing:</p> <ul style="list-style-type: none"> <li>• Non-response Score of [0]</li> <li>• &lt; R1 billion Score of [1]</li> <li>• R1 billion – R4.999billion Score of [2]</li> <li>• R5billion – R9.999billion Score of [3]</li> <li>• R10billion – R19.999billion Score of [4]</li> <li>• &gt;R20 billion Score of [5]</li> </ul>	5
<b>Fee Structure1</b>	<p>Fees impact the net return on investments and are an important consideration:</p> <ul style="list-style-type: none"> <li>• Excellent [4-5 points]: Low fees.</li> <li>• Good [4 points]: Attractive fees.</li> <li>• Reasonable [3 points]: Competitive fees.</li> <li>• Poor [2-1 point]: High to exorbitant fees.</li> <li>• Non-response will attract 0 points.</li> </ul> <p>Where performance fees or sliding scale fees are included or indicated, these shall be included as part of the overall fee structure in line with the AUM. A bidder is expected to provide their preferred fee structure.</p>	10
<b>Track Record</b>	<p>Provide details of your organisation's track record in the cash management and/or asset management environment. Organisations' years of experience:</p> <ul style="list-style-type: none"> <li>• Non-response Score of [0]</li> <li>• &lt; 3 years Score of [1]</li> <li>• 3 years - 5 years Score of [2]</li> <li>• 5 years - 10 years Score of [3]</li> <li>• 10 years - 15 years Score of [4]</li> <li>• &gt; 15 years Score of [5]</li> </ul> <p>At least three (3) references for the appropriate asset class of prior asset management services must be provided by the bidder.</p>	20
<b>Risk-adjusted Performance</b>	<p>This measures the return of an investment relative to its risk, measured over a rolling 5-year period:</p> <ul style="list-style-type: none"> <li>• Excellent [4-5 points]: Sharpe ratio and information ratio above one. Ratios above 2 with a real return greater than 1% will received a score of 5</li> </ul>	20

(1) 1 Criteria/guideline for fee structure scoring is shown below this table

	<p>points.</p> <ul style="list-style-type: none"> <li>• Good [2-3 points]: Positive ratios but below one.</li> <li>• Poor [1 point]: Negative ratios.</li> <li>• Non-response [0 point].</li> </ul> <p>Asset managers are expected to provide historic statistics on investment returns, information ratio, Sharpe ratio as well as any other additional quantitative information.</p>	
<b>Investment Process and Philosophy</b>	<p>A clear, unique, and well-defined investment process is crucial for consistent performance and helps in understanding how decisions are made. It also indicates a strategic approach to investment, tailored to specific objectives:</p> <ul style="list-style-type: none"> <li>• Excellent [4-5 points]: Clear, unique, and well-defined process and philosophy.</li> <li>• Good [2-3 points]: Somewhat clear and consistent process and philosophy.</li> <li>• Poor [1 point]: Difficult to understand, inconsistent process and philosophy.</li> <li>• Non-response [0 point].</li> </ul>	15
<b>Investment Team Experience and Skills</b>	<p>Portfolio Manager and Key Team Members' Industry, Company, and Relevant Asset Class Experience. For fairness, each bidder will only be scored for up to 5 of their most qualified team members:</p> <p><b>Industry Experience:</b> Evaluate the depth of experience of the portfolio manager and key team members in the industry:</p> <ul style="list-style-type: none"> <li>• Non-response                      Score of [0]</li> <li>• &lt; 5 years                              Score of [1]</li> <li>• 5 years - 10 years                      Score of [2]</li> <li>• 10 years - 15 years                      Score of [3]</li> <li>• 15 years - 20 years                      Score of [4]</li> <li>• &gt; 20 years                              Score of [5]</li> </ul> <p>CVs, qualifications, and relevant certifications, like CFA of the key staff members involved should be provided to be attached on the technical proposals as proof along with tenure of the investment team.</p>	5
	<p><b>Company Tenure:</b> Assess the duration of the portfolio manager and key team members with the current firm:</p> <ul style="list-style-type: none"> <li>• Non-response                      Score of [0]</li> <li>• &lt; 3 years                              Score of [1]</li> <li>• 3 years - 5 years                      Score of [2]</li> <li>• 5 years - 10 years                      Score of [3]</li> <li>• 10 years - 15 years                      Score of [4]</li> <li>• &gt; 15 years                              Score of [5]</li> </ul>	5

	<p><b>Asset Class Experience:</b> Evaluate the experience of the portfolio manager and key team members in specific asset classes or investment strategies:</p> <ul style="list-style-type: none"> <li>• Non-response: Score of [0]</li> <li>• No relevant experience: less than 1 year Score of [1]</li> <li>• Limited experience: 1 – 5 years Score of [2]</li> <li>• Moderate experience: 5 – 10 years Score of [3]</li> <li>• Extensive experience: 10 – 15 years Score of [4]</li> <li>• Expert-level experience: 15+ years Score of [5]</li> </ul>	5
	<p><b>Key man Risk and Operational Infrastructure:</b> Evaluate the firm’s operational infrastructure and measures in place to mitigate key man risks:</p> <ul style="list-style-type: none"> <li>• <i>Non-response (Score 0):</i></li> <li>• <i>Poor infrastructure with significant key man risks (Score 1):</i> Indicates inadequate systems and processes, with lack of robust process documentation. Company has heavy reliance on individual team member’s institutional knowledge, posing a significant risk to operations and decision-making. Operations can stall if certain key knowledgeable individuals are not available to manage the portfolio.</li> <li>• <i>Basic infrastructure with some key man risks (Score 2):</i> Represents foundational systems and processes, with minimal process documentation. Notable vulnerabilities related to key personnel with institutional knowledge. Requires further improvements to enhance operational resilience.</li> <li>• <i>Adequate infrastructure with minimal key man risks (Score 3):</i> Demonstrates sufficient systems and procedures, with moderate reliance on individual team members as knowledge is shared and process are adequately documented, allowing for effective risk management and operational continuity.</li> <li>• <i>Robust infrastructure with risk mitigation strategies for key man risks (Score 4):</i> Signifies advanced systems and protocols, with proactive measures in place to address key man risks, ensuring smooth operations and decision-making in the event of personnel changes. Processes are well documented and regularly updated.</li> <li>• <i>Advanced infrastructure with comprehensive key man risk solutions (Score 5):</i> Reflects cutting-edge technology and best practices, with comprehensive strategies to mitigate key man risks, resulting in resilient operations and superior performance under various circumstances.</li> </ul>	5
<p><b>Transformation</b></p>	<p>Evaluate the relevance and level of qualifications held by the investment team, focusing on those highly regarded within the investment industry and their applicability to the team’s roles and responsibilities within the investment process:</p> <p>Number of Black Actuaries (AMASSA/FASSA); Investment Professionals (Chartered Financial Analyst (“CFA”), Financial Risk Manager (“FRM”), Chartered Alternative Investment Analyst (“CAIA”) or similar qualifications (CA(SA), Master of Business Administration (“MBA”), or higher degree in finance or related field, PhD, etc.) in the investment team. Award points based on the number and composition of the black professionals, including commitment to development and transformation.</p>	5



	CVs, qualifications, and relevant certifications, like CFA of the key staff members involved should be provided to be attached on the technical proposals as proof along with tenure of the investment team.	
<b>ESG and Responsible Investing</b>	ESG (Environmental, Social, and Governance) analysis plays a crucial role in identifying opportunities and risks during the investment process, therefore a bidder is expected to address the elements of ESG, Responsible Investment and CRISA Principles in their response. How ES is incorporate into the investment process and any ESG reporting and compliance.	5
<b>Total</b>		<b>100</b>



Fund management fees must be charged by asset managers for assets under management (AUM) only. The management fee on the portfolio must be fixed up to a maximum of 0.65% per annum for LBLIC and 0.45% for LBIC or applied on a downward sliding scale with an upper threshold of 0.4% per annum for LBLIC and 0.35% per annum for LBIC. Management fees must be in absolute terms charged per annum. Where performance fees or sliding scale fees are included or indicated, these shall be included as part of the overall fee structure in line with the AUM.

A bidder is expected to provide their preferred fee structure. The criteria for fee evaluation shall be considered in line with the following fee table for each asset class:

	Local Equity	Global Equity	Fixed Income	Money Market	Hedge Funds (FoF)
Excellent [4-5 points]: Low fees.	0.4% - 0.5%	0.5% - 0.6%	0.25% - 0.35%	0.1% - 0.15%	1.15% - 1.4%
Good [4 points]: Attractive fees.	0.5% - 0.6%	0.6% - 0.75%	0.35% - 0.40%	0.15% - 0.20%	1.4% - 1.5%
Reasonable [3 points]: Competitive fees.	0.6% - 0.7%	0.75% - 1%	0.40% - 0.45%	0.20% - 0.25%	1.5% - 1.65%
Poor [2-1 point]: High to exorbitant fees.	0.7%+	1%+	0.45%+	0.25%+	1.65%+

**Minimum score required to move onto the next phase of the tender: 70**

RATING METHOD TO BE USED FOR THE PRESENTATION EVALUATION:

Points	Interpretation
0	Non Responsive
1	Poor
2	Average
3	Good
4	Very good
5	Excellent

Only bidders that meet an overall minimum threshold of 70 points out of a possible 100 points will proceed to the next phase of Preference and Financial Evaluation.

## **6. COSTING**

Bidders must submit a detailed and signed Pricing Schedule in accordance with their pricing methodology.

All pricing assumptions, excluded costs and estimated costs must be clearly documented. To guide in the assumptions process, the fees as % of the AUM per asset case, per LBI entity and on the overall,



the following table may be used to indicate the asset manager pricing schedule in line with the AUM depicted below:

<b>* Assets Under Management (AUM) Per Specialist Asset Class</b>	<b>LBIC</b>	<b>LBLIC</b>	<b>Total</b>
Domestic Cash & Money Market	R80 291	R303 993	<b>R384 284</b>
Domestic Fixed Income (FI)	R276 556	R574 210	<b>R850 766</b>
Domestic Equity (with listed property)	R0	R135 108	<b>R135 108</b>
Domestic Hedge Funds (Fixed Income)	R0	R202 662	<b>R202 662</b>
Foreign Equity (developing market (DM) & emerging market (EM))	R0	R135 108	<b>R135 108</b>
<b>Total AUM as at 31 December 2023</b>	<b>R356 847</b>	<b>R1 351 082</b>	<b>R1 707 929</b>
* Where a sliding-scale is utilised, the asset manager must expressed the fee% in line with the LBI AUM per entity and what would be the overall fee if given both LBIC and LBLIC investment mandates for that asset class.			

All pricing shown must EXCLUDE VAT, with the VAT components being shown separately on all costed/priced items/services.

### **6.1 CONFIDENTIALITY**

The bidder will be required to sign a confidentiality agreement to ensure that LBI data and information is managed confidentially.

### **6.2 MISCELLANEOUS**

LBI reserves the right, in its sole and absolute discretion to amend these terms of reference as required from time to time.

## **7. PREFERENCE AND FINANCIAL EVALUATION**

### **Phase 2: PRICE AND B-BBEE**

This phase is the final stage in the evaluation process and only successful bidders that have met the minimum requirements in the functionality phase will be considered. In this phase only price and B-BBEE will be considered. To qualify for B-BBEE points a valid B-BBEE certificate needs to be submitted with this bid.

The bidder will be allowed to score up to a maximum of 20 points depending on the bidder's level contributor status as per the LBI B-BBEE Contributor level scorecard. The following table will be used to allocate points for B-BBEE where the 80/20 for all open tender requests shall apply. If a tenderer fails to meet Specific goals and submit proof, the tenderer will not be disqualified. However, be awarded 80/90 points for price and will score 0 points for Specific goals (out of 10/20):

<b>B-BBEE Status Level Contributor</b>	<b>Points allocated for B-BBEE Level Contributor</b>
1	10
2	8
3	6



4	4
5	2
6	2
7	0
8	0
Non-Compliant	0

The B-BBEE points will be awarded as per the rating certificate, the points for joint ventures (JV) or consortiums will be awarded based on the certificate of the JV or the consortium.

The remaining ten (10) points will be allocated for B-BBEE bonus points as follows:

An EME or QSE which is at least 51% Black Owned	5 points
An EME or QSE which is at least 31% Black Owned by Women	5 points

LBI will evaluate all tenders in terms of Preferential Procurement Policy Framework Act No 2000 of 2017 (PPPFA). The scoring methodology will apply. A copy of the PPPFA regulations can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za).

The 80/20 preference point system will be utilised for this tender.

**Bidders are required to complete Annexure I SBD 6.1 in full to ensure all BBEE and sub-contracting information are submitted at the time of the bid closing.**

**A valid B-BBEE Certificate must be provided in this submission.**

## **8. OBJECTIVE CRITERIA & RISK ANALYSIS**

a. In addition to the financial offer and preference evaluation, the Tenderers having the highest ranking / number of points, will additionally be reviewed against the following points listed as "Other Objective Criteria" in terms of the PPPFA Regulations of 2017, in order to ascertain suitability for award.

- i. If having passed Qualifying Criteria, the tenderer will again be checked in terms of having a Compliant Tax Status at time of recommendation to confirm that the status has not changed, based on an active and Tax Complaint Pin issued by the South African Revenue Services
- ii. Fully compliant and registered with the National Treasury Central Supplier Database
- iii. No misrepresentation in the tender information submitted
- iv. Any non-performance on Land Bank / LBI projects
- v. The tenderer or any of its directors/shareholders is not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector; and





- vi. The tenderer has declared that there are no conflicts of interest which may impact on the tenderer's ability to perform the contract in the best interests of the employer or potentially compromise the tender process and persons in the employ of the state are permitted to submit tenders or participate in the contract
- vii. Convicted by a court of law for fraud and corruption
- viii. Removed from a contract between them and any organ of state on account of failure to perform on or comply with the contract
- ix. Unduly high or unduly low Tendered rates in the Tender offer. In this regard, a financial risk analysis will be performed to verify that the costs are reasonable and balanced. Tenders may be disqualified if tendered rates are found to be distorted
- x. In terms of unduly high Tendered fees in the Tender offer, refer to the PPR2017.

b. Land Bank may perform a due diligence exercise on the preferred tenderer to determine its risk-profile. The outcome of the due diligence exercise may be considered as an objective criterion. A due diligence exercise may include, but is not limited to, the following factors;

I. Financial Analysis of Tenderers Financial Statements

Financial health of the bidder may be assessed if deemed necessary, to ensure that the service provider will be able to operate as per required deliverables (Ratios: Accounts Receivable & Payable Turnover, Liquidity & Solvency). In the case of an unincorporated JV or a SPV, each partner of the entity must submit their financial statements and it will be consolidated to determine their capability to execute the applicable contract.

II. Judgements and criminal convictions

Land Bank may consider previous civil judgements against the preferred tenderer as part of its risk assessment. Land Bank may also consider whether the preferred tenderer or any of its directors have been-convicted of a serious offence.

III. Pending litigation

Land Bank may consider any pending litigation in a court of law or administrative tribunal as part of its risk assessment.

IV. Performance

Land Bank may consider the Service Provider having a history of poor performance on any task orders/purchase orders or contracts, including poor performance in respect of compliance with



policies or procedures regarding safety, health, quality control or environment, or having committed a serious and gross breach of contract.

V. Reputational-harm

If Land Bank is likely to suffer substantial reputational harm as a result of doing business with the preferred service provider, it may take this into account as part of its risk assessment.

The above set out other objective criteria may be clarified during the evaluation and correction of any non-compliance may be negotiated with the highest scoring tenderer, if possible. However, should the tenderer not comply with these requirements by the close of negotiations, Land Bank reserves have the right to award to the next ranked tenderer.

**9. TERMS OF CONTRACT**

Before the tender will be awarded, the successful tenderer will be required to enter into a service level agreement (SLA) with LBI. The SLA will form the contractual basis for the delivery of the service as well as how performance will be measured and will include the General Conditions of Contract.

**10. GENERAL MANDATORY CONDITIONS**

Responses must be concise outlining a detailed cost structure. All tenderers responding to this request for Proposals must provide the following statutory compliance documentation in order to be considered:

- Completed Vendor Accreditation Form
- Proof of registration to the Central Supplier Database (CSD)
- Cancelled cheque and/or stamped letter from the Bank
- All Supplier information and declaration of Interest forms must be properly completed, signed and stamped by a Commissioner of Oaths
- Any false declaration of information will result in the exclusion of the proposal from consideration
- Bidders to submit a tax compliance status (TCS) pin issued by SARS along with a valid tax clearance certificate
- A BEE certificate from a SANAS accredited rating agency or Affidavit substantiating the bidders B-BBEE rating
- Certified copy of Identity Documents of Shareholders/Directors
- In the case of Consortium or Joint Venture, bidders are required to provide copies of signed agreements stipulating the work split
- The LBI may invite bidders for an oral interview/presentation prior to the approval of a bid. Land Bank will not be liable for the costs incurred by the tenderer in connection with such interview.



## **11. SUBMISSION REQUIREMENTS**

Any service provider requiring clarification on any matter whatsoever, including questions relating to the specifications required of the service provider to perform this project or the tender and evaluation process must do so via e-mail and address such request to [Pkotu@landbank.co.za](mailto:Pkotu@landbank.co.za) and [BNkosi@landbank.co.za](mailto:BNkosi@landbank.co.za).

Proposals must be deposited in or couriered to the tender box at the reception area Land Bank Head Office, Tender Box, Lakefield Office Park, Building A, First Floor, 272 Lenchen Avenue (Cnr of Lenchen Avenue and West Avenue), Die Hoewes, Centurion on or before **Tuesday, 02 April 2024 @ 11:00**

## **12. FICA AND COMPLIANCE CHECKS**

LBI, in its capacity as an accountable institution, has a duty to verify the identity of all its clients in compliance with the Financial Intelligence Centre Act No 38 of 2001 (FICA).

The LBI shall thus conduct a comprehensive PEP screening on the successful bidder and therefore requests all bidders to submit the Know Your Customer (KYC) documents as listed in Annexure D of this RFP document.

The LBI reserves the right to not award any bidder in line with any potential negative findings.

## **13. TERMS OF CONTRACT**

Before the tender will be awarded and before the commencement of any work, the successful tenderer will enter into a Service Level Agreement with the LBI which will form the contractual basis for the delivery of the services as well as how performance will be measured and will include the General Conditions of the Contract.

The Service Provider will not proceed with any work, tasks or requests without being in possession of a duly signed Service Level Agreement or any other form of agreement, letter of intent, communicated to the Service Provider from the Land Bank Procurement Department.

Should the Service Provider commence with any work without a signed Service Level Agreement, the Service Provider will be doing so solely at their own risk and LBI will not be liable or be under any obligations whatsoever.

## **14. PROTECTION OF PERSONAL INFORMATION**

In submitting any information or documentation requested above or any other information that may be requested pursuant to this RFP, you are consenting to the processing by Land Bank/LBI or its



stakeholders of your personal information and all other personal information contained therein, as contemplated in the Protection of Personal Information Act, No.4 of 2013 and Regulations promulgated thereunder ("POPI Act"). You also consent that any information, either written or verbal, may be made available to third parties strictly for the purpose of oversight to this tenders' appointment. Further, you declare that you have obtained all consents required by the POPI Act or any other law applicable. Thus, you hereby indemnify Land Bank against any civil or criminal action, administrative fine or other penalty or loss that may arise because of the processing of any personal information that you submit.



**SUGGESTED COMPILATION OF BIDS**

**PLEASE ENSURE THAT THE SEPARATE ANNEXURES/FILES ARE NAMED ACCORDINGLY ON YOUR USB AND HARD COPY SUBMISSION**

Name of Firm	
CSD Registration Number	
Contact Person	
Contact Number	
Physical Address	
E-mail Address	
<b>Administrative</b>	
Annexure A: Vendor Accreditation Form	
Annexure B: Declaration of Interest Form	
Annexure C: Covenant of Integrity Declaration	
Annexure D: Land Bank FICA requirements	
Annexure E: Terms and Conditions	
Annexure F: Service Provider Agreement *This is included for informative purposes and does not need to be completed. *Successful bidder(s) will enter into the service provider agreement attached in this RFP, with the addition of their proposed financial submission, services, time lines, etc.	
Annexure G: Bribery & Corruption Declaration	
Annexure H: SBD 1 Tax Compliance	
Annexure I : SBD 6.1 Preference Points Claim Form In Terms Of The Preferential Procurement Regulations 2022 and BBBEE Certificate	
Annexure J: Valid BBBEE Certificate or Affidavit	
Annexure K: Tax compliance status (TCS) pin issued by SARS along with a valid tax clearance certificate	
Annexure L: Stamped / Electronic letter from the bank confirming banking details	
Annexure M: National Treasury's CSD Proof of registration	
Annexure N: Financial Proposal (In Microsoft Excel)	
Annexure O: Proof of Specific Goals	



**ANNEXURE A**

**Vendor information sheet**

SAP Registration number \_\_\_\_\_

1. Registration name of company \_\_\_\_\_

2. Company registration number \_\_\_\_\_

3. VAT number \_\_\_\_\_

4. Company details	Street address	Postal address
Building/complex _____	PO Box _____	
Street name _____	City _____	
Suburb _____	Code _____	
City _____	Suburb _____	
Code _____		
Telephone no _____	<b>Contact person</b> _____	
Fax no _____	<b>Direct Tel</b> _____	
E-mail _____	<b>Direct Fax</b> _____	

5. Payment terms \_\_\_\_\_

6. Payment must be made in (currency) \_\_\_\_\_

7. Bank detail Please attach banking details on an original letterhead signed by CEO/Director/s appearing on the letterhead.

Bank name _____	Branch _____
Type of account _____	(eg. Current account; Cheque account, Savings account, e.t.c)
Account number _____	Branch code _____

<b>8. Contact person for Account queries</b>	Name <u>Ms. Jeanette Raphalalani</u>
Cell no _____	Tel no <span style="border: 1px solid black; padding: 2px;"> </span>
E-mail <u>njraphala@landbank.co.za</u>	Fax no _____

**9. How much is the company's annual turnover? : R** \_\_\_\_\_

**10. Share holding** - (Please list Share holders with their % of share holding)

Title	Name	Identity number	Race	% share holding

**11. Business indicator** - mark with (X) in the bracket

HDP - Historically Disadvantaged Persons ( )	INT - International business ( )
EXB - Existing business ( )	JVB - Joint venture business ( )

**12. Additional**  
 List the commodities / service that you currently supply to Land Bank

Currently providing _____	Can provide _____
_____	_____
_____	_____

I the undersigned, confirm that the information provided on this vendor information sheet is accurate and contains no misrepresentations or omissions, and is based on current information known to me. I also undertake to immediately inform the Land Bank of any changes to the above furnished information. The Land Bank is hereby allowed to verify any of the details provided.

Name _____	Signature _____
Designation _____	Date _____

**FOR OFFICE USE ONLY (LAND BANK)**

Procurement Department

Name & Signature _____	Date: _____
------------------------	-------------



**ANNEXURE B  
BIDDER'S DISCLOSURE**

**1. PURPOSE OF THE FORM**

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

**2. Bidder's declaration**

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>2</sup> in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

<b>Full Name</b>	<b>Identity Number</b>	<b>Name of State institution</b>

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:  
 .....  
 .....

<sup>2</sup> the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.



2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

**YES/NO**

2.3.1 If so, furnish particulars:

.....  
.....

### **3 DECLARATION**

I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

---

<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.





I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder



## **CONVENANT OF INTERGRITY**

I, the undersigned,

\_\_\_\_\_ (Full Names)

do hereby make oath and state as follows:

1. I am:

1.1. an adult male/female aged \_\_\_\_\_;

1.2. presently employed as/carrying on business as \_\_\_\_\_ situated at \_\_\_\_\_.

2. The facts stated herein are both true and correct and within my personal knowledge and belief unless otherwise stated.

3. I hereby confirm that:

3.1. I am duly authorised to depose to this affidavit;

3.2. neither myself nor anyone acting on behalf of the tenderer is, or will be, engaged in any Prohibited Practice as defined in 4 below in connection in respect of any tendering process or in the provision of services and/or goods;

3.3. I will immediately inform Land bank of any instance of any such Prohibited Practice which comes to my attention and/or the attention of the tenderer and/or its employees or agents concerning the following;

3.3.1. if any of the tenderer's directors, employees or agents has been convicted in any court for any offence involving a Prohibited Practice in connection with any tendering process and/or the provision of goods or services during the 5 (five) years immediately preceding the date of this affidavit; and/or

3.3.2. if any of the tenderer's directors, employees or agents is dismissed or resigns from the tenderer's employment on grounds of being implicated in any Prohibited Practice.

3.4. I will provide Land Bank with full details of such conviction, dismissal or resignation and the measures taken to ensure that neither the tenderer nor any of its directors, employees or agents commits any Prohibited Practice in future.

3.5. In the event that the tenderer is awarded any business by land bank, the tenderer grants Land bank or its employees and/or agents the right of inspection of its records. The tenderer shall preserve such records in accordance with applicable law but in any case for at least 3 (three) years after conclusion of each transaction contemplated under the Request for Tender.

4. I acknowledge that for all purposes under this affidavit, the following terms and/or expressions below shall bear the meanings set out hereunder:

4.1. "Corrupt Practice" means the offering, giving or promising of any improper advantage to



influence the action of a Public Official, or the threatening of injury to his person, employment, property, rights or reputation, in connection with any procurement process or in the execution of any contract in order that any person may obtain or retain business improperly or obtain any other improper advantage in the conduct of business;

- 4.2. "Fraudulent Practice" means a dishonest statement or act of concealment which is intended to, or tends to, improperly influence the procurement process or the execution of a contract to the detriment or potential detriment of land bank or is designed to establish tender prices at non-competitive levels and/or to deprive land bank of the benefits of fair and open competition, and includes collusive practices (whether before or after tender submission) among tenderers or between a tenderer and a consultant or any employees or agents of Land bank;
- 4.3. "Public Official" means any person holding a legislative, administrative, managerial, political or judicial post in any country, or exercising any public function in any country or a director or employee of a public authority or of a legal person controlled by a public authority of any country, or a director or official of a public international organisation; and
- 4.4. "Prohibited Practice" means an act that is either a Corrupt Practice or a Fraudulent Practice.
5. I/We consent that Land Bank will process (by collecting, using, storing or otherwise dealing with) my/our personal information and that of third parties which I/we provide, for the purposes of providing services and products to me/us. The personal information will be processed in accordance with the requirements of the law. All personal information I/we provide to Land Bank is given voluntarily. However, if I/we withhold any personal information requested; withhold consent for or object to the processing of my/our personal information, this may result in Land Bank not establishing or continuing a relationship.

\_\_\_\_\_  
DEPONENT

Thus done and signed at \_\_\_\_\_ on this the \_\_\_\_\_ day of \_\_\_\_\_,

the Deponent having acknowledged that:

1. he/she knows and understands the contents of this declaration;
2. he/she has no objection to taking the prescribed oath; and
3. he/she considers the prescribed oath to be binding on his/her conscience.



Commissioner of Oaths Stamp

---

COMMISSIONER OF OATHS

---

FULL NAMES

---

CAPACITY

---

BUSINESS ADDRESS



## ANNEXURE D

Land Bank, in its capacity as an accountable institution, has a duty to verify the identity of all its clients in compliance with the Financial Intelligence Centre Act No 38 of 2001(FICA).

Know Your Customer (KYC) documents are required for each client transaction. The requirements for each entity type are listed below.

### Individuals

- Green, bar-coded Identity document (**also used for PEPs/Sanctioned screening purposes**) if not available valid reason why identity document could not be provided together with a valid Passport or valid driver's licence
- Valid Passport (for foreign nationals)
- Proof of physical residential address
- Authority to act (if applicable): power of attorney / letter of appointment from the court and Identity document, physical residential address and contact details of persons authorised to act
- Birth certificate (for minors under 18 years) and proof of authority (where minor is assisted by legal guardian)

### Unlisted Companies

#### South African

- Certificate of Incorporation (CM1 or CoR 15.1/CoR 14.1)
- Certified copy of Change of Name, if applicable (CM9 or CoR 9.1 or 2)
- Notice of Registered Office and Postal Address (CM22 or CoR 21)
- Current list of Directors (CM29 or CoR 39) (**also used for PEPs/Sanctioned screening purposes**)
- Authority to act: Directors' Resolution and/or Delegation of Authority
- In respect of the Principal Executive Officer, each Director, each Authorised person, and each shareholder holding more than 25% of the voting rights of the company:
  - Certified copy of the Identity document
  - residential address and contact details
- Proof of physical business address and trading/operating name
- **Beneficial ownership (warm body that owns the company) of the company. If the shareholder is another company, provide shareholder details and beneficial ownership. Process continues till we establish the ultimate beneficial owner. If the shareholder is a trust, the trust deed needs to be provided to identify and verify all trustees, founders and beneficiaries to the trust.**

#### Foreign

- Official Document of Incorporation (or CoR 17.1)
- Registration Certificate (CoR 17.3)
- If trading in RSA, documents for RSA unlisted companies
- Authority to act: Directors' Resolution
- Identity document/Passport, details of physical residential address and contact details of related parties and persons authorised to act( **also used for PEPs/Sanctioned screening purposes**)



- Proof of physical business address and trading/operating name

#### **Listed Companies**

- Registration Certificate (Registrar of Companies or equivalent regulator- foreign companies)
- Documentary evidence of listing (printout from the official website of the stock exchange on which the entity is listed is required)
- Authority to act: Directors' resolution
- Identity document proof of residence and contact details of persons authorised to act( **also used for PEPs/Sanctioned screening purposes**)

#### **Close corporations (CC)**

- Founding Statement and Certificate of Incorporation (CK1)
- Amended Founding Statement (CK2), (If applicable)
- Authority to act: Members' Resolution
- Identity document, physical residential address and contact details of each member, persons authorised to act and of the Person Exercising Executive control over the CC. (**also used for PEPs/Sanctioned screening purposes**)
- Proof of physical business address and trade name

Conversion of Close Corporation (If a Close Corporation converts to another entity type, the following forms are applicable)

- Form CoR 18.1 – Application to convert a Close Corporation
- Form CoR 18.3 – Registration Certificate

#### **Trusts**

- Trust Deed or other Founding Document
- A Foreign Trust: an official document reflecting appointment of Trustees issued by an authority in the country where the Trust is created
- Authority to act: Letter of Authority from the Master of the High Court and Trustees' Resolution
- Identity document, physical residential address and contact details of each trustee, each beneficiary, the founder and the persons authorised to act( **also used for PEPs/Sanctioned screening purposes**)
- Proof of registered address of Master of High Court (stamp on letter of authority)

#### **Partnerships**

- Partnership Agreement
- Authority to act: Partners' Resolution
- Identity document, physical residential address and contact details of all the partners and persons authorised to act and of the Person Exercising Executive control of the partnership(**also used for PEPs/Sanctioned screening purposes**)

#### **Professional partnerships**

- (Certain Partnerships consisting of more than (20) partners which are incorporated in terms of Section 30(2) of Company's Act 61 of 1963 which are recognized in terms of the relevant Government Gazettes examples are: Attorneys, Notaries and Conveyancers, Public Accountants and Auditors, Medical Practitioners, Pharmacists, Professional Engineers, Quantity Surveyors, Stockbrokers and Architect)



- Registration certificate (provide proof of registration of the partnership by a regulatory body)
- Partners Resolution (Authority to act)
- Identity document residential and contact details for Persons Authorised to Act and of the Person Exercising Executive control of the partnership (**also used for PEPs/Sanctioned screening purposes**)
- Proof of physical business address

### **PEPS**

Politically exposed person or PEP is the term used for an individual who is or has in the past been entrusted with prominent public functions in a particular country. The principles issued by the Wolfsberg Group of leading international financial institutions give an indication of best banking practice guidance on these issues. These principles are applicable to both domestic and international PEPs.

The following examples serve as aids in defining PEPs:

- Heads of State, Heads of Government and cabinet ministers;
- influential functionaries in nationalised industries and government administration;
- senior judges;
- senior political party functionaries;
- senior and/or influential officials, functionaries and military leaders and people with similar functions in international or supranational organisations;
- members of ruling or royal families;
- senior and/or influential representatives of religious organisations (if these functions are connected to political, judicial, military or administrative responsibilities).

According to the Wolfsberg principles, families and closely associated persons of PEPs should also be given special attention by a bank. The term "families" includes close family members such as spouses, children, parents and siblings and may also include other blood relatives and relatives by marriage. The category of "closely associated persons" includes close business colleagues and personal advisers/consultants to the PEP as well as persons, who obviously benefit significantly from being close to such a person.

A bank should conduct proper due diligence on both a PEP and the persons acting on his or her behalf. Similarly, KYC principles should be applied without exception to PEPs, families of PEPs and closely associated persons to the PEP.

### **Proof of physical residential/business address**

Any one of the following documents reflecting the physical/business address is acceptable:

- Utility bill (must be less than 3 months old, unless otherwise specified)
- Current lease or rental agreement
- Bank statement
- Municipal rates and taxes invoice
- Valid television licence
- Mortgage statement
- Telkom account
- Valid motor vehicle licence
- Insurance policy
- Tax return (less than 1-year-old)
- Letter from bank manager, medical practitioner, accountant, or attorney, on a formal letterhead, stating that they know the client for three years and confirming physical address



- Letter on letterhead, signed by board of trustees, directors' etc. confirming physical business address
- Correspondence from a body corporate or shareblock association
- Payslip or salary advice

All address verification documents must be valid and reflect the name and the current physical address of the client (legal property descriptions are also acceptable - e.g. erf/stand numbers).

#### Spouse/partner

Any of above documents for spouse, together with marriage certificate or if not available;

- Affidavit from person co-habiting with client, providing:

Name, identity number and physical residential address of client and co-habitant

Relationship between client and co-habitant

Confirmation that residential address is shared

#### Parent:

- Any of above documents for parent

- Must be accompanied by the child's birth certificate (for a minor)

If above documentation not available:

Visit to physical address by a Land Bank employee, or

Affidavit from client (as a last resort), providing:

- Name, identity number and physical residential address

- Confirmation that client resides at physical residential address

#### **Trade name (if this is not reflected on the proof of physical business address)**

Any one of the following documents reflecting the Trade Name is acceptable:

- An Original Company Letterhead
- Utility bill (less than three months old)
- Bank statement or financial statement from another financial institution (less than three months old)
- Valid lease or rental agreement (signed by all relevant parties)
- Municipal rates and taxes invoice (less than three months old)
- Mortgage statement from another financial institution (less than six months old)
- Telephone account i.e. a land-line or cell phone (less than three months old)
- An official tax return (less than one year old)
- An official tax assessment or official correspondence from the local revenue services (less than three months old)
- Valid television licence document
- A recent short-term insurance policy or a renewal letter (less than one-year-old)

#### **Definitions**

##### Principal Executive Officer

Refers to the principal executive officer such as the CEO, CFO, COO, MD, FD or any person who exercises executive control.





### Authorised Persons

These are individuals who are authorised to act on behalf of the Company/Legal Entity and who are authorised to establish a relationship with Land Bank on behalf of the company/legal entity.

Authority of Individuals purporting to act on behalf of the Company/Legal Entity:

- Duly executed Board Resolution authorising the opening of an account/establishment of the business relationship/conclusion of the transaction and conferring authority on those who will establish the business relationship/conclude the single transaction; OR
- Certified extract of the minutes proving authority; OR
- Original letter signed by the company secretary on the official company letterhead

If a 3rd party is acting on behalf of the Client(Individual) the following is required:

- Proof of authority (i.e.) power of attorney, mandate, resolution, court order,
- Letters of appointment by the Master of the High Court
- Individual FICA above, for the person who is acting on behalf of the Client (together with all the FICA documentation of the Client)

### Certified or Verified

We are required to hold originally certified/verified copies of the following documentation on record. Strictly, only clear, legible copies of identity and other documents will be accepted.

**Please provide the original or certified copies of the following documentation for each shareholder holding 25% or more of voting rights at a general meeting of the company:**

- South African (Pty) Company – Certificate of Incorporation and Notice of Registered Office and Postal Address, and a letterhead of the company;
- Listed Company – Latest Annual Report;
- Foreign Private Company: the official document reflecting the incorporation of the foreign company issued by the relevant registrar of companies or similar authority of the country of incorporation of the foreign company, reflecting the company's incorporation and bearing its name and number of incorporation and the address where it is situated for purposes of its incorporation, together with a letterhead of the company;
- Close Corporation – Founding Statement and Certificate of Incorporation and Amending Founding together with a letterhead of the close corporation.

*By submitting your information as requested above, you consent that Land Bank will process (by collecting, using, storing or otherwise dealing with) the personal information and that of third parties which is provide, for the purposes of providing services and products. The personal information will be processed in accordance with the requirements of the law. All personal information provided to Land Bank is given voluntarily. However, if you withhold any personal information requested;*



*withhold consent for or object to the processing of the personal information, this may result in Land Bank not establishing or continuing a relationship.*